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

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

PART 724—BURLEY, FLUE-CURED, FIRE-CURED, DARK AIR-CURED, VIRGINIA SUN-CURED, CIGAR-BINDER (TYPES 51 AND 52), CIGAR-FILLER AND BINDER (TYPES 42, 43, 44, 53, 54, AND 55), AND MARYLAND TOBACCO

Subpart—Determination and Announcement of Community Average Yields for Burley Tobacco Determined Under Section 317 of the Agricultural Adjustment Act of 1938, as Amended

Basis and purpose. Section 724.36n is issued pursuant to and in accordance with the Agricultural Adjustment Act of 1938, as amended, particularly by Public Law 89-12 (79 Stat. 66), approved April 16, 1965 (7 U.S.C. 1314c), to determine and announce community average yields for burley tobacco under section 317 of the Act.

Notice that the Secretary was preparing to make certain determinations with respect to marketing quotas on an acreage-poundage basis for burley tobacco for the 1967–68 marketing year, including community average yields per acre, was given in the November 15, 1966 issue of the FEDERAL REGISTER (31 F.R. 14560). The community average yields contained in § 724.36n were established after consideration of the data and recommendations received pursuant to such notices within the limits permitted by the Act.

Section 317(a)(5) of the Act provides:

(5) The "community average yield" means for flue-cured tobacco the average yield per acre in the community designated by the Secretary as a local administrative area under the provisions of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, which is determined by averaging the yields per acre for the 3 highest years of the 5 years 1959 to 1963, inclusive, except that if the yield for any of the 3 highest years is less than 80 per centum of the average for the 3 years then that year or years shall be eliminated and the average of the remaining years shall be the community average yield. Community average yields for other kinds of tobacco shall be determined in like manner, except that the 5 years 1960 to 1964, inclusive, may be used instead of the period 1959 to 1963, as determined by the Secretary.

The community average yields set forth in § 724.36n have been determined on the basis of the 5 years from 1960 to 1964, inclusive, from the latest available statistics of the Federal Government in accordance with the provisions of section 317(a)(5) of the act quoted above. Section 317 of the Act also provides that in counties where less than 500 acres of the kind of tobacco for which the determination is being made were allotted in the last year of the 5-year period, the county may be considered as one community. Where this rule has been applied, only one community per county is shown in the determination.

The Act requires the holding of a special referendum of burley tobacco farmers within 45 days after the announcement of the national marketing quota on an acreage-poundage basis for the 1967–68 marketing year, the national acreage allotment, and the national average yield goal, to determine whether they favor or oppose quotas on an acreage-poundage basis for the 3 marketing years beginning October 1, 1967, October 1, 1968, and October 1, 1969. Since burley tobacco farm operators must, under section 317 of the Act, be notified, insofar as practicable, of the marketing quotas for their farms at least 15 days prior to the special referendum and community average yields are required in the determination of farm yields and farm marketing quotas, it is hereby found that compliance with the 30-day effective date provision of 5 U.S.C. 553 is impracticable and contrary to the public interest. Therefore, the community average yields contained herein shall become effective upon the date of filing of this document with the Director, Office of the Federal Register.

Sections 724.35p and 724.35q were applicable to the determination of farm marketing quotas on an acreage-poundage basis for burley tobacco for the 1966–67 marketing year, but for the 1967–68 marketing year the regulations in § 724.36n will be applicable. Accordingly, §§ 724.35p and 724.35q are hereby repealed and a new § 724.36n is added as follows:

§§ 724.35p, 724.35q [Revoked]

§ 724.36n Community average yields for burley tobacco.

The following table sets forth the community average yields which are hereby determined for burley tobacco. The community average yields are expressed in terms of pounds per acre.

BURLEY TOBACCO COMMUNITY AVERAGE YIELDS DETERMINED UNDER SEC. 317 OF AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

ALABAMA

County and community	Community average yield
Blount:	
1 community	1,924
Clay:	
1 community	[1] 1,855
Cullman:	
1 community	1,753
Jackson:	
1 community	[2] 0
Lauderdale:	
1 community	[1] 1,362
Limestone:	
1 community	[1] 627
Madison:	
1 community	1,628
Marshall:	
1 community	1,022
Etowah:	
1 community	[2] 0

ARKANSAS

Boone:	
1 community	1,742
Carroll:	
1 community	1,329
Newton:	
1 community	[1] 2,010
Randolph:	
1 community	[1] 1,075

GEORGIA

Bartow:	
1 community	[2] 0
Catoosa:	
1 community	1,709
Chatooga:	
1 community	[2] 0
Fannin:	
1 community	1,471
Gilmer:	
1 community	[1] 1,567
Habersham:	
1 community	1,795
Murray:	
1 community	1,494
Putnam:	
1 community	2,779
Towns:	
1 community	1,786
Union:	
1 community	1,658
White:	
1 community	[1] 1,352
Whitfield:	
1 community	[1] 1,572

ILLINOIS

Hamilton:	
1 community	2,193
Massac:	
1 community	2,064
Union:	
1 community	[2] 0

INDIANA

Bartholomew:	
1 community	1,987
Brown:	
1 community	1,702
Clark:	
Bethlehem	2,257
Carr	1,868
Charlestown	2,117
Jeffersonville	1,140
Monroe	1,923
Oregon	2,185
Owen	2,023
Silver Creek	2,070
Union	1,985
Utica	1,811
Washington	2,340
Wood	2,008
Crawford:	
1 community	1,927
Daviess:	
1 community	[2] 0
Dearborn:	
1 community	1,992

[1] Adjusted in accordance with the Act.
[2] No Burley production during the period 1960–64.

INDIANA—Continued

County and community	Community average yield
Decatur:	
1 community	2,468
Dubois:	
1 community	1,835
Fayette:	
1 community	2,023
Floyd:	
1 community	1,966
Fountain:	
1 community	1,583
Franklin:	
1 community	2,227
Greene:	
1 community	1,966
Harrison:	
Blue River	2,110
Boone	2,099
Franklin	1,902
Harrison	1,929
Heth	2,061
Jackson	1,917
Morgan	2,014
Posey	2,010
Scott	1,931
Spencer	2,036
Taylor	1,985
Washington	2,034
Webster	1,863
Hendricks:	
1 community	2,264
Henry:	
1 community	2,658
Jackson:	
1 community	2,140
Jefferson:	
Graham	2,180
Hanover	2,447
Lancaster	2,136
Madison	2,154
Milton	1,993
Monroe	2,438
Republican	2,353
Saluda	2,247
Shelby	2,345
Smyrna	2,285
Jennings:	
1 community	2,007
Johnson:	
1 community	[1] 2,036
Lawrence:	
1 community	1,960
Monroe:	
1 community	2,390
Morgan:	
1 community	2,848
Ohio:	
1 community	2,207
Orange:	
1 community	2,333
Owen:	
1 community	2,140
Parke:	
1 community	[1] 2,957
Perry:	
1 community	1,522
Putnam:	
1 community	2,679
Ripley:	
1 community	2,207
Rush:	
1 community	2,024
Scott:	
1 community	2,147
Shelby:	
1 community	2,222
Spencer:	
1 community	1,873
Sullivan:	
1 community	2,119
Switzerland:	
Cotton	2,283
Craig	2,112
Jefferson	2,076
Pleasant	2,377
Posey	1,914
York	2,012
Union:	
1 community	1,974
Warrick:	
1 community	1,885
Washington:	
1 community	2,155

KANSAS

County and community	Community average yield
Atchison:	
1 community	1,935
Doniphan:	
1 community	1,583
Leavenworth:	
1 community	1,362
Linn:	
1 community	1,374

KENTUCKY

County and community	Community average yield
Adair:	
A	1,990
B	2,119
C	2,187
D	2,183
E	2,224
F	2,256
G	2,150
Allen:	
A	2,001
B	1,849
C	1,983
D	2,049
E	1,846
F	1,804
G	2,138
Anderson:	
A	2,090
B	2,156
C	1,932
D	1,872
E	1,734
F	1,749
G	1,793
Ballard:	
A	1,985
B	1,834
C	1,860
D	1,998
E	1,909
Barren:	
A	2,232
B	2,292
C	2,197
D	2,324
E	2,494
F	2,261
G	2,453
Bath:	
A	2,452
B	2,114
C	2,091
D	2,127
E	2,197
Bell:	
1 community	2,041
Boone:	
A	2,018
B	2,042
C	1,968
D	1,896
E	2,202
Bourbon:	
A	2,308
B	2,373
C	2,192
D	2,358
E	2,434
F	2,388
G	2,409
Boyd:	
1 community	2,240
Boyle:	
A	2,070
B	2,097
C	2,122
D	2,222
E	2,017
F	2,136
G	2,056
Bracken:	
A	2,444
B	2,254
C	1,975
D	1,835
E	2,165
F	2,149
G	2,061
Breathitt:	
A	1,890
B	1,813
C	1,761
D	2,113
E	1,799
F	1,948
G	1,877
Breckinridge:	
A	2,204
B	1,930
C	1,911
D	2,016
E	2,244
F	2,176
G	2,003
Bullitt:	
A	2,064
B	2,042
C	2,095
D	1,977
E	1,862
Butler:	
1 community	1,803
Caldwell:	
A	1,663
B	1,926
C	1,770
D	1,679
E	1,638
F	1,868
G	1,591
Calloway:	
1 community	1,595
Campbell:	
1 community	1,885
Carlisle:	
1 community	1,705
Carroll:	
A	2,148
B	2,110
C	2,231
D	2,263
E	2,205
F	2,509
G	2,360
Carter:	
A	2,207
B	2,233
C	2,139
D	2,192
E	2,338
Casey:	
A	2,170
B	2,234
C	2,205
D	2,179
E	2,079
F	2,146
G	2,214
Christian:	
A	1,743
B	1,806
C	2,096
D	1,770
E	1,767
F	2,141
G	2,090
H	2,088
J	2,046
Clark:	
A	2,153
B	2,324
C	1,889
D	2,068
E	1,929
F	2,098
G	2,188
Clay:	
A	2,077
B	2,191
C	2,075
D	2,007
E	2,268
F	1,908
G	2,088
Clinton:	
A	2,116
B	2,192
C	2,176
D	2,115
E	2,156
Crittenden:	
1 community	1,489
Cumberland:	
A	2,084
B	2,134
C	2,193
D	2,098
E	2,084
F	1,992
G	2,059
H	2,130
I	2,012
Daviess:	
A	1,937
B	1,850
C	1,819
D	1,724
E	1,856
F	2,132
G	1,952
H	1,749
J	1,808
K	1,981
L	1,941
Edmonson:	
A	2,106
B	2,177
C	1,995
D	2,103
E	2,438
Elliott:	
A	2,313
B	2,221
C	2,476
D	2,357
E	2,277
Estill:	
A	1,979
B	1,853
C	2,177
D	1,935
E	1,921
Fayette:	
A	2,364
B	2,349
C	2,320
D	2,242
E	2,353
Fleming:	
A	2,034
B	2,154
C	2,254
D	2,226
E	2,392
F	2,118
G	2,100
Floyd:	
1 community	2,095
Franklin:	
A	1,760
B	1,948
C	2,009
D	2,239
E	2,045
F	2,295
G	2,009
H	1,838
Fulton:	
1 community	2,523
Gallatin:	
A	2,063
B	2,282
C	1,902
Garrard:	
A	2,168
B	2,187
C	2,168
D	2,335
E	2,376
Grant:	
A	1,896
B	1,851
C	2,349
D	2,461
E	2,234
F	2,285
G	1,928
H	2,462
I	2,210
Graves:	
1 community	1,666
Grayson:	
A	2,239
B	2,169
C	2,097
D	2,201
E	2,456
F	2,267
G	2,268
Green:	
A	2,366
B	2,299
C	2,249
D	2,293
E	2,426
F	2,102
G	2,282
Greenup:	
A	2,212
B	2,207
C	2,356
D	2,260
E	2,175
F	2,216
G	2,237
H	2,166
I	2,174
Hancock:	
A	1,886
B	1,840
C	1,696
Hardin:	
A	2,192
B	2,556
C	2,286
D	2,203
E	1,997
F	2,062
G	2,158
H	2,023
J	2,035
K	1,936
L	1,930
Harlan:	
1 community	1,933
Harrison:	
A	2,450
B	2,323
C	2,350
D	2,168
E	2,022
F	1,891
G	2,302
H	2,046
J	1,851
K	1,765
L	1,952
Hart:	
A	2,562
B	2,623
C	2,513
D	2,371
E	2,390
Henderson:	
A	1,624
B	1,712
C	1,598
D	1,550
E	1,723

[1] Adjusted in accordance with the Act.

KENTUCKY—Continued

County and community	Community average yield
Henderson—Con.	
F	1,562
G	1,748
Henry:	
A	2,465
B	2,562
C	2,353
D	2,462
E	2,401
F	2,485
G	2,105
H	2,432
I	2,548
Hickman:	
1 community	1,605
Hopkins:	
1 community	1,570
Jackson:	
A	2,139
B	2,231
C	2,267
D	2,213
E	2,138
Jefferson:	
1 community	1,962
Jessamine:	
A	1,992
B	2,279
C	2,124
D	2,077
Johnson:	
1 community	2,087
Kenton:	
A	2,030
B	2,029
C	1,883
D	2,281
E	1,910
Knott:	
1 community	2,272
Knox:	
1 community	2,152
Larue:	
A	2,199
B	1,909
C	2,224
D	2,474
E	2,317
Laurel:	
A	2,264
B	2,294
C	2,371
D	2,181
E	2,316
F	2,263
G	2,396
Lawrence:	
1 community	2,295
Lee:	
1 community	2,019
Leslie:	
1 community	1,790
Letcher:	
1 community	1,834
Lewis:	
A	2,163
B	2,138
C	2,160
D	2,180
E	2,233
F	2,326
G	2,372
Lincoln:	
A	2,216
B	2,049
C	2,135
D	2,254
E	2,132
F	2,220
G	2,244
Livingston:	
1 community	[1] 1,775
Logan:	
A	1,952
B	2,122
C	2,148
D	1,938
E	2,252
F	1,890
G	1,860
H	1,910
J	2,072
Lyon:	
1 community	1,708
McCracken:	
A	1,649
B	1,898
C	1,783
D	1,894
E	1,966
McCreary:	
1 community	2,046
McLean:	
A	1,839
B	1,899
C	1,932
D	1,588
E	2,038
F	1,791
G	1,869
Madison:	
A	2,174
B	2,020
C	2,130
D	2,382
E	2,159
F	2,347
G	2,117
Magoffin:	
A	2,062
B	2,066
C	2,039
D	2,078
E	2,096
Marion:	
A	2,168
B	2,566
C	2,251
D	2,290
E	2,460
F	2,252
G	2,289
H	2,316
J	2,308
K	2,309
L	2,475
Marshall:	
1 community	1,499
Martin:	
1 community	2,272
Mason:	
A	2,272
B	2,096
C	2,191
D	2,391
E	2,402
F	2,134
G	2,073
Mason—Con.	
H	2,171
J	2,202
Meade:	
A	2,040
B	1,869
C	1,937
D	1,909
E	1,960
Menifee:	
A	2,073
B	2,185
C	2,242
D	2,280
E	2,249
Mercer:	
A	1,883
B	1,973
C	2,031
D	2,166
E	2,220
Metcalfe:	
A	2,188
B	2,256
C	2,337
D	2,387
E	2,170
Monroe:	
A	2,007
B	2,076
C	2,304
D	2,210
E	2,117
F	2,299
G	2,369
H	2,297
J	2,186
Montgomery:	
A	2,265
B	2,103
C	2,126
D	2,252
E	2,146
Morgan:	
A	2,060
B	2,191
C	2,059
D	2,152
E	2,363
F	2,053
G	2,329
Muhlenburg:	
A	1,426
B	1,899
C	1,784
D	1,716
E	1,849
Nelson:	
A	1,990
B	2,163
C	2,021
D	2,214
E	2,208
F	2,303
G	2,277
H	2,254
J	2,132
Nicholas:	
A	2,092
B	2,070
C	2,212
D	2,093
E	2,292
Ohio:	
A	1,763
B	1,693
C	1,868
D	1,864
E	1,904
F	1,838
G	1,947
Oldham:	
A	2,282
B	2,161
C	2,106
D	2,234
E	2,173
Owen:	
A	2,408
B	2,421
C	2,147
D	1,962
E	2,119
Owsley:	
A	2,094
B	2,201
C	2,223
D	2,037
E	2,114
Pendleton:	
A	2,074
B	1,926
C	2,027
D	1,922
E	2,125
F	[1] 2,011
G	1,944
Perry:	
1 community	1,737
Pike:	
1 community	1,763
Powell:	
A	1,800
B	1,981
C	2,009
D	1,980
E	1,844
Pulaski:	
A	2,196
B	2,167
C	2,181
D	2,153
E	2,239
F	2,394
G	2,304
H	2,531
J	2,247
Robertson:	
A	1,955
B	1,808
C	1,768
Rockcastle:	
A	2,292
B	2,358
C	2,333
D	2,179
E	2,125
Rowan:	
A	2,212
B	2,309
C	2,224
D	2,136
E	2,176
Russell:	
A	2,047
B	2,075
C	2,086
D	2,107
E	2,180
F	2,062
G	2,146
Scott:	
A	2,329
B	2,288
C	2,106
D	1,893
E	1,901
F	2,071
G	2,135
Shelby:	
A	2,270
B	1,950
C	2,404
D	2,193
E	2,092
Simpson:	
A	2,193
B	2,341
C	2,196
Spencer:	
A	2,010
B	2,180
C	2,174
D	2,132
E	2,097
F	2,143
G	2,055
Taylor:	
A	2,341
B	2,380
C	2,447
D	2,316
E	2,294
F	2,100
G	2,293
Todd:	
A	1,854
B	2,283
C	1,949
D	1,803
E	1,933
F	2,126
G	2,185
H	2,141
J	1,829
K	1,800
L	2,287
Trigg:	
A	1,802
B	1,847
C	2,015
D	1,624
E	2,030
Trimble:	
A	2,452
B	2,536
C	2,494
Union:	
1 community	1,627
Warren:	
A	2,051
B	1,902
C	2,218
D	2,029
E	2,185
F	2,205
G	2,098
H	2,086
J	1,944
Washington:	
A	2,050
B	2,027
C	2,111
D	2,248
E	2,257
Wayne:	
A	2,164
B	2,277
C	2,336
D	2,253
E	2,236
F	2,275
G	2,225
H	2,227
J	2,224
K	2,273
L	2,125
Webster:	
1 community	1,737
Whitley:	
1 community	2,033
Wolfe:	
A	1,983
B	2,080
C	2,145
D	2,258
E	2,282
Woodford:	
A	2,604
B	2,315
C	2,412
D	2,360
E	2,409
F	2,147

MISSOURI

County and community	Community average yield
Andrew:	
1 community	1,869
Atchison:	
1 community	2,011
Bates:	
1 community	1,236
Bollinger:	
1 community	[1] 1,998
Boone:	
1 community	1,757
Buchanan:	
1 community	1,986
Caldwell:	
1 community	[1] 1,380
Callaway:	
1 community	1,719
Carroll:	
1 community	2,022
Chariton:	
1 community	1,975
Christian:	
1 community	974
Clay:	
1 community	1,656
Clinton:	
1 community	1,641
Cole:	
1 community	1,543
Cooper:	
1 community	1,813
De Kalb:	
1 community	1,681
Howard:	
1 community	1,856
Howell:	
1 community	1,813
Knox:	
1 community	1,806
Lafayette:	
1 community	1,347

[1] Adjusted in accordance with the Act.

MISSOURI—Continued

County and community	Community average yield
Lincoln:	
1 community	1,729
Moniteau:	
1 community	1,635
Platte:	
Carroll	1,811
Fair	2,059
Green	2,012
Lee	2,049
Marshall	2,181
Pettis-Waldron	1,747
Preston	1,642
Weston	2,084
Randolph:	
1 community	1,579
Ray:	
1 community	1,639
Ripley:	
1 community	1,035
St. Clair:	
1 community	2,027
St. Francois:	
1 community	[1] 2,209
Saline:	
1 community	[1] 2,803
Shelby:	
1 community	1,901
Stone:	
1 community	1,142
Taney:	
1 community	[1] 1,774
Texas:	
1 community	1,431

NORTH CAROLINA

County and community	Community average yield
Alleghany:	
1 community	2,256
Ashe:	
A Chestnut Hill	2,175
B Clifton	2,348
C Creston	2,337
D Elk	2,452
E Grassy Creek	2,274
F Helton	2,304
G Horse Creek	1,357
H Hurricane	2,153
J Jefferson	2,271
K Laurel	2,268
L North Fork	2,299
M Obids	2,500
N Old Fields	2,545
O Peak Creek	2,322
P Piney Creek	2,198
Q Pine Swamp	2,501
R Pond Mountain	2,457
S Walnut Hill	2,264
T West Jefferson	2,315
Avery:	
1 community	2,511
Brunswick:	
1 community	1,578
Buncombe:	
A Asheville	2,019
B Avery's Creek	1,835
C Black Mountain	1,983
D Broad River	2,091
E Fairview	2,028
F Flat Creek	2,134
G French Broad	2,174
H Hominy	2,118
J Ivy	2,219
K Leicester	2,230
L Limestone	2,067
M Reems Creek	2,097
N Sandy Mush	2,376
P Swannanoa	2,153
R Weaverville	2,059
S West Buncombe	2,133
Burke:	
1 community	1,671
Caldwell:	
1 community	1,968
Catawba:	
1 community	[2] 0
Cherokee:	
1 community	2,118
Clay:	
1 community	1,912
Cleveland:	
1 community	1,431
Davidson:	
1 community	1,889
Gaston:	
1 community	[2] 0
Graham:	
1 community	2,121
Granville:	
1 community	[1] 2,971
Haywood:	
Beaverdam	2,142
Clyde	2,091
Crabtree	2,108
East Fork	2,255

NORTH CAROLINA—Continued

County and community	Community average yield
Haywood—Con.	
Fines Creek	2,086
Panther Creek	2,234
Ironduff	2,040
Ivy Hill	2,149
Jonathan	2,001
Pigeon	2,226
Waynesville	2,074
White Oak	1,920
Henderson:	
1 community	1,970
Iredell:	
1 community	2,298
Jackson:	
1 community	2,024
McDowell:	
1 community	1,870
Macon:	
1 community	2,045
Madison:	
A–1	2,199
B–2	2,394
C–3	2,345
D–4	2,233
E–5	2,239
F–6	2,268
G–7	2,088
H–8	2,099
J–9	2,258
K–10	2,199
L–11	2,227
M–12	2,222
N–13	2,102
O–14	2,358
P–15	2,220
Q–16	2,201
Mitchell:	
A Bakersville	2,284
B Bradshaw	2,315
C Cane Creek	2,323
D Fork Mountain	2,517
E Grassy Creek	2,236
F Herrell A	2,421
G Herrell B	2,471
H Little Rock	2,610
J Poplar	2,301
K Red Hill	2,343
L Snow Creek	2,570
Polk:	
1 community	2,254
Rutherford:	
1 community	1,393
Stokes:	
1 community	2,122
Surry:	
1 community	2,803
Swain:	
1 community	1,987
Transylvania:	
1 community	1,873
Watauga:	
A Beaver Dam	2,400
B Brushy Fork	2,411
C Cove Creek	2,494
D Laurel Creek	2,468
E Meat Camp	2,398
F New River	2,350
G North Fork	2,428
H Shawneehaw	2,503
J Stony Fork	2,443
K Watauga	2,416
Wilkes:	
1 community	2,234
Yancey:	
A East Burnesville	2,504
B West Burnsville	2,475
C Cane River	2,413
D Upper Egypt	2,446
E Lower Egypt	2,420
F Ramseytown	2,253
G Green Mountain	2,294
H Brush Creek	2,341
J Upper Jacks Creek	2,417
K Lower Jacks Creek	2,279
L East Crabtree	2,259
M West Crabtree	2,405
N Upper South Toe	1,998
O Lower South Toe	2,309
P Pensacola	2,517
Q Prices Creek	2,394

OHIO

County and community	Community average yield
Adams:	
Bratton	2,041
Brush Creek	1,955
Franklin	1,890
Green	1,938
Jefferson	2,052
Liberty	2,151
Manchester	2,178
Meigs	1,925
Monroe	1,936
Oliver	1,973

OHIO—Continued

County and community	Community average yield
Adams—Con.	
Scott	2,197
Sprigg	2,009
Tiffin	2,060
Wayne	2,185
Winchester	2,119
Athens:	
1 community	2,115
Brown:	
Byrd	2,280
Clark	2,048
Eagle	2,097
Franklin	2,051
Green	1,788
Huntington	1,980
Jackson	2,135
Jefferson	2,279
Lewis	2,210
Perry	2,053
Pike	1,869
Pleasant	2,156
Scott	1,964
Sterling	1,845
Union	2,156
Washington	1,963
Butler:	
1 community	2,044
Clermont:	
A Batavia	1,861
B Franklin	2,151
D Jackson	1,870
E Miami	1,737
F Monroe	1,950
G Ohio	2,068
H Pierce	1,773
J Stonelick	1,686
K Tate	2,016
L Union	1,756
M Washington	1,935
N Wayne	1,949
O Williamsburg	2,083
Clinton:	
1 community	1,803
Delaware:	
1 community	[2] 0
Fayette:	
1 community	1,756
Gallia:	
Addison	1,835
Cheshire	1,929
Clay	2,034
Gallipolis	1,850
Green	1,923
Greenfield	1,802
Guyan	2,006
Harrison	1,855
Huntington	1,970
Morgan	1,873
Ohio	1,865
Perry	1,919
Raccoon	1,876
Springfield	1,806
Walnut	1,945
Greene:	
1 community	1,909
Hamilton:	
1 community	1,854
Highland:	
Brushcreek	2,025
Clay	1,791
Concord	2,005
Dodson	2,246
Fairfield	1,963
Hamer	1,968
Jackson	2,038
Liberty	2,013
Madison	1,869
Marshall	2,024
New Market	2,036
Paint	1,980
Penn	2,009
Salem	1,763
Union	1,845
Washington	2,028
Whiteoak	2,037
Jackson:	
1 community	2,036
Lawrence:	
1 community	1,882
Licking:	
1 community	1,535
Meigs:	
1 community	1,708
Montgomery:	
1 community	1,500
Monroe:	
1 community	1,875
Morgan:	
1 community	2,363
Noble:	
1 community	1,755
Pickaway:	
1 community	1,510
Pike:	
1 community	1,897
Preble:	
1 community	1,500
Ross:	
1 community	1,741
Scioto:	
1 community	2,044
Union:	
1 community	[2] 0
Vinton:	
1 community	2,068
Warren:	
1 community	1,964

PENNSYLVANIA

County and community	Community average yield
Lancaster:	
1 community	2,231

[1] Adjusted in accordance with the Act.
[2] No Burley production during the period 1960–64.

SOUTH CAROLINA

County and community	Community average yield
Cherokee:	
1 community	1,645
Spartanburg:	
1 community	1,992
York:	
1 community	[1]0

TENNESSEE

County and community	Community average yield
Anderson:	
1 community	1,902
Bedford:	
1 community	1,610
Benton:	
1 community	1,714
Bledsoe:	
1 community	1,751
Blount:	
A	1,693
B	1,941
C	1,766
D	1,811
E	1,749
F	1,874
G	1,748
H	1,667
J	1,931
K	1,793
L	1,961
M	1,972
N	1,832
O	1,618
P	1,733
Q	1,481
R	1,675
S	1,849
Bradley:	
1 community	1,566
Campbell:	
1 community	2,154
Cannon:	
1 community	1,650
Carroll:	
1 community	869
Carter:	
A	2,304
B	2,592
C	2,254
D	2,399
E	2,064
F	2,177
G	2,223
H	2,274
J	2,236
K	2,317
L	2,116
M	2,358
N	2,161
O	2,182
P	2,558
Q	2,258
R	2,221
Cheatham:	
1 community	2,018
Claiborne:	
A	2,284
B	2,202
C	2,371
D	2,155
E	2,348
F	2,482
G	2,230
H	2,458
J	2,287
K	2,314
L	2,584
M	2,222
N	2,288
O	2,718
P	2,445
Q	2,606
R	2,310
S	2,242
T	2,319
U	2,235
V	2,314
W	2,450
X	2,279
Y	2,612
Z	2,342
Clay:	
A	1,983
B	1,808
C	2,267
D	1,969
E	2,109
F	1,999
G	2,041
Cocke:	
A	2,145
B	2,100
C	1,851
D	1,877
E	2,034
F	1,985
G	1,930
H	2,014
J	2,009
K	2,217
L	1,986
Coffee:	
1 community	1,772
Cumberland:	
1 community	2,034
Davidson:	
1 community	1,721
Decatur:	
1 community	809
A	1,683
B	1,677
C	1,779
D	1,577
E	1,764
F	1,809
G	1,910
H	1,849
J	1,649
K	1,561
L	1,860
M	1,663
N	1,740
Dickson:	
1 community	1,766
Dyer:	
1 community	1,255
Fentress:	
1 community	2,147
Franklin:	
1 community	1,684

TENNESSEE—Continued

County and community	Community average yield
Giles:	
A	1,483
B	996
C	1,700
D	1,919
E	1,888
F	1,539
G	1,582
H	1,664
J	1,329
K	1,665
L	1,686
M	1,702
N	1,853
O	1,692
P	1,862
Q	1,711
R	1,690
S	1,594
T	1,761
U	1,778
V	1,638
W	1,660
X	1,694
Grainger:	
A	2,025
B	2,140
C	2,302
D	2,109
E	2,183
F	2,128
G	2,088
H	2,108
J	2,323
K	1,883
L	2,242
M	2,327
N	1,880
O	2,017
P	2,250
Greene:	
A	2,206
B	2,149
C	2,262
D	1,897
E	1,959
F	1,806
G	1,923
H	1,914
J	2,194
K	2,136
L	1,967
M	1,990
N	2,180
O	2,202
P	2,269
Q	1,978
R	2,045
S	2,298
T	2,023
U	2,162
V	1,922
W	2,225
X	2,097
Y	2,169
Z	2,100
Grundy:	
1 community	1,559
Hamblen:	
A	2,349
B	2,256
C	2,089
D	2,059
E	2,037
F	2,161
G	2,199
H	2,237
J	2,173
Hamilton:	
1 community	1,350
Hancock:	
A	2,302
B	2,152
C	2,015
D	2,072
E	2,091
F	2,094
G	2,042
H	2,190
J	2,446
K	2,379
L	2,258
M	2,163
N	2,396
Hardin:	
1 community	[1]1,707
Hawkins:	
A	2,026
B	1,837
C	1,912
D	1,928
E	1,957
F	1,991
G	2,086
H	2,095
J	2,156
K	2,060
L	2,098
M	2,306
N	2,389
O	1,833
P	2,035
Q	1,932
R	2,121
S	2,177
T	2,155
U	2,056
V	2,226
Henry:	
1 community	1,637
Hickman:	
1 community	1,610
Houston:	
1 community	1,537
Humphreys:	
1 community	1,813
Jackson:	
A	1,659
B	1,597
C	1,610
D	1,973
E	1,812
F	1,730
G	2,039
H	1,672
J	1,713
K	1,780
L	1,685
M	1,742
N	1,605
O	1,722
P	1,680
Jefferson:	
A	2,191
B	2,090
C	2,163
D	2,306
E	1,885
F	1,994
G	2,142
H	1,915
J	2,163
Johnson:	
A	2,478
B	2,292
C	2,225
D	2,453

[1] Adjusted in accordance with the Act.

TENNESSEE—Continued

County and community	Community average yield
Johnson—Con.	
E	2,493
F	2,433
G	2,300
H	2,465
J	2,532
K	2,405
Knox:	
B	1,817
C	2,079
D	1,872
E	2,130
G	1,764
H	1,957
J	1,764
K	1,970
L	1,730
M	1,965
N	1,827
O	1,956
P	1,907
Q	1,786
R	1,868
Lawrence:	
1 community	1,623
Lewis:	
1 community	1,684
Lincoln:	
A	1,585
B	1,586
C	1,521
D	1,832
E	1,670
F	1,752
G	1,705
H	1,483
J	1,545
K	1,577
L	1,419
M	1,506
N	1,660
O	1,750
P	1,570
Q	1,717
R	1,625
S	1,498
T	1,739
U	1,739
V	1,604
W	1,722
X	1,557
Y	1,721
Loudon:	
A	1,763
B	1,786
C	1,800
D	1,804
E	1,838
F	1,850
G	1,871
H	1,748
J	1,944
K	1,779
L	1,726
McMinn:	
A	1,716
B	1,715
C	1,621
D	1,689
E	1,797
F	1,679
G	1,752
H	1,705
J	1,680
K	1,784
L	1,726
M	1,624
N	1,385
O	1,596
P	1,613
Q	1,675
R	1,661
S	1,647
T	1,845
Macon:	
A	2,026
B	2,006
C	1,719
D	1,771
E	2,071
F	2,025
G	1,917
H	1,985
J	1,998
K	1,883
L	2,057
M	1,894
N	1,997
Marion:	
1 community	1,562
Marshall:	
A	1,658
B	1,639
C	1,375
D	1,334
E	1,441
F	1,534
G	1,551
H	1,548
J	1,624
K	1,661
L	1,740
M	1,558
N	1,606
O	1,803
Maury:	
A	1,598
B	1,599
C	1,553
D	1,553
E	1,639
F	1,580
G	1,598
H	1,613
J	1,688
K	1,649
Meigs:	
1 community	1,626
Monroe:	
A	1,857
B	1,849
C	1,739
D	1,629
E	1,666
F	1,694
G	1,516
H	1,690
J	1,780
Montgomery:	
A	2,114
B	1,832
C	1,780
D	1,963
E	1,548
F	1,708
G	1,647
H	1,807
J	1,650
K	1,505
L	1,774
M	2,017
N	1,467
O	1,786
P	1,537
Q	1,514
R	1,491
S	1,508
T	1,581
Morgan:	
1 community	1,667

TENNESSEE—Continued

County and community	Community average yield
Moore:	
1 community	1,799
Overton:	
1 community	2,059
Pickett:	
1 community	2,093
Polk:	
1 community	1,565
Putnam:	
A	1,822
B	1,937
C	1,856
D	1,924
E	1,826
F	1,907
G	2,073
H	1,936
J	1,941
K	1,808
L	1,784
M	1,761
N	1,783
O	1,696
P	1,807
Rhea:	
1 community	1,758
Roane:	
1 community	1,716
Robertson:	
A	2,385
B	2,278
C	2,251
D	2,138
E	2,050
F	1,766
G	1,973
H	1,919
J	2,063
K	2,123
L	1,989
M	1,940
N	2,064
O	2,062
P	2,005
Q	2,068
R	1,979
S	2,289
Rutherford:	
1 community	1,554
Scott:	
1 community	2,162
Sevier:	
A	1,785
B	1,672
C	2,029
D	1,924
E	1,863
F	1,950
G	1,915
H	2,106
J	1,702
K	1,812
L	1,921
M	1,774
N	1,766
O	1,630
P	1,599
Q	1,680
R	1,886
Smith:	
A	2,136
B	1,911
C	1,880
D	2,045
E	1,909
F	1,748
G	1,794
H	1,685
J	1,837
K	1,812
L	1,747
M	1,797
N	1,763
O	1,786
P	1,794
Stewart:	
1 community	1,563
Sullivan:	
A	2,022
B	1,960
C	2,095
D	2,144
E	2,108
F	2,136
G	2,135
H	2,025
J	2,119
K	1,967
N	1,999
O	2,040
P	1,900
Q	2,125
S	2,083
T	2,149
U	2,041
V	2,050
Sumner:	
A	1,754
B	2,031
C	1,816
D	1,914
E	1,720
F	1,566
G	1,664
H	1,922
J	2,043
K	1,850
L	1,644
M	1,579
N	1,850
O	1,971
P	2,091
Q	2,342
R	2,191
S	2,117
T	2,110
U	1,881
V	2,083
W	2,309
X	2,251
Y	1,799
Z	1,920
Trousdale:	
A	1,916
B	1,991
C	1,811
D	1,960
E	1,952
F	1,818
G	1,980
Unicoi:	
A	2,215
B	2,289
C	2,215
D	2,125
E	2,210
F	2,202
G	2,300
Union:	
A	2,199
B	2,130
C	1,855
D	2,230
E	2,042
F	2,231
G	2,077
H	2,091
J	2,194
K	2,331
L	2,103
Van Buren:	
1 community	1,790
Warren:	
1 community	1,789
Washington:	
A	2,232
B	2,291
C	2,358
D	2,166
E	2,248
F	2,214
G	2,146
H	2,098
J	2,238
K	2,198
L	2,239
M	2,103
N	2,246
O	2,339
P	2,207
Q	2,234
R	2,376
S	2,242
Weakley:	
1 community	[1] 1,373
White:	
A	1,929
B	2,094
C	1,858
D	1,833
E	1,964
F	1,815
G	1,732
H	2,017
J	1,995
K	2,082
L	1,763
M	1,983
N	2,022
Williamson:	
A	1,712
B	1,742
C	1,585
D	1,598
E	1,684
F	1,438
H	1,721
J	1,764
K	1,724
L	1,611
M	1,520
N	1,521
O	1,626
P	1,519
R	1,449
S	1,754
T	1,437
U	1,738
V	1,713
W	1,599
X	1,594
Y	1,527
Wilson:	
A	1,578
B	1,832
C	1,785
D	1,805
E	1,763
F	1,766
G	1,666
H	1,659
J	1,849
K	1,602
L	1,797
M	1,622
N	1,723
O	1,718
P	1,600
Q	1,781
R	1,435
S	1,679
T	1,581
U	1,627
V	[1] 1,692
W	1,777
X	1,371
Y	1,658
Z	1,947

VIRGINIA

County and community	Community average yield
Albemarle:	
1 community	1,850
Amelia:	
1 community	1,833
Appomattox:	
1 community	1,742
Bedford:	
1 community	1,766
Bland:	
1 community	2,265
Brunswick:	
1 community	2,264
Buchanan:	
1 community	2,147
Buckingham:	
1 community	1,853
Campbell:	
1 community	2,180
Carroll:	
1 community	2,116
Charlotte:	
1 community	1,910
Cumberland:	
1 community	1,622
Dickenson:	
1 community	2,104
Dinwiddie:	
1 community	1,952
Floyd:	
1 community	1,822
Fluvanna:	
1 community	1,507
Franklin:	
1 community	2,483
Giles:	
1 community	2,291
Grayson:	
1 community	2,224
Halifax:	
1 community	1,965
Lee:	
South Jonesville	2,162
Yokum Station	2,279
West Rose Hill	2,192
Rocky Station	2,266
White Shoals	2,290
Jonesville	2,372
Rose Hill	2,293
Madison:	
1 community	2,148
Mecklenburg:	
1 community	1,793
Montgomery:	
1 community	1,986
Nelson:	
1 community	2,304
Nottoway:	
1 community	1,954
Pittsylvania:	
1 community	[1] 2,182
Powhatan:	
1 community	1,864
Prince Edward:	
1 community	1,901
Pulaski:	
1 community	1,806
Russell:	
Lebanon	2,439
Elk Garden	2,362
New Garden	2,482
Cleveland	2,363
Moccasin	2,681
Castlewood	2,300
Copper Creek	2,648
Scott:	
Dekalb	2,213
Estillville	2,045
Floyd	2,231
Fulkerson	2,195
Johnson	2,437
Powell	2,108
Taylor	2,202
Smyth:	
Rich Valley	2,226
Marion	2,280
St. Clair	2,399
Tazewell:	
1 community	2,226
Washington:	
Abingdon	2,263
Glade Spring	2,322
North Goodson	2,363
South Goodson	2,159
Holston	2,384
Kinderhook	2,304
North Fork	2,267
Saltville	2,237
Wise:	
1 community	2,164
Wythe:	
1 community	2,265

WEST VIRGINIA

County and community	Community average yield
Boone:	
1 community	1,844
Cabell:	
Barboursville	1,719
Grant	1,844
McComas	1,714
Union	1,922
Greenbrier:	
1 community	[1] 2,039
Jackson:	
1 community	1,971
Kanawha:	
1 community	1,681
Lincoln:	
Carroll	1,786
Duval-Washington	1,772
Harts Laurel Hill	1,755
Jefferson	2,095
Sheridan	1,703
Union	2,027
Logan:	
1 community	1,820
McDowell:	
1 community	[1] 2,286
Mason:	
Arbucle	
Clendenin	
Cooper	
Cologne	
Graham-Waggener	
Hannan	
Lewis-Robinson	
Union	
1 community	1,867
Mercer:	
1 community	2,205
Monroe:	
1 community	2,143
Putnam:	
Northside	1,929
Southside	1,771
Raleigh:	
1 community	1,755

[1] Adjusted in accordance with the Act.

WEST VIRGINIA—Continued

County and community	Community average yield	County and community	Community average yield
Ritchie:		Wayne:	
1 community	*0	1 community	1,935
Roane:		Wirt:	
1 community	2,151	1 community	2,139
Summers:		Wood:	
1 community	2,835	1 community	1,944

(Secs. 317, 375, 79 Stat. 66, 52 Stat. 66, as amended; 7 U.S.C. 1314c, 1375)

Effective date: Date of filing this document with the Director, Office of the Federal Register.

Signed at Washington, D.C., on February 1, 1967.

H. D. GODFREY,
Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 67-1369; Filed, Feb. 1, 1967; 3:51 p.m.]

[Amdt. 1a]

PART 724—BURLEY, FLUE-CURED, FIRE-CURED, DARK AIR-CURED, VIRGINIA SUN-CURED, CIGAR-BINDER (TYPES 51 AND 52), CIGAR-FILLER AND BINDER (TYPES 42, 43, 44, 53, 54, AND 55), AND MARYLAND TOBACCO

Subpart—Quota on Acreage Basis and on Acreage-Poundage Basis for Burley Tobacco for 1967–68, National Average Yield Goal, National Acreage Allotment, and National Acreage Factor

(1) Announcement and apportionment of the national marketing quota on an acreage basis for Burley tobacco for the 1967–68 marketing year—(2) determinations and announcements on an acreage-poundage basis for Burley tobacco of (A) the Secretary's determination that acreage-poundage quotas will result in a more effective marketing quota program for the 1967–68 marketing year, (B) the national marketing quota for the 1967–68 marketing year, (C) the 1967 national average yield goal, (D) the 1967 national acreage allotment, (E) the 1967 reserve acreage for making corrections in farm acreage allotments, adjusting inequities, and establishing acreage allotments for new farms, and (F) the 1967 national acreage factor.

Basis and purpose. These amendments are issued pursuant to and in accordance with the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.), as amended, particularly by Public Law 89-12, approved April 16, 1965 (7 U.S.C. 1314c), to announce for the 1967–68 marketing year the national yield factor and to designate the period of years to be used in determining community average yields and preliminary farm yields per acre.

Section 317(a)(7) of the Act, as added by Public Law 89–12, provides for the determination of the farm yield of tobacco through the use of a "national yield factor," which is obtained by dividing the national average yield goal by a weighted national average yield computed by multiplying the preliminary farm yield for each farm by the acreage allotment determined for the farm pursuant to section 317 of the Act prior to reductions required under section 317(f) of the Act and dividing the sum of the products by the national acreage allotment. The 1967 national yield factor for burley tobacco of 1.0166, as set out in § 724.36m(g), was determined by (1) dividing 110.8 percent of the total product of 1966 burley farm tobacco acreage allotments determined pursuant to section 313 of the Act, prior to reduction for any program violation, for 1967 old farms multiplied by the respective preliminary farm yields for such farms (600,057,556 pounds), by the national acreage allotment of 277,272.73 acres to obtain a weighted national average yield of 2,164 pounds, and (2) dividing the national average yield goal of 2,200 pounds by such weighted national average yield.

Section 317(a)(5) of the Act provides for the determination of "community average yields" by averaging the yields per acre in each community designated as a local administrative area under the provisions of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for the 3 highest years of the 5 years 1959 to 1963, except that the Secretary may determine to use in lieu thereof the 5 years 1960 to 1964 inclusive, for determining such community average yields. It has been determined that the period of years 1960–64, inclusive, rather than the period of years 1959–63 used for 1966, will be used in determining community average yields and preliminary farm yields for 1967, in view of the facts that (1) the national average yield goal has been increased from that used for 1966, (2) current actual yields are more in line with the yields obtained during the period 1960–64 than with yields obtained during the 1959–63 period, and (3) available information indicates that use of the 1960–64 period would generally benefit more farms than would use of the 1959–63 period. Despite variance in yields during 1964 throughout the burley producing areas, the 1964 yields are generally considered to be more applicable with respect to the increased national yield goal than yields during 1959. The period of years as determined by the Secretary is provided for in § 724.36m(h).

Notice that the Secretary was contemplating issuing these determinations was given in the issue of the FEDERAL REGISTER of November 15, 1966 (31 F.R. 14560). The data, views or recommendations submitted pursuant to such notice have been considered within the limits permitted by the Act. Since burley tobacco farm operators must under section 317 of the Act, insofar as practicable, be notified of the 1967 burley tobacco acreage allotments and marketing quotas for their farms at least 15 days prior to the holding of the special referendum, since the special referendum must be held within 45 days after proclamation of the national acreage allotment under this subpart, which proclamation has been issued, and since farm marketing quotas cannot be determined until the determinations herein are made, it is hereby found that compliance with the 30-day effective date provision of 5 U.S.C. 553 is impracticable and contrary to the public interest. Therefore, these amendments shall become effective upon the date of filing of this document with the Director, Office of the Federal Register.

Section 724.36m is amended by adding two new paragraphs (g) and (h) at the end thereof to read as follows:

§ 724.36m Determinations and announcements.

* * * * *

(g) *National average yield factor.* The national average yield factor is hereby determined to be 1.0166.

(h) *Periods of years used in determining community average yields and preliminary farm yields.* The period of years used in determining community average yields and preliminary farm yields is hereby determined to be 1960 through 1964.

(Secs. 301, 313, 317, 375, 52 Stat. 38, as amended, 47, as amended, 66, as amended; 79 Stat. 66, 7 U.S.C. 1301, 1313, 1314c, 1375)

Effective date: Upon filing with the Director, Office of the Federal Register.

Done at Washington, D.C., this 1st day of February 1967.

H. D. GODFREY,
Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 67-1370; Filed, Feb. 1, 1967; 3:50 p.m.]

[Sugar Reg. 811, Amdt. 1]

PART 811—CONTINENTAL SUGAR REQUIREMENTS AND AREA QUOTAS

1967

Basis and purpose and statement of bases and considerations. The purpose of this amendment to Sugar Regulation 811 (31 F.R. 15581) is to revise the determination of sugar requirements for the calendar year 1967, establish quotas, prorations and direct-consumption limits consistent with such requirements, prorate the quota withheld from Southern Rhodesia and to make required determinations regarding the failure of some foreign countries to completely fill their respective 1966 quotas pursuant to the Sugar Act of 1948, as amended, hereinafter referred to as the "Act."

Section 201 of the Act directs the Secretary to revise the determination of sugar requirements at such time during the calendar year as he deems necessary.

On December 7, 1966, the quantity of sugar needed to meet the requirements of

*No Burley production during the period 1960–64.

consumers in the continental United States for the year 1967 was determined to be 10,200,000 tons. That determination allowed for a possible reduction during 1967 of about 150,000 tons in the inventories of quota sugar held by refiners and users. It is now known that the inventories of quota sugar at the beginning of 1967 were slightly smaller than anticipated at the time of the initial quota action. Furthermore, with the passage of time, it is no longer necessary to provide in the same degree for the contingency of inventory reductions.

The domestic price of raw sugar was 7.10 cents per pound on January 1 and 7.20 cents on January 31. In the development of this amendment to the regulation, consideration has been given to the desirability of obtaining fairly stable sugar prices that will carry out over the long term, the price objectives set forth in section 201 of the Act.

Accordingly, total sugar requirements for the calendar year 1967 are hereby increased by 100,000 short tons, raw value, to a total of 10,300,000 short tons, raw value.

The quota for Hawaii has been increased by 12,492 short tons, raw value, pursuant to section 202(a)(2)(B) of the Act.

The 1967 quota which otherwise would have been established for Southern Rhodesia was withheld in Sugar Regulation 811 (31 F.R. 15581) pending a possible action by the President pursuant to section 202(d)(1)(B) of the Act. On January 3, 1967, the President of the United States made the following finding with respect to Southern Rhodesia:

JANUARY 3, 1967.

To: The Secretary of Agriculture.

Subject: Finding pursuant to section 202 (d)(1)(B) of the Sugar Act of 1948, as amended by the Sugar Act Amendments of 1965.

In view of the continuing world tensions resulting from the unilateral declaration of independence by Southern Rhodesia, I find that it would be contrary to the national interest of the United States to establish a sugar quota for Southern Rhodesia for 1967. You are directed to take the necessary steps to see that no sugar or liquid sugar originating in Southern Rhodesia is imported into the United States during 1967.

LYNDON B. JOHNSON.

The quota withheld from Southern Rhodesia in prorated herein to Western Hemisphere countries pursuant to section 202(d)(1)(B) of the Act.

The Secretary determined on August 26, 1966 (31 F.R. 11307) that the failure of the Republic of the Philippines to fill that part of its 1966 quota in excess of 1,202,978 short tons, raw value, was due to crop disaster and other force majeure. On the basis of the evidence on which that determination was made it is herein found, under section 202(d)(4) of the Act, that the failure of the Republic of the Philippines to fill its reduced 1966 quota was due to crop disaster or other force majeure. Evidence submitted by Bolivia substantiates that the inability to fill its 1966 quota resulted from a drastic reduction in the production of sugar from the 1966 crop because of a drought during the growing season and heavy rains during the harvest season. Accordingly, it is found, under section 202(d)(4) of the Act, that such failure of Bolivia to fill its 1966 quota was due to crop disaster or other force majeure.

Pursuant to section 202(d)(4) it is hereby determined that the 1966 quota for each foreign country other than those for which force majeure was found was filled within a reasonable tolerance considering circumstances which existed during 1966.

By virtue of the authority vested in the Secretary of Agriculture by the Act, Part 811 of this chapter is hereby amended by amending §§ 811.50, 811.51, and 811.53 as follows:

1. Section 811.50 is amended to read as follows:

§ 811.50 Sugar requirements, 1967.

The amount of sugar needed to meet the requirements of consumers in the continental United States for the calendar year 1967 is hereby determined to be 10,300,000 short tons, raw value.

2. Section 811.51 is amended by amending paragraph (a) to read as follows:

§ 811.51 Quotas for domestic areas.

(a) For the calendar year 1967 domestic area quotas limiting the quantities of sugar which may be brought into or marketed for consumption in the continental United States are established, pursuant to section 202(a) of the Act, in Column (1) and the amounts of such quotas for offshore areas that may be filled by direct-consumption sugar are established, pursuant to section 207 of the Act, in Column (2) as follows:

[Short tons, raw value]

Area	Quotas (1)	Direct-consumption limits (2)
Domestic beet sugar	3,025,000	no limit
Mainland cane sugar	1,100,000	no limit
Hawaii	1,252,884	35,226
Puerto Rico	1,140,000	154,500
Virgin Islands	15,000	0

* * * * *

3. Section 811.53 is amended by amending paragraphs (b) and (c) to read as follows:

§ 811.53 Quotas for foreign countries.

* * * * *

(b) For the calendar year 1967 the quota for the Republic of the Philippines is 1,115,160 short tons, raw value, and the quantity of such quota that may be filled by direct-consumption sugar is 59,920 short tons, raw value.

(c) For the calendar year 1967, the prorations or allocations to individual foreign countries other than the Republic of the Philippines pursuant to section 202(c)(3) and (4) and section 202(d) of the Act are as follows:

[Short tons, raw value]

Country	Basic quotas	Temporary quotas and prorations: Pursuant to Sec. 202(d)(1)(A) and Sec. 202(d)(6)[1]	Temporary quotas and prorations: Pursuant to Sec. 202(d)(1)(B)[2]	Total quotas and prorations
Mexico	204,583	211,270	1,263	417,116
Dominican Republic	200,083	206,624	1,236	407,943
Brazil	200,083	206,624	1,236	407,943
Peru	159,890	164,908	986	325,384
British West Indies	79,927	72,984	464	153,375
Ecuador	29,113	30,064	180	59,357
French West Indies	25,143	22,958	146	48,247
Argentina	24,613	25,418	152	50,183
Costa Rica	23,555	25,723	150	49,428
Nicaragua	23,555	25,723	150	49,428
Colombia	21,173	21,865	131	43,169
Guatemala	19,850	21,678	126	41,654
Panama	14,821	15,305	91	30,217
El Salvador	14,556	15,898	92	30,546
Haiti	11,116	11,479	69	22,664
Venezuela	10,057	10,386	62	20,505
British Honduras	5,822	5,317	34	11,173
Bolivia	2,382	2,460	15	4,857
Australia	95,278	87,000	----------	182,278
Republic of China	39,699	36,250	----------	75,949
India	38,111	34,800	----------	72,911
South Africa	28,054	25,616	----------	53,670
Fiji Islands	20,908	19,092	----------	40,000
Thailand	8,734	7,975	----------	16,709
Mauritius	8,734	7,975	----------	16,709
Malagasy Republic	4,499	4,108	----------	8,607
Swaziland	3,441	3,142	----------	6,583
Ireland	5,351	----------	----------	5,351
Total	1,322,831	1,322,542	6,583	2,651,956

[1] Proration of the quota withheld from Cuba and the proration of the quota for Honduras to Central American Common Market countries.
[2] Proration of the quota withheld from Southern Rhodesia.

* * * * *

(Secs. 201, 202, 207, and 403; 61 Stat. 923 as amended, 924 as amended, 927 as amended and 932 as amended; 7 U.S.C. 1111, 1112, 1117, and 1153)

Effective date. This action increases quotas by 100,000 tons and prorates the quota of Southern Rhodesia of 6,583 short tons, raw value, to Western Hemisphere countries. In order to promote orderly marketing, it is essential that all persons selling and purchasing sugar for consumption in the continental United States be able as soon as possible to make plans based on changes in the marketing opportunities. Therefore, it is hereby determined and found that compliance with the notice, procedure and 30-day effective date requirements in 5 U.S.C. 553 is unnecessary, impracticable and contrary to the public interest and this amendment shall become effective when published in the FEDERAL REGISTER.

Signed at Washington, D.C., this 3d day of February 1967.

JOHN A. SCHNITTKER,
Acting Secretary.

[F.R. Doc. 67-1491; Filed, Feb. 7, 1967; 8:47 a.m.]

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

[Milk Order 132]

PART 1032—MILK IN SOUTHERN ILLINOIS MARKETING AREA

Order Suspending a Certain Provision

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and of the order regulating the handling of milk in the Southern Illinois marketing area (7 CFR Part 1032), it is hereby found and determined that:

(a) The following provision of the order no longer tends to effectuate the declared policy of the Act for the month of January 1967: In § 1032.12(a)(2) the words "the months of August through".

(b) Notice of proposed rule making, public procedure thereon, and 30 days notice of the effective date hereof are impractical, unnecessary, and contrary to the public interest in that:

(1) This suspension order does not require of persons affected substantial or extensive preparation prior to the effective date.

(2) This suspension order is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area.

(3) This suspension order is requested by several cooperative associations whose members comprise a large majority of the producers regularly serving this market.

(4) This suspension action is necessary to maintain pool status during January 1967 for a plant which serves an essential function in orderly marketing by handling reserve milk of a large group of producers who are part of the necessary supply for the market. Without this action dairy farmers associated with this plant would lose producer status and their returns at order prices would be threatened.

Therefore, good cause exists for making this order effective upon publication in the FEDERAL REGISTER.

It is therefore ordered, That the aforesaid provision of the order is hereby suspended for the month of January 1967.

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

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on February 2, 1967.

GEORGE L. MEHREN,
Assistant Secretary.

[F.R. Doc. 67-1508; Filed, Feb. 7, 1967; 8:49 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 19—CHEESES, PROCESSED CHEESES, CHEESE FOODS, CHEESE SPREADS, AND RELATED FOODS

Confirmation of Effective Date of Order Upon Denial of Petition for Judicial Review

In the matter of establishing definition and standards of identity for mozzarella cheese, scamorza cheese (§ 19.600); part-skim mozzarella cheese, part-skim scamorza cheese (§ 19.601); low moisture mozzarella cheese, low moisture scamorza cheese (§ 19.605); low moisture part-skim mozzarella cheese, low moisture part-skim scamorza cheese (§19.606):

Following a hearing in 1958, the Commissioner of Food and Drugs published in the FEDERAL REGISTER of December 22, 1964 (29 F.R. 18121), an order establishing the above-identified definitions and standards of identity, effective 120 days from publication. An appeal, pursuant to section 701(f)(1) of the Federal Food, Drug, and Cosmetic Act, was filed with the Second Circuit Court of Appeals requesting review of the Commissioner's order as it related to low moisture mozzarella cheese and low moisture part-skim mozzarella cheese. Subsequently, pending the decision of the Court, the effective date of the four subject sections (§§19.600, 19.601, 19.605, 19.606) was stayed by orders published in the FEDERAL REGISTERS of March 30, 1965 (30 F.R. 4130), and April 17, 1965 (30 F.R. 5508).

Upon review by the Second Circuit Court of Appeals, the Commissioner's order of December 22, 1964, was affirmed. After further appeal, the U.S. Supreme Court on October 10, 1966, denied a petition for certiorari seeking review of the order of the Commissioner of December 22, 1964. Accordingly, the order became final and the stays of effective date for §§ 19.600, 19.601, 19.605, and 19.606 ended with the denial of certiorari.

The National Cheese Institute, Inc., 110 North Franklin Street, Chicago, Ill. 60606, and The Italian Fresh Cheese Manufacturer Association, 3480 Fulton Street, Brooklyn, N.Y. 11208, in behalf of their member firms manufacturing and distributing cheeses, have requested additional time to bring the labels of their products into compliance with the above-identified standards.

The Food and Drug Administration will not recommend regulatory action under the label requirements of the subject standards prior to the date which is 90 days from the date of this 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: January 27, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1494; Filed, Feb. 7, 1967; 8:48 a.m.]

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

PART 121—FOOD ADDITIVES

Subpart C—Food Additives Permitted in Feed and Drinking Water of Animals or for the Treatment of Food-Producing Animals

PHORATE; PESTICIDE AND FOOD ADDITIVE TOLERANCES

A petition (PP 3F0378) was filed with the Food and Drug Administration by the American Cyanamid Co., Agricultural Division, Post Office Box 400, Princeton, N.J. 08540, requesting the establishment of tolerances for residues of phorate (*O,O*-diethyl *S*-(ethylthiomethyl) phosphorodithioate) in or on sugarbeet tops at 3 parts per million and in or on sugarbeet roots at 0.3 part per million.

The petitioner also proposed (FAP 3H0942) establishment of a food additive tolerance for residues of phorate in or on dried sugarbeet pulp at 1 part per million.

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

After consideration of the data submitted in the petitions, and other relevant material, it is concluded that the tolerances established in this order are safe and 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 (secs. 408(d)(2), 409(c)(1), 68 Stat. 512, 72 Stat. 1786; 21 U.S.C. 346a(d)(2), 348(c)(1)), and delegated to the Commissioner of Food

and Drugs by the Secretary (21 CFR 2.120), parts 120 and 121 are amended as follows:

1. Section 120.3(e)(5) is amended by alphabetically inserting in the list of pesticides a new item, as follows:

§ 120.3 Tolerances for related pesticide chemicals.

* * * * *

(e) * * *

(5) * * *

Phorate (*O,O*-diethyl *S*-(ethylthiomethyl) phosphorodithioate).

* * * * *

2. The following new section is added to Subpart C of Part 120:

§ 120.206 Phorate; tolerances for residues.

Tolerances are established for residues of the insecticide phorate (*O,O*-diethyl *S*-(ethyltiomethyl) phosphorodithioate) in or on sugarbeet tops at 3 parts per million and in or on sugarbeet roots at 0.3 part per million.

3. The following new section is added to Subpart C of Part 121:

§ 121.296 Phorate.

A tolerance of 1 part per million is established for residues of the insecticide phorate (*O,O*-diethyl *S*-(ethylthiomethyl) phosphorodithioate) in or on dried sugarbeet pulp for cattle feed when present therein as a result of application of the insecticide to the growing agricultural crop.

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.

(Secs. 408(d)(2), 409(c)(1), 68 Stat. 512, 72 Stat. 1786; 21 U.S.C. 346a(d)(2), 348(c)(1))

Dated: January 30, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1495; Filed, Feb. 7, 1967; 8:48 a.m.]

PART 121—FOOD ADDITIVES

Subpart D—Food Additives Permitted in Food for Human Consumption

SODIUM STEARYL FUMARATE

The Commissioner of Food and Drugs, having evaluated the data in a petition (FAP 6A2027) filed by Chas. Pfizer & Co., Inc., 235 East 42d Street, New York, N.Y. 10017, and other relevant material, has concluded that the food additive regulations should be amended to provide for the safe use of sodium stearyl fumarate as a conditioning agent in dehydrated potatoes. 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), § 121.1183(b) is revised to read as follows:

§ 121.1183 Sodium stearyl fumarate.

* * * * *

(b) The additive is used or intended for use:

(1) As a dough conditioner in yeast-leavened bakery products in an amount not to exceed 0.5 percent by weight of the flour used.

(2) As a conditioning agent in dehydrated potatoes in an amount not to exceed 1 percent by weight thereof.

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: January 31, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1497; Filed, Feb. 7, 1967; 8:48 a.m.]

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

ADHESIVES

Effective upon publication of this order in the FEDERAL REGISTER, § 121.2520 *Adhesives* is amended by changing the item listed in paragraph (c)(5) as "Dicyandiamide" to read "Cyanoguanidine" (with alphabetical repositioning), for consistency of nomenclature within existing regulations.

(Sec. 701(a), 52 Stat. 1055; 21 U.S.C. 371(a))

Dated: January 27, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1493; Filed, Feb. 7, 1967; 8:47 a.m.]

SUBCHAPTER D—HAZARDOUS SUBSTANCES

PART 191—HAZARDOUS SUBSTANCES; DEFINITIONS AND PROCEDURAL AND INTERPRETATIVE REGULATIONS

Visual Novelties; Exemption From Certain Labeling Requirements

The Commissioner of Food and Drugs has received a request, submitted pursuant to section 3(c) of the Federal Hazardous Substances Act and § 191.62 of the regulations thereunder, to exempt certain visual novelty devices containing perchloroethylene from the placement requirements of § 191.101(a). Based on the information submitted in the request, and other relevant material, the Commissioner concludes that full compliance for such devices with such requirements is unnecessary for the adequate protection of the public health and safety.

Therefore, pursuant to the provisions of that act (sec. 3(c), 74 Stat. 374; 15 U.S.C. 1262) and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.120), § 191.63(a) is amended by adding thereto a new subparagraph, as follows:

§ 191.63 Exemptions for small packages, minor hazards, and special circumstances.

(a) * * *

(31) Visual novelty devices consisting of sealed units, each of which unit is a steel and glass cell containing perchloroethylene, among other things, are exempted from the requirements of § 191.101(a) that would otherwise require a portion of the warning statement to appear on the glass face of the device: *Provided*, That:

(i) The device contains not more than 75 milliliters of perchloroethylene and contains no other component that contributes substantially to the hazard.

(ii) The following cautionary statement appears elsewhere on the device in the type size specified in § 191.101 (c) and (d):

WARNING—HARMFUL VAPORS MAY RESULT IF BROKEN

Contains perchloroethylene. Do not expose to extreme heat or cold. If broken, open windows until all odor of the chemical is gone.

Keep out of the reach of children.

A practical equivalent may be substituted for the statement "Keep out of the reach of children."

Notice and public procedure and delayed effective date are unnecessary prerequisites to the promulgation of this order, and I so find, since the Federal Hazardous Substances Act contemplates such modification of the labeling requirements under certain conditions.

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

(Sec. 3(c), 74 Stat. 374; 15 U.S.C. 1262)

Dated: January 31, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1496; Filed, Feb. 7, 1967; 8:48 a.m.]

Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans Administration

PART 1—GENERAL PROVISIONS

Standards for Collection, Compromise, Suspension or Termination of Collection Effort, and Referral of Civil Claims for Money or Property

In Part 1, §§ 1.900 through 1.906, 1.910 through 1.921, 1.930 through 1.937, 1.940 through 1.943 and 1.950 through 1.954 are added to read as follows:

STANDARDS FOR COLLECTION, COMPROMISE, SUSPENSION OR TERMINATION OF COLLECTION EFFORT, AND REFERRAL OF CIVIL CLAIMS FOR MONEY OR PROPERTY

§ 1.900 Prescription of standards.

The instructions contained in §§ 1.900 through 1.954 are issued pursuant to the Public Law 89-508 (Federal Claims Collection Act of 1966, 80 Stat. 308) and the joint regulations thereunder of the Comptroller General of the United States and the Attorney General of the United States, Title 4, Chapter II, Code of Federal Regulations. Except as provided in § 1.903, they constitute standards governing Veterans Administration collection, compromise, suspension or termination of collection effort, and the referral to the General Accounting Office and the Department of Justice for litigation of civil claims by the Veterans Administration for money or property.

§ 1.901 Omissions not a defense.

The standards set forth in §§ 1.900 through 1.954 shall apply to Veterans Administration handling of claims for money and property but the failure of the agency to comply with any provision of the standards shall not be available as a defense to any debtor.

§ 1.902 Fraud, antitrust and tax claims excluded.

The standards set forth in §§ 1.900 through 1.954 do not apply to the handling of any claim as to which there is an indication of fraud, the presentation of a false claim, or misrepresentation on the part of the debtor or any other party having an interest in the claim, or to any claim based in whole or in part on violation of the antitrust laws. Only the Department of Justice has authority to compromise or terminate collection action on such claims. However, the standards will govern Veterans Administration handling of specific claims subsequent to Department of Justice notification that the alleged fraud, false claim, or misrepresentation does not warrant action by that department. The Veterans Administration has no authority to consider or compromise Federal tax claims.

§ 1.903 Settlement, waiver, or compromise under other statutory or regulatory authority.

Nothing in §§ 1.900 through 1.954 is intended to preclude Veterans Administration settlement, waiver, or compromise of claims under statutes other than the Federal Claims Collection Act of 1966, 80 Stat. 308. See, e.g., 38 U.S.C. 1820(a)(4) and (5) and 3102(a) and Public Law 87-693 (76 Stat. 593, 42 U.S.C. 2651-2653). Nor are §§ 1.900 through 1.954 intended to preclude Veterans Administration settlement, waiver, or compromise of claims under § 17.48(f) of this chapter for the cost of medical or hospital care furnished pursuant to § 17.47 (c)(1) or (d) of this chapter to persons who are entitled to hospital care or medical or surgical treatment or to reimbursement for all or part of the cost thereof by reason of "workmen's compensation" or "employer's liability" statutes, State or Federal; right to maintenance and cure in admiralty; or statutory or other relationships with third parties, giving rise to liability for damages because of negligence or other legal wrong.

§ 1.904 Conversion claims.

The instructions contained in §§ 1.900 through 1.954 are directed primarily to the recovery of money on behalf of the Government and the circumstances in which the Veterans Administration may dispose of claims for less than the full amount. In addition, the Veterans Administration will assert demands for the return of specific property or the payment of its value in cases of conversion.

§ 1.905 Subdivision of claims not authorized.

A debtor's liability arising from a particular transaction or contract shall be considered as a single claim in determining whether the claim is one of less than $20,000, exclusive of interest, for the purpose of compromise or termination of collection action. Such a claim may not be subdivided to avoid the monetary ceiling established by Public Law 89-508 (Federal Claims Collection Act of 1966, 80 Stat. 308).

§ 1.906 Required administrative proceedings.

Nothing contained in §§ 1.900 through 1.954 is intended to foreclose the right of any debtor to appeal or administrative hearing provided by statute, contract, or applicable Veterans Administration Regulation.

STANDARDS FOR COLLECTION OF CLAIMS

§ 1.910 Aggressive collection action.

The Veterans Administration will take aggressive action, on a timely basis with effective followup, to collect all claims for money or property arising from its activities.

§ 1.911 Demand for payment.

The Veterans Administration will make written demands for the payment of all debts which arise from its activities except in cases where immediate offset is made against current payments. The first demand will advise the debtor of the consequence of his failure to cooperate and of such rights to request waiver or further hearing as may exist in the particular case. Prompt response will be made to all communications from debtors. Where no Veterans Administration right to offset exists and the debtor fails to make satisfactory reply, second and third demands will be made at 30-day intervals unless it is apparent that further demand would be futile or unless prompt suit or attachment is required in anticipation of the departure of the debtor or debtors from the jurisdiction or his or their removal or transfer of assets or the running of the statute of limitations.

§ 1.912 Collection by offset.

The Veterans Administration will initiate collection by offset on claims which are liquidated or certain in amount and where the right to offset exists. When previous demand has been made, offset action will be taken when the debtor either agrees to such action or fails to make satisfactory response to the first demand within 30 days. Collections by offset from persons receiving pay or compensation from the Veterans Administration will be effected over a period not greater than the period such pay or compensation may be expected to continue. See 5 U.S.C. 5514 and 38 U.S.C. 3101. Collection by offset against a judgment obtained by the debtor against the United States will be accomplished in accordance with the Act of March 3, 1875, 18 Stat. 481, as amended, 31 U.S.C. 227. The Veterans Administration will make full use of the cooperative services of other agencies in effecting collections including utilization of the Army Holdup List.

§ 1.913 Personal interview with debtor.

The Veterans Administration will, to the extent feasible, undertake personal interviews whenever requested by debtors and in other cases having regard for the amounts involved and the proximity of agency representatives to the debtors.

§ 1.914 Contact with debtor's employing agency.

When a debtor of the Veterans Administration is employed by another agency of the Federal Government or is a member of the Military establishment or the Coast Guard and collection by offset cannot be accomplished in accordance with 5 U.S.C. 5514, the Veterans Administration will contact the employing agency in an effort to arrange with the debtor

for payment of the indebtedness by allotment or otherwise in accordance with section 206 of Executive Order 11222 of May 8, 1965 (30 F.R. 6469; 3 CFR 1965 Supp., pp. 130, 131).

§ 1.915 Suspension or revocation of eligibility.

Demands on debtors who are lenders, contractors, brokers, or other participants in Veterans Administration programs will include notification that failure to pay their debts within a reasonable time may be cause for suspension or disqualification to the extent authorized by law. Nothing in this section is intended to be in derogation of the provisions of 38 U.S.C. 1804(b) and 1804(d) as implemented by §§ 36.4331 and 36.4361 of this chapter. The failure of any surety to honor its obligations in accordance with 6 U.S.C. 11 will be reported to the Treasury Department at once. Prompt and appropriate Veterans Administration action will be taken upon receipt of Treasury Department notification that a surety's certificate of authority to do business with the Federal Government has been revoked or forfeited.

§ 1.916 Liquidation of collateral.

The Veterans Administration will exercise its rights to liquidate security or collateral and apply the proceeds to debts due it through use of a power of sale in the security instrument or a nonjudicial foreclosure if the debtor fails to pay his debt, within a reasonable time after demand, unless the cost of disposing of the collateral will be disproportionate to its value or the particular circumstances require judicial foreclosure. Collection from other sources, including liquidation of security or collateral, is not a prerequisite to requiring payment by a surety or insurance company unless such action is expressly required by statute or contract.

§ 1.917 Collection in installments.

The Veterans Administration will collect claims, with interest, where applicable, in one lump sum whenever possible. However, if the debtor is financially unable to pay the indebtedness in one lump sum, payment may be accepted in regular installments. The size and frequency of installment payments will be governed by the size of the debt and the debtor's ability to pay, but should not extend more than 3 years or be less than $10 per month except in only the most unusual circumstances. The Veterans Administration will attempt to obtain an executed confess-judgment note comparable to Department of Justice Form USA 70a whenever the total amount of unsecured deferred installments exceeds $750. Other security for deferred payments may be accepted in appropriate cases. However, installment payments may be accepted notwithstanding the debtor's refusal to execute a confess-judgment note or to give other security.

§ 1.918 Exploration of compromise.

The Veterans Administration will attempt to affect compromises in claims of $20,000 or less exclusive of interest in accordance with the standards set forth in §§ 1.930 through 1.937 in all cases in which it is ascertained that the debtor is financially unable to pay the full amount or in which the litigative risks or the costs of litigation dictate such action.

§ 1.919 Interest.

The Veterans Administration may forgo prejudgment interest not mandated by statute, contract or regulation as an inducement to voluntary payment. In such cases, demand letters will inform debtors that prejudgment interest will be collected if suit becomes necessary. When a debt is collected in installments and interest is included, the installment payments will first be applied to the payment of accrued interest and then to principle in accordance with the so-called "U.S. Rule" unless a different rule is prescribed by statute, contract, or regulation.

§ 1.920 Documentation of collection action.

An appropriate file will be maintained for each claim completely documenting all Veterans Administration collection action and the bases for any compromise or for suspension or termination of collection action.

§ 1.921 Additional collection action.

Nothing in §§ 1.900 through 1.954 is intended to preclude the utilization of any other remedy available to the Veterans Administration.

STANDARDS FOR COMPROMISE OF CLAIMS

§ 1.930 Scope and application.

The standards contained in §§ 1.930 through 1.937 apply to the compromise by the Administrator of Veterans Affairs or his designee of claims of the Government which arise from the activities of the Veterans Administration, do not exceed $20,000 exclusive of interest, have not been referred to the General Accounting Office or the Department of Justice, and do not arise out of an exception made by the General Accounting Office in the account of an accountable officer. The $20,000 limitation does not apply to loan guarantee indebtedness under 38 U.S.C., Chapter 37.

§ 1.931 Inability to pay.

The Veterans Administration will attempt to compromise claims for less than the full amount when the debtor is clearly unable to pay the full amount within a reasonable time or the debtor refuses to pay in full and the Government appears unable to enforce full collection within a reasonable time. The compromise authority contained in §§ 1.930 through 1.937 will not be utilized to grant equitable relief denied under waiver authority. All compromise amounts will bear a reasonable relation to the amount realizable under enforced collection procedures considering the circumstances. Compromises payable in installments are discouraged. However, if payment of a compromise by installments is necessary, an agreement for the reinstatement of the prior indebtedness less sums paid thereon and acceleration of the balance due upon default in the payment of any installment should be obtained, together with security in the manner set forth in § 1.197, in every case in which this is possible. If the agency's files do not contain reasonably up-to-date credit information as a basis for assessing a compromise proposal such information may be obtained from the individual debtor by obtaining a statement executed under penalty of perjury showing the debtor's assets and liabilities, income and expense. Similar data may be obtained from corporate debtors by resort to balance sheets and such additional data as seems required.

§ 1.932 Litigative possibilities.

The Veterans Administration will attempt to compromise claims when there is a real doubt as to the Government's ability to prove its case in court for the full amount claimed either because of the legal issues involved or bona fide dispute as to the facts. The amount accepted in compromise will fairly reflect the probability of prevailing on the legal question involved, the probabilities with respect to full or partial recovery of a judgment having due regard to the availability of witnesses and other evidentiary support for the Government claim, and related pragmatic considerations. Proportionate weight will be given the court costs which may be assessed against the Government if it is unsuccessful in litigation, having regard for the litigative risks involved. Cf. 28 U.S.C. 2412, as amended by Public Law 89-507, 80 Stat. 308.

§ 1.933 Cost of collecting claim.

The Veterans Administration will attempt to compromise claims when the cost of collection does not justify enforced collection of the full amount. The amount accepted in compromise in such cases may reflect an appropriate discount for the administrative and litigative costs of collection, having regard for the time required to effect collection. The cost of collection normally will be a proportionately greatly factor in the settlement of small claims.

§ 1.934 Joint and several liability.

When two or more debtors are jointly and severally liable, the Veterans Administration will proceed against each for the full amount. Care will be exercised that compromise with any one such debtor does not release the agency's claim against the remaining debtors or establish a morally binding precedent limiting their liabilities.

§ 1.935 Settlement for a combination of reasons.

The Veterans Administration may compromise specific claims for any combination of the reasons authorized in §§ 1.931 through 1.934.

§ 1.936 Further review of compromise offers.

The Veterans Administration may refer to the General Accounting Office or Department of Justice firm written offers

from debtors when there is doubt whether the offers should be accepted.

§ 1.937 Restrictions.

The Veterans Administration will not accept either a percentage of a debtor's profits or stock in a debtor corporation in compromise of a claim. Tax-loss effects will be considered in negotiating compromises with business concerns.

STANDARDS FOR SUSPENDING OR TERMINATING COLLECTION ACTION

§ 1.940 Scope and application.

The standards contained in §§ 1.940 through 1.944 apply to the suspension or termination of Veterans Administration collection action on claims which do not exceed $20,000 exclusive of interest and which have not been referred to the General Accounting Office or to the Department of Justice for litigation.

§ 1.941 Suspension of collection activity.

Suspension of collection activity constitutes merely the temporary cessation of collection effort. The Veterans Administration will suspend collection activity on all claims where the debtor cannot be located after diligent effort and there is reason to believe that future collection action may be sufficiently productive to justify periodic review and action on the claim having consideration for its size and the amount which may be realized thereon. Collection action may be suspended temporarily on a claim when the debtor owns no substantial equity in realty and is unable to make payments on the Government's claim or effect a compromise thereof at the time but his future prospects justify retention of the claim for periodic review and action and (a) the applicable statute of limitations has been tolled or started running anew or (b) future collection can be effected by offset notwithstanding the statute of limitations. Suspension of collection activity as to a particular debtor will not defer the early liquidation of any security for the debt. Every effort will be made to locate missing debtors sufficiently in advance of the bar of any applicable statute of limitations to permit the timely filing of suit if such action is warranted. If the missing debtor has signed a confess-judgment note and is in default, referral of the note for entry of judgment will not be delayed because of his missing status.

§ 1.942 Termination of collection activity.

Termination of collection activity involves a final determination. Collection activity may be terminated on cases previously suspended. The Veterans Administration may terminate collection activity and consider closing the agency file on a claim which meets any one of the following standards:

(a) *Inability to collect any substantial amount.* It is clear that the Government cannot enforce collection of any significant sum from the debtor and future prospects for collection are remote.

(b) *Inability to locate debtor.* The debtor cannot be located, no security remains to be liquidated, the applicable statute of limitations has run, and the prospects of collecting by offset are too remote.

(c) *Decease of debtor.* The debtor is determined to be deceased and the Government has no prospect of collecting from his estate.

(d) *Cost will exceed recovery.* The cost of further collection effort is likely to exceed the amount recoverable.

(e) *Claim legally without merit.* Collection action should be terminated on a claim whenever it is determined that the claim is legally without merit.

(f) *Claim cannot be substantiated by evidence.* The Veterans Administration will terminate collection action on once asserted claims because of lack of evidence or unavailability of witnesses only in cases in which court action appears the sole remaining recourse.

§ 1.943 Transfer of claims.

The Veterans Administration normally will refer claims to the General Accounting Office only when the amount exceeds $20,000 exclusive of interest or the particular circumstances indicate the capacity of that office to exert collection pressure not available to the Veterans Administration. Claims will be referred to the Department of Justice whenever required to renew a judgment or otherwise protect the interests of the Government.

REFERRALS TO GAO OR JUSTICE DEPARTMENT FOR LITIGATION

§ 1.950 Prompt referral.

The Veterans Administration will refer promptly to the General Accounting Office or to the Department of Justice as appropriate claims which are not compromised or on which collection action is not suspended or terminated in accordance with §§ 1.900 through 1.954. Due consideration will be given the timing of referrals in relation to any limitations on the timing of suits against debtors.

§ 1.951 Current address of debtor.

All referrals will include the current address of the debtor or the name and address of the agent for a corporation upon whom service may be made when such addresses are known to the Veterans Administration. Referrals in which the current address of any party is unknown will include a listing of all prior known addresses and a statement of the steps taken to locate each such party.

§ 1.952 Credit data.

(a) Every claim referred by the Veterans Administration to other authority will include reasonably current information concerning the debtor's ability to pay.

(b) Such credit data may take the form in order of preferences of:

(1) A commercial credit report.

(2) A Veterans Administration investigative report showing the debtor's assets and liabilities, income and expenses.

(3) An individual debtor's statement executed under penalty of perjury reflecting his assets and liabilities and income and expenses.

(c) Credit data will be omitted in referrel actions for foreclosure action and in other cases where it is clearly irrelevant to the Government's case.

§ 1.953 Report of prior collection actions.

All Veterans Administration referrals of claims to the General Accounting Office or the Department of Justice will be supported by a brief summary of the collection efforts taken by the Veterans Administration together with an explanation for the omission of any collection action prescribed in §§ 1.910 through 1.921.

§ 1.954 Preservation of evidence.

The Veterans Administration will preserve documentary evidence relating to all claims asserted on its behalf until disposition is authorized under other Federal Regulation.

(72 Stat. 1114; 38 U.S.C. 210)

These VA Regulations are effective January 15, 1967.

Approved: February 1, 1967.

By direction of the Administrator.

[SEAL] CYRIL F. BRICKFIELD,
Deputy Administrator.

[F.R. Doc. 67-1459; Filed, Feb. 7, 1967; 8:45 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

[Airspace Docket No. 67-WE-4]

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

Revocation of Control Area Extensions

The purpose of these amendments to Part 71 of the Federal Aviation Regulations is to revoke those control area extensions that are no longer required as designated controlled airspace. These areas are now completely encompassed by other designated transition areas.

Since this action imposes no additional burden on any person, notice and public procedure hereon are unnecessary.

In consideration of the foregoing, effective 0001 e.s.t., March 30, 1967, Part 71 of the Federal Aviation Regulations is amended as hereinafter set forth:

In § 71.165 (32 F.R. 2068), the following control area extensions are revoked:

Colorado Springs, Colo.
Sacramento, Calif.
San Francisco, Calif.
San Jose, Calif.
Seattle, Wash. (A)
Stockton, Calif.

(Sec. 307(a), Federal Aviation Regulations, as amended; 72 Stat. 749; 49 U.S.C. 1348)

Issued in Los Angeles, Calif., on January 31, 1967.

LEE E. WARREN,
Acting Director, Western Region.

[F.R. Doc. 67-1443; Filed, Feb. 7, 1967; 8:45 a.m.]

Title 32—NATIONAL DEFENSE

Chapter V—Department of the Army

SUBCHAPTER G—PROCUREMENT

MISCELLANEOUS AMENDMENTS TO SUBCHAPTER

Chapter V of Title 32 is amended as follows:

PART 591—GENERAL PROVISIONS

§ 591.103 [Amended]

1. The reference to "§ 591.107–50", in § 591.103, is changed to read "§ 591.106–50".

2. New § 591.357 is added; §§ 591.452, 591.452–1, 591.452–2, 591.452–3, 591.452–4, 591.452–5, 591.452–6, 591.452–7, 591.452–8, 591.452–9, and 591.452–10 are revised; and §§ 591.452–11, 591.452–12, 591.452–13, 591.452–14, and 591.452–15 are revoked, as follows:

§ 591.357 Human factors engineering in research and development contracts.

(a) It is Department of the Army policy to apply principles of human factors engineering in the development of weapons and equipment to assure maximum effectiveness of the man-machine combination in the operational environment. (See AR 70–8.)

(b) Research and development contracts for materiel and equipment which require a human being for operation or maintenance shall include in the contract specifications specific requirements for the contractor to perform competent, professional human factors engineering to insure that human factors engineering principles are incorporated into the design of the initial prototype.

(c) Contract specifications shall be explicit as to those human factors engineering applicable to the materiel or equipment being procured. Human factors engineering include, but are not limited to, a consideration of the following in terms of the intellectual, physical, and psychomotor capabilities of intended user and maintenance personnel:

(1) Proper assignment of functions to machines and to operators.

(2) Human space requirements for operation and access for maintenance.

(3) Planning of operator functions and analysis of operator tasks.

(4) Layout of work space and design of operator stations.

(5) Information needed for operator decisions, e.g., selection of displays and controls.

(6) Environmental conditions, e.g., temperature, noxious gases, noise, vibration, illumination, stress.

(7) Compatibility of the equipment with the personal and protective gear of the fully equipped soldier.

(8) Communication under operational conditions.

(9) Simplification of maintenance.

(10) Safety in operation and maintenance.

(d) When human factors engineering other than those listed above apply to the materiel or equipment being procured, they shall be explicitly stated in the contract specifications. Should any of the factors not apply to the materiel or equipment being procured, they shall be omitted from the contract specifications.

§ 591.452 Selection, authorization, and termination of authorization of ordering officers.

§ 591.452–1 Policy.

It is Department of the Army policy (a) that contracting officers appointed under § 1.405 of this title be responsible for the efficient performance of the procurement mission assigned the installation or activity concerned and (b) that the procurement function not be decentralized by indiscriminately authorizing ordering officers to take procurement actions which should normally be taken by contracting officers or which can be timely processed by contracting officers. While it is recognized that under certain circumstances the authorization of ordering officers may be necessary to insure prompt response to immediate requirements, the number of ordering officers shall be kept to the absolute minimum considered by the contracting officer as essential for the efficient performance of the assigned procurement mission.

§ 591.452–2 Definition.

An "ordering officer" is an individual, military or civilian, under the jurisdiction of the Department of the Army, who is authorized (a) to place calls against blanket purchase agreements, (b) to make purchases using imprest funds for payments therefor, (c) to make over-the-counter purchases while away from the purchasing office or at isolated activities, (d) to use U.S. Government National credit cards, (e) to order supplies from General Services Administration Stores Depots under MILSTRIP procedures, (f) to make emergency purchases while on authorized flights in Army aircraft, or (g) to place delivery orders against contracts, pursuant to the authorities and limitations set forth in §§ 591.452–4 and 591.452–6.

§ 591.452–3 Selection.

(a) Individuals under consideration for authorization as ordering officers, other than those enumerated in § 591.452–4 (d), (e), and (f), shall be evaluated relative to the factors set forth in § 1.405–1(a) of this title.

(b) Prior to authorizing an individual as an ordering officer, other than those enumerated in § 591.452–4 (d), (e), and (f), the contracting officer shall coordinate the contemplated authorization with the activity concerned to ensure that the need for an ordering officer exists and that the individual under consideration is fully qualified and has the time available to act as an ordering officer without requiring the redelegation of his authority.

§ 591.452–4 Authorization.

(a) Ordering officers, other than those enumerated in paragraphs (b) through (f) of this section, may be authorized only for the purposes set forth in § 591.452–6 and only by (1) persons designated in § 591.405 to appoint contracting officers, or (2) contracting officers who have been delegated the authority to authorize ordering officers, either on their Certificates of Appointment (DD Forms 1539) or by other written delegation of authority.

(b) Under § 3.605–3 of this title contracting officers may authorize individuals to place calls against blanket purchase agreements. Letters of authorization (§ 591.452–9) shall not be issued to such individuals.

(c) Under § 3.607–4 of this title contracting officers may authorize individuals to make purchases using imprest funds for payments therefor. Letters of authorization (§ 591.452–9) shall be issued to such individuals.

(d) Individuals to whom U.S. Government National Credit Cards §§ 3.609 and 5.101 of this title) are issued may obtain service station supplies or services under Federal Supply Schedule Contracts, FSC Group 91. Letters of authorization (§ 591.452–9) shall not be issued to such individuals.

(e) Individuals authorized by AR 725–50 to order supplies from General Services Administration Stores Depots under MILSTRIP procedures shall not be issued letters of authorization (§ 591.452–9).

(f) Department of the Army aviators authorized by AR 715–232 to make emergency purchases while on authorized flights in Army aircraft shall not be issued letters of authorization (§ 591.452–9).

(g) Individuals authorized as ordering officers for the purposes set forth in § 591.452–6 (a) and (b) shall be issued letters of authorization, except that letters of authorization need not be issued when individuals authorized to place delivery orders against indefinite delivery type contracts have been designated therein by name as ordering officers.

(h) An alternate ordering officer may be authorized to act during any official absence of the ordering officer. Ordering officers and their alternates shall sign purchase documents as "Ordering officer."

(i) Foreign nationals may not be authorized as ordering officers.

(j) Ordering officers may not redelegate their authority to others.

§ 591.452–5 Orientation and instruction.

(a) Upon authorizing an individual as an ordering officer, except those enumerated in § 591.452–4 (d), (e), and (f), and whether or not a letter of authorization is issued, the contracting officer to whom the ordering officer will be responsible (§ 591.452–8) shall orient and instruct him either personally or in writing in:

(1) The proper use of the procedures the individual will be authorized to use;

(2) The standards of conduct for Department of the Army personnel prescribed in AR 600–50; and

(3) The preparation and submission of information for procurement reporting purposes.

(b) Contracting officers shall also:

(1) Furnish copies of blanket purchase agreements and indefinite delivery type contracts to those ordering officers authorized to place calls or delivery orders against them; and

(2) Maintain a file containing all documents (such as résumés, references, and records of training) necessary to justify the necessity for the authorization of each ordering officer.

§ 591.452–6 Authority and limitations.

(a) Ordering officers authorized under § 591.452–4(a) may be given the authority to:

(1) Place delivery orders (DD Forms 1155 or QMC Forms 300) without monetary limitation (i) against Brand Name contracts published in Defense Supply Agency Brand Name Supply Bulletins in the SB 10–500 series, and (ii) against Defense Personnel Support Center requirements contracts for subsistence items;

(2) Place delivery orders (DD Forms 1155) without monetary limitation against indefinite delivery type contracts awarded by Department of the Army, Air Force, or Navy contracting officers for the preparation of household goods for shipment, Government storage, and related services;

(3) Place delivery orders (DD Forms 1155) without monetary limitation (i) against Defense Petroleum Supply Center requirements contracts, and (ii) for Federal Stock Pile items maintained by the Defense Materials System of the General Services Administration;

(4) Place Service Orders for Household Goods (DD Forms 1164) not to exceed $2,500 against Commercial Warehousing and Related Services for Household Goods contracts, subject to the criteria and procedures set forth in AR 55–42 and AR 743–455; and

(5) Place delivery orders (DD Forms 1155) without monetary limitation against indefinite delivery type contracts awarded by the contracting officer to whom the ordering officer is responsible.

(b) Ordering officers authorized to make purchases under § 3.608–9 of this title shall be authorized only (1) for deployed units or (2) at remote areas away from established Department of Defense installations with procurement functions, and shall be limited to purchase actions whose aggregate amounts do not exceed $250.

(c) Ordering officers authorized to place calls against blanket purchase agreements under § 3.605 of this title shall be limited to placing calls in aggregate amounts not to exceed $250; except that, for subsistence items, when the blanket purchase agreement contains the Examination of Records clause prescribed in § 7.104–15 of this title, calls may be placed without monetary limitation.

(d) Ordering officers authorized to make purchases using imprest funds for payments therefor shall be limited to purchase actions complying with the conditions and procedures set forth in § 3.607 of this title.

(e) Limitations imposed upon ordering officers authorized (1) to use U.S. Government National credit cards, (2) to order supplies from General Services Administration Stores Depots under MILSTRIP procedures, or (3) to make emergency purchases while on authorized flights in Army aircraft, shall be those limitations contained in the applicable regulations.

(f) Ordering officers may not be authorized to:

(1) Place calls or orders against Federal Supply Schedule contracts, except those in FSC Group 91 where purchases are made by use of credit cards; or

(2) Use any purchase method other than those authorized for the purpose in §§ 591.452—591.452–10 or by references to ASPR or Army Regulations herein.

§ 591.452–7 Procurement reporting requirements.

Contracting officers shall ensure that all calls, purchases, or delivery orders placed by ordering officers, whether or not authorized by letters of authorization, are reported in accordance with ASPR reporting procedures, and shall specify the manner in which ordering officers shall furnish the information required.

§ 591.452–8 Surveillance.

(a) Ordering officers, except those enumerated in § 591.452–4 (d), (e), and (f), shall be under the technical supervision of the contracting officer who authorized them or the contracting officer designated by the appointing authority in those cases where authorization of ordering officers is made by persons designated in § 591.405.

(b) Activities of ordering officers, except those enumerated in § 591.452–4 (d), (e), and (f), shall be inspected or reviewed at least twice each year by the responsible contracting officer or his designee who is an employee in the procurement office well qualified in procurement procedures used by ordering officers.

(c) Inspection or review findings shall be written and shall include specific comments as to whether or not the ordering officer is:

(1) Operating within the scope and limitations of his authority;

(2) Equitably distributing calls among suppliers with whom blanket purchase agreements have been established;

(3) Maintaining the standards of conduct prescribed in AR 600–50;

(4) Splitting purchase transactions to avoid monetary limitations;

(5) Delegating his authority to others; and

(6) Submitting correct and timely information for procurement reporting purposes.

(d) Copies of inspection and review findings shall be retained for 1 year in the files of ordering officers and inspecting contracting officers.

(e) Should a contracting officer find that an ordering officer is not properly performing his duties or fails to take prompt action to correct deficiencies noted in inspections or reviews, the appointing authority shall terminate the authorization of the ordering officer.

§ 591.452–9 Format for letters of authorization of ordering officers.

(a) When letters of authorization are required by § 591.452–4 to be issued to individuals authorizing them as ordering officers, the letter shall be substantially in the following format, wording or paragraphs inapplicable to the authorization being omitted.

SUBJECT: Authorization of Ordering Officer (Alternate Ordering Officer).

TO: (Address to individual by name, indicating rank or grade, section or location, and activity or installation.)

1. *Authorization.* Under Army Procurement Procedure 1–452.4, you are authorized an Ordering Officer (Alternate Ordering Officer) for the purposes set forth in paragraph 2 herein. Your authorization shall become effective (enter date) and shall remain effective, unless sooner revoked (until expiration of the contract(s) enumerated in paragraph 2 herein, or) until you are reassigned or your employment is terminated. You are responsible to and under the technical supervision of the (enter name of installation or activity) Contracting Officer for your actions as an Ordering Officer.

2. *Authority, Limitations, and Requirements.* Your authorization is subject to the use of the method(s) of purchase and to the limitations and requirements stated below:

a. Subject to your ensuring that local purchase authority exists for the transaction, you may make purchases using imprest funds for payments therefor and using Standard Forms 1165 (Receipt for Cash—Subvoucher), provided all of the following conditions are satisfied:

(1) The aggregate amount of a purchase transaction is not in excess of $100, or $250 under emergency conditions. You may not split purchases to avoid this monetary limitation;

(2) The supplies or nonpersonal services are available for delivery within 30 calendar days, whether at the supplier's place of business or at destination; and

(3) The purchase does not require detailed technical specifications or technical inspection.

b. Subject to your ensuring that funds are available and that local purchase authority exists for the transaction, you may make over-the-counter purchases using Standard Forms 44 (Purchase Order—Invoice—Voucher) or DD Forms 1155 (Order for Supplies or Services) provided all of the following conditions are satisfied:

(1) The aggregate amount of a purchase transaction is not in excess of $250. You may not split purchases to avoid this monetary limitation;

(2) Supplies or nonpersonal services are immediately available; and

(3) One delivery and one payment shall be made.

c. Subject to your insuring that funds are available and that local purchase authority exists for the transaction, you may place delivery orders (DD Forms 1155 or QMC Forms 300 without monetary limitation against:

(1) Brand Name contracts published in Defense Supply Agency Brand Name Supply Bulletins in the SB 10–500 series; and

(2) Defense Personnel Support Center requirements contracts for subsistence items.

d. Subject to your insuring that funds are available and that local purchase authority exists for the transaction, you may place delivery orders (DD Forms 1155) without monetary limitation against:

(1) Defense Petroleum Supply Center requirements contracts;

(2) General Services Administration for Federal Stock Pile items maintained by the Defense Materials System of the General Services Administration; and

(3) The following indefinite delivery type contracts, copies of which are attached: (list contracts by number and name of Contractor).

e. Subject to your insuring that funds are available and that local purchase authority exists for the transaction, you may place Service Orders for Household Goods (DD Forms 1164) against Commercial Warehousing and Related Services for Household Goods contracts for military and civilian personnel, subject to the criteria and procedures prescribed in AR-5542 and AR 743-455 and provided that no Service Order shall be in an amount in excess of $2,500.

f. You are responsible for (i) distributing and administering delivery orders that you place, (ii) establishing controls necessary to insure that all contract terms and conditions are met and that supplies or nonpersonal services ordered conform to contract requirements before acceptance is made or payment authorized, and (iii) reporting deficiencies in contractor performance promptly to the contracting officer and who awarded the contract against which the delivery order was placed. You may not make any changes in the terms or conditions of any contracts against which you place delivery orders.

3. *Standards of Conduct and Procurement Reporting Requirements.*

a. You shall comply with the standards of conduct prescribed in AR 600-50, Standards of Conduct for Department of the Army Personnel, and shall review the regulation at least semiannually. You shall sign a statement that you have read and understand the regulation and shall furnish one copy of your signed statement to the Contracting Officer to whom you are responsible at the time of acknowledging receipt of your authorization.

b. You shall furnish the Contracting Officer to whom you are responsible such information as he may require for procurement reporting purposes in the manner and at the time specified by him.

4. *Termination of Authorization.*

a. Your authorization may be revoked at any time by the undersigned appointing authority or his successor and shall be terminated in writing, except that no written termination of your authorization shall be made upon expiration of contracts enumerated in paragraph 2 herein unless such contracts are terminated prior to the expiration dates established therein.

b. Should you be reassigned from your present position or should your employment be terminated while this authorization is in effect, you shall promptly notify the appointing authority in writing so that your authorization may be terminated.

Type Name and Title of Appointing Authority

(b) Individuals authorized as ordering officers shall acknowledge receipt, in writing, of letters of authorization.

(c) Appointing authorities shall make distribution of letters of authorization to ordering officers, imprest fund cashiers, disbursing officers, and such other interested personnel as may be necessary.

(d) Contracting officers to whom ordering officers are responsible shall notify contractors of the names of individuals authorized to place delivery orders against their contracts, including the individual's section or location and activity or installation; except that such notification is not required when individuals authorized as ordering officers are named in the contracts. At the discretion of the contracting officer, notification to contractors may be accomplished by furnishing contractors with copies of letters of authorization.

§ 591.452-10 Termination of authorization.

(a) The authorization of an ordering officer shall remain in effect until the ordering officer is reassigned or his employment is terminated, but may be revoked at any time by the appointing authority or his successor, except that no revocation shall be made to take effect retroactively.

(b) Terminations of authorizations, except when contracts against which ordering officers are authorized to place delivery orders expire upon the dates established therein, shall be in writing substantially in the format set forth below and shall require written acknowledgement of receipt by the ordering officer.

SUBJECT: Termination of Authorization as Ordering Officer (Alternate Ordering Officer).

To: (Address same as letter of authorization.)

Your authorization as Ordering Officer (Alternate Ordering Officer) made by letter of authorization issued (enter date) is terminated effective (enter date) without prejudice to any actions taken pursuant thereto.

Type Name and Title of Appointing Authority

(c) Contracting officers to whom ordering officers are responsible shall notify contractors, imprest fund cashiers, disbursing officers, and other interested personnel, of terminations of authorizations of ordering officers in writing or by furnishing them with copies of the written terminations of authorizations.

§ 591.452-11 Ordering officers of other military departments or other Government agencies. [Revoked]

§ 591.452-12 Reporting requirements. [Revoked]

§ 591.452-13 Surveillance. [Revoked]

§ 591.452-14 Format for letters of appointment of ordering officers. [Revoked]

§ 591.452-15 Termination of appointment. [Revoked]

3. New Subpart YY is added, as follows:

Subpart YY—Delegations of Authority

Sec.
591.5101 Scope of subpart.
591.5102 Delegations of authority.

AUTHORITY: The provisions of this Subpart YY issued under secs. 2301-2314, 3012, 70A Stat. 127-133, 157; 10 U.S.C. 2301-2314, 3012.

Subpart YY—Delegations of Authority

§ 591.5101 Scope of subpart.

This subpart contains reproductions of the delegations of authority, other than annual delegations, which have been signed by the Assistant Secretary of the Army (Installations and Logistics). Annual delegations of authority will be published in Department of the Army Circulars in the 715 series.

§ 591.5102 Delegations of authority.

(a) The delegations of authority contained herein will remain effective until such time as they are superseded or rescinded.

(b) Redelegation and implementation of these authorities by the individual designees shall be within the limitations prescribed in each specific delegation.

(c) The following delegations are contained in this subpart:

(1) SAOAS-67-1—Delegation of Authority to Approve the Publication of Advertisements, Notices or Proposals.

(2) SAOAS-67-2—Delegation of Authority to Lease Quarters.

(3) SAOAS-67-4—Delegation of Authority to Settle Patents and Technical Information Claims.

(4) SAOAS-67-6—Delegation of Authority to Lease Personal Property.

(5) SAOAS-67-7—Delegation of Authority to Contract for Public Utility Services (Power, Gas, Water, and Communications) for Periods Not Exceeding 10 Years.

(6) SAOAS-67-8—Delegation of Authority to Deny Requests for Contractual Adjustment, to Approve Requests in Mistake and Informal Commitment Cases Not in Excess of $50,000, and to Refer Requests to the Army Contract Adjustment Board.

(7) SAOAS-67-9—Delegation of Authority to Sell Government Property.

(8) SAOAS-67-10—Delegation of Authority to Sell Government Property to Construction Contractors in Canada, Greenland, Iceland, the Azores, Johnston Island, and the Trust Territory of the Pacific Islands.

(9) SAOAS-67-13—Delegation of Authority to Procure Military Equipment and Parts.

(10) SAOAS-67-14—Delegation of Authority to Procure Alcohol Free of Tax and Specially Denatured Alcohol.

(11) SAOAS-67-16—Delegation of Priorities and Allocations Authority: DO Ratings and Allotments.

(12) SAOAS-67-17—Delegation of Priorities and Allocations Authority: DX Ratings and Allotments.

(13) SAOAS-67-18—Delegation of Priorities and Allocations Authority: Rescheduling Deliveries.

Ref. No.: SAOAS-67-1 OCTOBER 28, 1966.

DELEGATION OF AUTHORITY TO APPROVE THE PUBLICATION OF ADVERTISEMENTS, NOTICES OR PROPOSALS

1. Under Title 5, United States Code, section 302(b)(2), I hereby delegate the authority vested in me by section 3828 of the Revised Statutes (44 U.S.C. 324) to approve the publication of advertisements, notices, or proposals in newspapers to:

Commanding Generals, CONUSAMDW;
Commanding General, U.S. Army, Alaska;
Commanding General, U.S. Army Communications Zone, Europe;
Commanding General, U.S. Army Materiel Command;

Director of Personnel and Training, U.S. Army Materiel Command.
Commanders of:
U.S. Army Aviation Materiel Command;
U.S. Army Electronics Command;
U.S. Army Missile Command;
U.S. Army Mobility Equipment Command;
U.S. Army Munitions Command;
U.S. Army Test and Evaluation Command;
U.S. Army Weapons Command.
Commanding General, U.S. Army Recruiting Command.
Commanding General, U.S. Army Strategic Communications Command.
Commander, Military Traffic Management and Terminal Service.
The Adjutant General.
The Surgeon General.
Chief of Engineers.
Chief, Personnel Administration, Office of the Chief of Engineers.
Division Engineers, Corps of Engineers.
Chief, U.S. Army Audit Agency.

2. The above delegations are subject to the following restrictions:

a. The delegations shall not be redelegated.

b. The delegations to the following are restricted to recruitment purposes: The Adjutant General; Commanding Generals, CONUSAMDW; Commanding General, U.S. Army, Alaska; and Commanding General, U.S. Army Recruiting Command.

c. The delegation to the Commanding General, U.S. Army Communications Zone, Europe, is restricted to the recruitment of local nationals overseas at local wage rates.

d. The delegation to the Commanding General, U.S. Army Strategic Communications Command, is restricted to the recruitment of civilian personnel within CONUS and to the recruitment of local nationals overseas for technical or professional work at local wage rates.

e. The delegations to the following are restricted to the recruitment of civilian personnel in CONUS and overseas: The Surgeon General; Chief, U.S. Army Audit Agency; Chief, Personnel Administration, Office of the Chief of Engineers; Commanding General, U.S. Army Materiel Command; Director of Personnel and Training, U.S. Army Materiel Command; and the commanders of the major subordinate commands of the U.S. Army Materiel Command.

f. The delegation to the Chief of Engineers is restricted to the recruitment of civilian personnel and to real estate and civil and military construction matters in CONUS and overseas. The delegation to Division Engineers is restricted to real estate, civil, and military construction matters.

g. The delegation to the Commander, Military Traffic Management and Terminal Service is restricted to advertising Army-owned interchange freight car equipment in official train equipment registers.

3. The foregoing delegation of authority becomes effective on December 1, 1966, and, as of that date, Delegation of Authority, March 25, 1965, subject: Delegation of Power to Authorize the Publication of Advertisements, Notices, or Proposals, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army (Installations and Logistics).

Ref. No.: SAOAS–67–2 OCTOBER 28, 1966.

DELEGATION OF AUTHORITY TO LEASE QUARTERS

1. I consider that it is advantageous to the United States to lease quarters under the control of the Department of the Army, not for the time needed for the public use, and not excess property (as defined by Title 40, United States Code, sec. 472), to the States for use as quarters for State-paid employees of the National Guard upon the terms stated in paragraph 3 below, which I consider will promote the national defense or be in the public interest.

2. Under Title 10, United States Code section 2667, I hereby delegate to the Chief of Engineers, with the authority to redelegate further, the authority to lease, by negotiation, quarters within the scope of the considerations in paragraph 1 above.

3. Each lease under this delegation:

a. May not be for more than 5 years;

b. Shall permit the Secretary of the Army to revoke the lease at any time;

c. Shall provide that the lessee will pay a fair monetary rental;

d. Shall provide that the leased property will be used only as quarters for State-paid employees of the National Guard employed at the installation at which the quarters are located;

e. Shall provide that the lessee will maintain the leased property in good condition and will return it at the expiration or termination of the lease in as good condition as that existing at the commencement thereof, or as subsequently improved under the terms of the lease, less ordinary wear and tear or within specified tolerance limits;

f. Shall provide that the lessee shall make no changes or alterations in the leased property except with the consent of the Government;

g. Shall provide that, if and to the extent that the leased property is later made taxable by State and local governments under an act of Congress, the lease shall be renegotiated; and

h. Shall recite that it is executed under the authority of Title 10, United States Code, section 2667.

4. Leases of quarters not conforming to the above terms shall, prior to execution, be submitted to the Assistant Secretary of the Army (Installations and Logistics) for approval.

5. The foregoing delegation of authority becomes effective on December 1, 1966, and, as of that date, Delegation of Authority, Ref. No.: LOG/E1A–63–2, July 12, 1962, subject: Delegation of Authority to Lease Quarters Pursuant to Title 10, United States Code, section 2667, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army (Installations and Logistics).

Ref. No.: SAOAS–67–4 OCTOBER 28, 1966.

DELEGATION OF AUTHORITY TO SETTLE PATENTS AND TECHNICAL INFORMATION CLAIMS

1. Under section 606(b) of the Foreign Assistance Act of 1961 (75 Stat. 440; 22 U.S.C. 2356(b)), and Department of Defense Directive 2000.3, March 11, 1959, as amended, subject: International Interchange of Patent Rights and Technological Information, I hereby delegate to the Commanding Generals, U.S. Army Materiel Command and U.S. Army Strategic Communications Command, and to the Chief of Engineers, the authority to enter into agreements with claimants in full settlement and compromise of any claim against the United States under section 606(a) of the Foreign Assistance Act of 1961, subject to the requirements of section IX, Army Procurement Procedure, and such other rules and regulations as higher echelons may promulgate from time to time.

2. The authority delegated in paragraph 1 may not be redelegated, except that the Commanding General, U.S. Army Materiel Command, may redelegate to the Commanders of his major subordinate commands only.

3. The foregoing delegation of authority becomes effective on December 1, 1966, and, as of that date, Delegation of Authority, Ref. No.: LOG/E1A–63–4, July 12, 1962, subject: Delegation of Authority Under section 606 (b) of the Foreign Assistance Act of 1961 and Predecessors (sec. 506 of the Mutual Security Act of 1954 (68 Stat. 852) and sec. 517 of Mutual Security Act of 1951 (65 Stat. 382; 22 U.S.C. 1668(c)), is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army (Installations and Logistics).

Ref. No.: SAOAS–67–6 OCTOBER 28, 1966.

DELEGATION OF AUTHORITY TO LEASE PERSONAL PROPERTY

1. I consider that it is advantageous to the United States to lease personal property under the control of the Department of the Army, not for the time needed for the public use, and not excess property (as defined by Title 40, United States Code, sec. 472), upon the terms stated in paragraph 3 below, which I consider will promote the national defense or be in the public interest.

2. Under Title 10, United States Code, section 2667, I hereby delegate to each Head of Procuring Activity, with authority to redelegate to a principal assistant of each such Head, without authority to redelegate further, the authority to lease personal property within the scope of the considerations in paragraph 1 above, provided that no Department of Defense owned production equipment (defined in Defense Mobilization Order VII–4 as revised, Mar. 10, 1958) may be leased for nondefense production (as defined in Department of Defense Instruction 4215.13, Mar. 21, 1958, as changed, subject: Leasing of Government-owned Production Equipment), without there first being obtained the approval of the Office of Emergency Planning for the lease of such equipment.

3. Each lease under this delegation:

a. May not be for more than 5 years;

b. Shall permit the Secretary of the Army to revoke the lease at any time;

c. Shall, with regard to all property subject to Part 6, section XIII, Armed Services Procurement Regulation, be governed by the provisions thereof. With regard to all other personal property, each lease shall provide that the lessee will pay a fair monetary rental. Fair monetary rental shall be determined on the basis of prevailing commercial rates or computed in accordance with sound commercial accounting practices for the fixing of rental on such property including a return on capital investment and administrative cost as well as depreciation. Single or multiple shift operations as proposed by the lessee will be considered in establishing fair monetary rental. The rental shall, in any event, be such as to prevent the lessee from obtaining an unfair competitive advantage over competitors by reason thereof;

d. Shall provide that the lessee shall bear the expense of removing, packing, and shipping of the leased property and also the expense of returning and reinstalling the property or processing it for extended storage upon expiration or termination of the lease;

e. Shall provide that the lessee will maintain the leased property in good operating condition and will return it upon the expiration or termination of the lease in as good condition as that existing at the commencement thereof, as subsequently improved, or as it should have been improved under the terms of the lease, less ordinary wear and tear or within specified tolerance limits. However, leases of railway equipment may provide for assumption of maintenance responsibility by the lessor, provided also that mileage earnings shall be retained by the Government;

f. Shall provide that the lessee will make no changes or alterations in the leased property except with the consent of the Government;

g. Shall provide that, if and to the extent that the leased property is later made taxable by State or local governments under an act of Congress, the lease shall be renegotiated; and

h. Shall recite that it is executed under the authority of Title 10, United States Code, section 2667.

4. Leases of personal property not conforming to the terms above shall, prior to execution, be submitted to the Assistant Secretary of the Army (Installations and Logistics) for approval.

5. The foregoing delegation of authority becomes effective on December 1, 1966, and, as of that date, Delegation of Authority, Ref. No.: LOG/E1A-63-6, July 12, 1962, subject: Delegation of Authority to Lease Personal Property Pursuant to the Authority Contained in Title 10, United States Code, section 2667, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army
(Installations and Logistics).

Ref. No.: SAOAS-67-7 OCTOBER 28, 1966.

DELEGATION OF AUTHORITY TO CONTRACT FOR PUBLIC UTILITY SERVICES (POWER, GAS, WATER, AND COMMUNICATIONS) FOR PERIODS NOT EXCEEDING 10 YEARS

1. Under Department of Defense Directive 5100.32, November 9, 1962, subject: Delegation of Authority with Respect to Contracts for the Procurement of Public Utility Services, I hereby delegate (i) to the Chief of Engineers as the Department of the Army Power Procurement Officer, the authority to enter into contracts for public utility services (power, gas, and water), and (ii) to the Commanding Generals, U.S. Army Strategic Communications Command and U.S. Continental Army Command, the authority to enter into contracts for communications services, for periods extending beyond a current fiscal year but not exceeding 10 years under one or more of the following circumstances:

a. Where there are obtained lower rates, larger discounts, or more favorable conditions of service than those available under contracts the firm term of which would not extend beyond a current fiscal year.

b. Where connection or special facility charges payable under contracts the firm term of which would not extend beyond a current fiscal year are eliminated or reduced.

c. Where the utility company refuses to render the desired service except under a contract the firm term of which extends beyond a current fiscal year.

2. The authority delegated in paragraph 1 above may be redelegated (i) with respect to contracts for power, gas, and water, to the Deputy Department of the Army Power Procurement Officer, and (ii) with respect to contracts for communications services to duly authorized representatives of the Commanding Generals, U.S. Army Strategic Communications Command and U.S. Continental Army Command.

3. This authority shall be exercised strictly in accordance with the applicable provisions of the "Statement of Areas of Understanding Between the Department of Defense and General Services Administration" entitled "Procurement of Utility Services (Power, Gas, Water)," 15 F.R. 8227 (1950), and "Procurement of Communication Services," 15 F.R. 8226 (1950).

4. Unless distribution thereof is inadvisable for reasons of security, copies of contracts executed under the authority of this delegation and other pertinent data and information with respect thereto shall be furnished to the General Services Administration.

5. The foregoing delegation of authority becomes effective on 1 December 1966, and, as of that date, Delegation of Authority, Ref. No.: SAOAS-64-7, March 24, 1964, subject: Authority to Contract for Public Utility Services (Power, Gas, Water, and Communications) for Periods Not Exceeding 10 Years, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army
(Installations and Logistics.)

Ref. No.: SAOAS-67-8 OCTOBER 28, 1966.

DELEGATION OF AUTHORITY TO DENY REQUESTS FOR CONTRACTUAL ADJUSTMENT, TO APPROVE REQUESTS IN MISTAKE AND INFORMAL COMMITMENT CASES NOT IN EXCESS OF $50,000, AND TO REFER REQUESTS TO THE ARMY CONTRACT ADJUSTMENT BOARD

1. Under the Act of August 28, 1958 (Public Law 85-804, 72 Stat. 972; 50 U.S.C. 1431-1435); Executive Order No. 10789, November 14, 1958, 23 F.R. 8897; and section XVII of the Armed Services Procurement Regulation, I hereby delegate to each Head of Procuring Activity, with authority to redelegate to a principal assistant of each such Head and no further:

a. Authority to deny any request for contractual adjustment within the scope of Part 2, section XVII, Armed Services Procurement Regulation;

b. Authority to make all determinations and findings required by the Act, Executive Order, and Regulation, and to approve, authorize, and direct appropriate action, in those cases set forth as examples within the categories of mistake and informal commitment in paragraphs 17-204.3 and 17-204.4 of the Armed Services Procurement Regulation, subject to the limitations set forth in paragraph 17-205 thereof; and, where necessary to the exercise of this authority, authority to modify or release unaccrued obligations of any sort and to extend delivery and performance dates;

c. Authority to refer to the Army Contract Adjustment Board ay case in which the Head of Procuring Activity (or any principal assistant to whom he has delegated the authority described in subparagraphs a and b above) determines that an appropriate contractual adjustment is justified but does not, under subparagraph b above, have authority to make the adjustment; and

d. Authority to refer to the Army Contract Adjustment Board for its determination, any doubtful or unusual cases under subparagraphs a or b above.

2. The foregoing delegation of authority becomes effective on December 1, 1966, and, as of that date, Delegation of Authority, Ref. No.: LOG/E1A-63-8, July 12, 1962, subject: Delegation of Authority to Deny Requests for Adjustment, to Approve Requests in Mistake and Informal Commitment Cases Under $50,000, and to Refer Requests to the Army Contract Adjustment Board, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army
(Installations and Logistics).

Ref. No.: SAOAS-67-9 OCTOBER 28, 1966.

DELEGATION OF AUTHORITY TO SELL GOVERNMENT PROPERTY

1. Under the Act of Aug. 28, 1958 (Public Law 85-804, 72 Stat. 972; 50 U.S.C. 1431-1435); Executive Order No. 10789, Nov. 14, 1958, 23 F.R. 8897; and section XVII of the Armed Services Procurement Regulation, I hereby delegate to each Head of Procuring Activity, with authority to redelegate to a principal assistant of each such Head and no further the authority to approve contracts not in excess of $50,000 for:

a. The sale of uniforms, safety clothing, safety equipment, and other such special safety and protective articles to contractors under Defense contracts, to employees of such contractors, and to Government employees, at prices determined in accordance with applicable pricing regulations;

b. The sale of Government-owned unserviceable ammunition components, or scrap generated in the production of ammunition components, to selected metal processors at current market prices and on condition that quantities of raw materials equivalent to that processed from the unserviceable components be made available by them to Army contractors participating in approved ammunition programs.

2. A contract, or amendment or modification thereof, shall be entered into under paragraph 1a hereof only upon a written finding that the sale is made in connection with and will facilitate or expedite performance of a specific contract or work order for Defense procurement.

3. A contract, or amendment or modification thereof, shall be entered into under this delegation only if:

a. The approving authority:

(1) Finds that the action will facilitate the national defense;

(2) Deems that other legal authority in the Department to accomplish the sale is lacking or inadequate; and

(3) Deems that the use of the authority herein delegated is necessary and appropriate under all the circumstances; and

b. The requirements of Part 3, section XVII, Armed Services Procurement Regulation, are otherwise met.

4. This authority does not apply to the sale of property subject to priorities or allocation under the Defense Production Act of 1950, as amended (64 Stat. 798; 50 U.S.C. App. 2062), except where such sale is authorized under that Act or applicable regulations or orders thereunder.

5. The foregoing delegation of authority becomes effective on December 1, 1966, and, as of that date, Delegation of Authority, Ref. No.: LOG/E1A-63-9, July 12, 1962, subject: Delegation of Authority to Sell Government Property Under Public Law 85-804 and Executive Order No. 10789, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army
(Installations and Logistics).

Ref. No.: SAOAS-67-10 OCTOBER 28, 1966.

DELEGATION OF AUTHORITY TO SELL GOVERNMENT PROPERTY TO CONSTRUCTION CONTRACTORS IN CANADA, GREENLAND, ICELAND, THE AZORES, JOHNSTON ISLAND AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS

1. Under the Act of August 28, 1958 (Public Law 85-804, 72 Stat. 972; 50 U.S.C. 1431-1435); Executive Order No. 10789, November 14, 1958, 23 F.R. 8897; and section XVII of the Armed Services Procurement Regulation, I hereby delegate to the Chief of Engineers, without authority to redelegate further, the authority to approve contracts not in excess of $50,000 for the sale of Government-owned construction material, equipment, and supplies to contractors under fixed-price military construction contracts in Canada, Greenland, Iceland, the Azores, Johnston Island, and the Trust Territory of the Pacific Islands, at cost to the Government plus transportation cost, if any, to the site, less an equitable reduction for depreciation in the case of used property.

2. A contract, or amendment or modification thereof, shall be entered into under paragraph 1 hereof only upon a written finding that the sale is made in connection with and will facilitate or expedite performance of a specific contract or work order for Defense procurement.

3. A contract, or amendment or modification thereof, shall be entered into under this delegation only if:

a. The approving authority:

(1) Finds that the action will facilitate the national defense;

(2) Deems that other legal authority in the Department to accomplish the sale is lacking or inadequate; and

(3) Deems that the use of the authority herein delegated is necessary and appropriate under all circumstances; and

b. The requirements of Part 3, section XVII, Armed Services Procurement Regulation, are otherwise met.

4. This authority does not apply to the sale of property subject to priorities or allocation under the Defense Production Act of 1950, as amended (64 Stat. 798; 50 U.S.C. App. 2062), except where such sale is authorized under that Act or applicable regulations or orders thereunder.

5. The foregoing delegation of authority becomes effective on December 1, 1966, and, as of that date, Delegation of Authority, Ref. No.: LOG/E1A-63-10, July 12, 1962, subject: Delegation of Authority to Sell Government Property to Construction Contractors in Canada, Greenland, Iceland, The Azores, and to Construction Contractors on Johnston Island and the Trust Territory of the Pacific Islands Under Public Law 85-804 and Executive Order No. 10789, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army
(Installations and Logistics).

Ref. No.: SAOAS-67-13 OCTOBER 28, 1966.

DELEGATION OF AUTHORITY TO PROCURE MILITARY EQUIPMENT AND PARTS

1. Under memorandum from the Assistant Secretary of Defense (Installations and Logistics), December 12, 1961, subject: Procurement of Military Equipment and Parts, I hereby delegate to the Commanding General, U.S. Army Materiel Command, the authority to approve the purchase of proprietary data relating to privately developed supplies and to approve reverse engineering in appropriate circumstances. The principles set forth in the referenced directive and pertinent sections of the Armed Services Procurement Regulation shall govern such approvals.

2. The authority delegated in paragraph 1 above may be redelegated to the following officials of the U.S. Army Materiel Command without authority to redelegate further:

Deputy Commander;
Director of Development;
Director of Procurement and Production;
Director of Major Items;
Commanders and Deputy Commanders of major subordinate commands.

3. The foregoing delegation of authority becomes effective on December 1, 1966, and as of that date, Delegation of Authority, Ref. No.: LOG/E1A-63-13, July 12, 1962, subject: Procurement of Military Equipment and Parts, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army
(Installations and Logistics).

Ref. No.: SAOAS-67-14 OCTOBER 28, 1966.

DELEGATION OF AUTHORITY TO PROCURE ALCOHOL FREE OF TAX AND SPECIALLY DENATURED ALCOHOL

1. Under Title 26, Code of Federal Regulations, sections 211.231 and 213.142 (1961), I hereby delegate to the Commanding General, U.S. Army Materiel Command; The Surgeon General; such of their principal assistants as may be named by them; and the Chief of Engineers, the authority to sign applications to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, for permits to procure Alcohol, Free of Tax, Form 1444, and Specially Denatured Alcohol, Form 1486.

2. The Director, Alcohol and Tobacco Division, Internal Revenue Service, is being advised of the above delegation. The names of any principal assistants named by the Commanding General, U.S. Army Materiel Command or by The Surgeon General shall be furnished in writing to the Director, Alcohol and Tobacco Division, Internal Revenue Service, Washington, D.C. 20224.

3. The foregoing delegation of authority becomes effective December 1, 1966, and, as of that date, Delegation of Authority, Ref. No.: LOG/E1A-63-14, July 12, 1962, subject: Authority to Procure Alcohol Free of Tax and Specially Denatured Alcohol, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army
(Installations and Logistics).

Ref. No.: SAOAS-67-16 OCTOBER 28, 1966.

DELEGATION OF PRIORITIES AND ALLOCATIONS AUTHORITY: DO RATINGS AND ALLOTMENTS

1. Under Department of Defense Instruction 4405.11, January 6, 1964, as amended, subject: Delegation of Priorities and Allocations Authority: DO Ratings and Allotments, and in accordance with the Defense Production Act of 1950, as amended (64 Stat. 798; 50 U.S.C. App. 2062); and Business and Defense Services Administration (BDSA) Delegation 1, I hereby delegate to the Deputy Chief of Staff for Logistics with authority to redelegate further, the authority:

a. To apply or assign to others the right to apply DO ratings to contracts and delivery orders to meet Department of Defense (DOD) programs authorized for priorities support by the Office of Emergency Planning (OEP) or designated by OEP as eligible for priorities support through DOD.

b. To assign the right to apply DO ratings to certain prime contractors or subcontractors on orders for delivery of production equipment specifically required to support authorized programs of the DOD or of such other specially designated programs.

c. To assign the right to apply DO ratings to certain contractors on orders for delivery of construction equipment for use on construction in Alaska, Hawaii, or outside of the United States.

d. To make allotments of controlled materials, and to apply or assign to others the right to apply allotment numbers to ratable contracts and delivery orders within the allotment jurisdiction of the Department of the Army.

2. The conditions for the use of this delegation are:

a. Authority shall be exercised within the limits of such allocation determinations or other quantitative restrictions as may be established, and in accordance with such instructions, conditions, recordkeeping, and reporting requirements as may be issued from time to time by the Assistant Secretary of Defense (Installations and Logistics) (ASD (I&L)).

b. The exercise of this authority shall conform to the terms of the regulations and orders of BDSA and to such priorities and allocations policy directions and procedures as may be issued in the DOD Priorities and Allocations Manual (PAM).

c. The authority delegated in paragraph 1 above may be redelegated only within the Department of the Army. Any other redelegation shall require the prior written approval of ASD(I&L).

d. Allotment authorities in support of the Aircraft (A-1) Program shall be exercised jointly by procuring departments through a joint activity.

3. The Office of the Deputy Chief of Staff for Logistics is designated as the office responsible for administering the priorities and allocations functions within the Department of the Army and shall be responsible for insuring compliance by all Department of the Army components in the use of priorities and allocations authority which are delegated to them.

4. The foregoing delegation of authority becomes effective on December 1, 1966, and, as of that date, Delegation of Authority, Ref. No.: LOG/E2-63-12, July 12, 1962, subject: Delegation of Priorities and Allocations Authority: DO Ratings and Allotments, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army
(Installations and Logistics).

Ref. No.: SAOAS-67-17

DELEGATION OF PRIORITIES AND ALLOCATIONS AUTHORITY: DX RATINGS AND ALLOTMENTS

1. Under Department of Defense Instruction 4405.12, January 6, 1964, as amended, subject: Delegation of Priorities and Allocations Authority: DX Ratings and Allotments, and in accordance with the Defense Production Act of 1950, as amended (64 Stat. 798; 50 U.S.C. App. 2062); and Business and Defense Services Administration (BDSA) Delegation 1, I hereby delegate to the Deputy Chief of Staff for Logistics with authority to redelegate further, the authority to apply or assign to others the right to apply DX ratings and allotment numbers to contracts and delivery orders for programs approved by the Office of Emergency Planning (OEP) as of the highest national priority.

2. The conditions for use of this delegation are:

a. The DX program rating and allotment authority is limited to:

(1) Contracts and orders identifiable to programs of the highest national priority, as listed in the Department of Defense Master Urgency List.

(2) Contracts and orders to which rating and allotment numbers may be applied or assigned under the Delegation of Priorities and Allocations Authority: DO Ratings and allotments.

b. Authority shall be exercised within the limits of such allocation determinations or other quantitative restrictions as may be established, and in accordance with such instructions, conditions, recordkeeping, and reporting requirements as may be issued from time to time by the Assistant Secretary of Defense (Installations and Logistics) (ASD (I&L)).

c. The exercise of this authority shall conform to the terms of the regulations and orders of the BDSA and to such priorities and allocations policy directives and procedures as may be issued in the DOD Priorities and Allocations Manual (PAM).

d. The authority delegated in paragraph 1 above may be redelegated only within the Department of the Army. Any other redelegation shall require the prior written approval of ASD(I&L).

3. The Office of the Deputy Chief of Staff for Logistics is designated as the office responsible for ensuring compliance by all Department of the Army components in the use of the DX authority delegated to them.

4. The foreging delegation of authority becomes effective on December 1, 1966, and, as of that date, Delegation of Authority, Ref. No.: LOG/E2-63-17, July 12, 1962, subject: Delegation of Priorities and Allocations Authority: DX Ratings and Allotments, is

superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army (Installations and Logistics).

Ref. No.: SAOAS–67–18 OCTOBER 28, 1966.

DELEGATION OF PRIORITIES AND ALLOCATIONS AUTHORITY: RESCHEDULING DELIVERIES

1. Under Department of Defense Instruction 4405.13, May 24, 1960, as amended, subject: Delegation of Priorities and Allocations Authority: Rescheduling Deliveries, and in accordance with the Defense Production Act of 1950, as amended (64 Stat. 798; 50 U.S.C. App. 2062); and Business and Defense Services Administration (BDSA) Delegation 1, I hereby delegate to the Deputy Chief of Staff for Logistics with authority to redelegate further, the authority to reschedule deliveries of materials which are required in support of the Aircraft (A–1) and Tank Automotive (A–4) Programs.

2. The conditions for use of this delegation are as follows:

a. The authority delegated in paragraph 1 above shall be limited to rescheduling deliveries on rated orders or authorized controlled materials orders:

(1) Bearing the A–1 or the A–4 Program identification, and

(2) Issued by or pursuant to the authority of the Department of the Army, or, if not, that the rescheduling is requested or concurred in by the Department or associated agency under whose authority they were issued.

b. Rescheduling of delivery may be directed only if it requires no change in the production schedule of the person making the delivery.

c. The rescheduling authority shall be so exercised as to support decisions on relative urgencies reflected in the Department of Defense Master Urgency List, based on realistic needs to meet approved schedules.

d. The exercise of this authority shall conform to the terms of the regulations and orders of BDSA and to such priorities and allocations policy directives and procedures as may be issued in the DOD Priorities and Allocations Manual (PAM).

e. The authority delegated in paragraph 1 above may be redelegated only within the Department of the Army and only to that activity within the Department of the Army which is to act as its central delivery rescheduling unit for a program. Any other redelegation shall require the prior written approval of the Assistant Secretary of Defense (Installations and Logistics) (ASD (I&L)).

3. The Office of the Deputy Chief of Staff for Logistics is designated as the office responsible for ensuring compliance by all Department of the Army components in the use of the rescheduling authority delegated to them.

4. The foregoing delegation of authority becomes effective on December 1, 1966, and, as of that date, Delegation of Authority, Ref. No.: LOG/E2–63–18, July 12, 1962, subject: Delegation of Priorities and Allocations Authority: Rescheduling Deliveries, is superseded without prejudice to any action taken pursuant thereto.

ROBERT A. BROOKS,
Assistant Secretary of the Army (Installations and Logistics).

PART 596—FOREIGN PURCHASES

4. Section 596.103–2(c)(3) and Subpart D are revised to read as follows:

§ 596.103–2 Nonavailability in the United States.

* * * * *

(c) * * *

(3) The country of origin (see Subpart D, Part 6 of Chapter I of this title regarding restrictions on purchases from Communist areas);

* * * * *

Subpart D—Purchases From Communist Areas

§ 596.402 Exceptions.

(a) The term "United States," as used in this subpart, is as defined in § 6.001(c) of this title.

(b) With respect to an exception pursuant to § 6.402(b)(1) of this title, the procedures set forth herein govern.

(1) When the supplies are to be used in the United States, the exception may be granted only after a determination has been made pursuant to § 596.103–2. This determination shall include a finding that there is no known item from sources other than Communist areas which can be used as a reasonable substitute. Attention is invited to the format in § 596.103–2(d) which may, notwithstanding § 6.402(b)(1) of this title, require approval above the contracting officer's level.

(2) When the supplies are to be used outside the United States, the contracting officer shall include in the contract file a justification for the exception.

(c) With respect to an exception pursuant to § 6.402(b)(2) of this title, the procedures set forth herein govern.

(1) When the supplies are to be used in the United States, the request shall be accompanied by (i) a proposed Secretarial determination to include a finding that there is no known acceptable substitute available from any other source, and (ii) by complete documentation to support each element of the requested determination § 596.103–2(b).

(2) When the supplies are to be used outside the United States, the request shall be accompanied by a complete justification for the exception.

(Secs. 2301–2314, 3012, 70A Stat. 127–133, 157; 10 U.S.C. 2301–2314, 3012)

PART 597—CONTRACT CLAUSES

5. New § 597.150–5 is added, and Subpart O is revoked, as follows:

§ 597.150–5 Clinical study of investigational drugs.

All contracts awarded pursuant to AR 40–7, Clinical Use of Investigational Drugs, under which drugs are to be clinically investigated shall contain the following clause:

CLINICAL STUDY OF INVESTIGATIONAL DRUGS (NOVEMBER 1966)

(a) The Contractor, before undertaking to conduct either the clinical pharmacology or clinical trials of an investigational drug under a Department of the Army contract, shall submit for the written approval of The Surgeon General, Department of the Army, a signed completed application and three copies to The Surgeon General, Attention: Chairman, Army Investigational Drug Review Board, Department of the Army, Washington, D.C. 20315, using the following format:

Investigator's statement:

I. Background data.

A. Name of investigator.

B. Date of request.

C. Name or other clear identification of drug.

D. Name of manufacturer or other source of drug.

E. Qualifications of investigator in detail or by reference to details already on file in Army records.

F. Name and address of facility or facilities where investigations will be conducted.

G. All known relevant information about past use or pertinent reference thereto available to both the investigator and the drug supplier, including all preclinical data, and all other information justifying the clinical investigation (i.e., the safety and rationale of the proposed study).

II. Plan and Conduct of Proposed Clinical Investigation.

A. Specific purpose and military need for or urgency of proposed clinical investigation.

B. Approximate number of subjects, their age, sex, condition, and other pertinent information relevant to the conditions of the investigation.

C. Number of subjects to be employed as controls (if any) and same information as in B above for such controls.

D. An outline of the phases of the investigation already planned either in detail or by reference to details already on file in Army records. This outline may include reasonable alternates and variations, and will be supplemented or amended when any significant change in direction or scope of the investigation is undertaken.

E. Description or copies of forms used to record data.

(b) The Contractor shall insure that each of its investigators who conduct either the clinical pharmacology or clinical trials of an investigational drug will maintain a record of clinical investigation separate from the patient's clinical record. This record of clinical investigation will include, minimally, a list of patients receiving the investigational drug; the name, lot number, date, and quantity of investigational drug prescribed; case histories; the details of clinical observations, tests, and laboratory procedures carried out on each subject before, during, and after administration of the drug in question.

(c) The Contractor shall also ensure that either its responsible investigator or a responsible individual designated by him for the purpose will maintain a complete record of each investigational drug used under a DA contract for at least 3 years after completion of the investigational drug study. This record will include the following information:

1. Name of drug.
2. Manufacturer, or other source of drug.
3. Amount and date received.
4. Expiration date, if any.
5. Lot or control number.
6. Date of authority to use.
7. Names of individuals authorized to prescribe the drug.
8. Names of prescribing physician or dentist.
9. Date on which use of the drug is terminated, if applicable.
10. Date on which use of the drug was approved for general use as a safe and efficacious drug, if during course of investigation.

(d) The Contractor shall submit progress reports to The Surgeon General, Attention: Chairman, AIDRB, at least once annually, and shall submit a final report on termination of the investigation. In addition the Contractor shall promptly report to the AIDRB any unusual or important observations occurring during the course of the investigational drug study, particularly if they involve any adverse effect that may be re-

garded as caused by the new drug; if the adverse effect is alarming, it shall be reported to the AIDRB immediately.

(e) Special Conditions Applicable to Clinical Investigation of New Drugs: The Contractor shall insure that the investigational drug is administered to subjects only under the personal supervision of the responsible investigator or a qualified person to whom the responsible investigator has delegated this authority. The Contractor shall also insure that all subjects participating in the investigation or their representatives are fully informed and understand that the new drug is being used for investigational purposes. The written consent of the subjects, or their representatives shall be obtained except where this is not feasible or, in the responsible investigator's professional judgment, is contrary to the best interests of the subject. When the purpose of administering an investigational drug is not to benefit the individual to whom it is administered, final approval for the use of volunteer subjects shall be obtained as provided in paragraph 6, AR 70-25. Benefit to the individual is defined as the administration of a drug to an individual expected to result in the diagnosis, mitigation, treatment, cure, or prevention of disease or injury of the same individual.

Subpart O—Clauses for Service Contracts [Revoked]

PART 600—BONDS, INSURANCE, AND INDEMNIFICATION

6. Paragraph (a) in § 600.112, and paragraph (c) in § 600.554 are revised, as follows:

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

(a) *Execution, examination, and distribution of bonds and consents of surety.* (1) Immediately after execution the original of all surety bonds required by procuring activities (except as hereinafter provided in subparagraph (3) of this paragraph) shall be forwarded direct to The Judge Advocate General, Attention: Bonds Branch, Department of the Army, Washington, D.C. 20310. If such bond was required in support of a contract or modification thereof, the original signed bond shall be attached to the original signed contract or modification thereof, as the case may be, and forwarded to The Judge Advocate General. In the event it is not practicable to forward the original contract or modification, a signed duplicate or an authenticated copy thereof shall be attached to the original bond and forwarded to The Judge Advocate General. The Judge Advocate General shall examine bonds as to legal sufficiency, including proper form and execution, the authority of corporate officials who execute bonds on behalf of corporate sureties, and compliance by individual sureties with § 10.201-2 of this title. The Judge Advocate General then shall forward the bond, together with any contract or modification thereof which it supports, to the proper office for filing. The duplicate bond shall be retained and filed in the office to which it pertains or which authorized its acceptance. In case of use of an option in lieu of surety see § 600.202.

(2) Consents of surety shall be handled in the same manner as bonds, except that, for more expeditious handling, they may be forwarded, without the surety's signature, to The Judge Advocate General for execution under the Expediter Plan and for approval.

(3) The following bonds shall not be forwarded to The Judge Advocate General:

(i) Blanket fidelity and forgery bonds.

(ii) Bid bonds (except annual bid bonds).

(iii) Subcontractor bonds.

* * * * *

§ 600.554 Action on termination or completion of contract.

* * * * *

(c) The format set forth below shall be used in connection with insurance policies not issued under the National Defense Projects Rating Plan or War Department Insurance Rating Plan when the Government has assumed the contractor's obligations for further premium payments under the policies.

ASSIGNMENT TO GOVERNMENT

It is agreed that the return premium and dividend [1] due or to become due the insured under Policy No. _____ are hereby assigned to and shall be paid to the United States of America, and the Contractor directs the company to make such payments to the Treasurer of the United States acting for and on account of the United States of America.

The United States of America hereby assumes and agrees to fulfill all present and future obligations of the Contractor with respect to the payment of the premiums due under said policy.

This agreement, upon acceptance by the Contractor, the United States of America and the company, shall be effective from _____.

Accepted _____
(Date)

_____
(Name of Insurance Company)

By _____
(Title of Official Signing)

Accepted _____
(Date)

UNITED STATES OF AMERICA

By _____
(Authorized Representative)

[1] Omit "and dividend," if nondividend paying company.

Accepted _____
(Date)

_____
(Prime Contractor—Insured)

By _____

PART 602—LABOR

7. Subpart D, Labor Standards in Construction Contracts, is hereby revoked.

PART 606—PROCUREMENT FORMS

8. Section 606.552 is revised, and new §§ 606.552-1, 606.552-2, 606.552-3, and 606.552-4 are added, as follows:

§ 606.552 Academic Instruction Contracts.

§ 606.552-1 Basic agreement for academic instruction (DA Form 357).

AR 350-200.

§ 606.552-2 Order form to enter into contract for academic instruction (DA Form 358).

AR 350-200.

§ 606.552-3 Basic agreement for off-duty academic instruction (DA Form 588).

AR 621-5.

§ 606.552-4 Order form to enter into contract for off-duty academic instruction (DA Form 589).

AR 621-5.

9. Section 606.553 is revised, and §§ 606.553-1, 606.553-2, 606.553-3, 606.553-4, and 606.554 are revoked, as follows:

§ 606.553 Service order for household goods (DD Form 1164).

See AR 743-455.

§ 606.553-1 Basic agreement for academic instruction (DA Form 357). [Revoked]

§ 606.553-2 Order form to enter into contract for academic instruction (DA Form 358). [Revoked]

§ 606.553-3 Basic agreement for off-duty academic instruction (DA Form 588). [Revoked]

§ 606.553-4 Order form to enter into contract for off-duty academic instruction (DA Form 589). [Revoked]

§ 606.554 Service order for household goods (DD Form 1164). [Revoked]

[C4, APP, Nov. 10, 1966] (Secs. 2301-2314, 3012, 70A Stat. 127-133, 157; 10 U.S.C. 2301-2314, 3012)

KENNETH G. WICKHAM,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 67-1441; Filed, Feb. 7, 1967; 8:45 a.m.]

Chapter VI—Department of the Navy

SUBCHAPTER S—NAVIGATION

PART 706—NAVIGATIONAL LIGHT WAIVERS

Guided Missile Destroyers and Gunboats

Sections 360 and 1052 of Title 33, United States Code, provide that the requirements of the Regulations for Preventing Collisions at Sea, 1960, the Inland Rules, the Great Lakes Rules and the Western River Rules, as to number, positions, range of visibility, or arc of visibility of the lights required to be displayed by vessels shall not apply to any vessel of the Navy when the Secretary of the Navy shall find or certify that, by reason of special construction, it is not possible for such vessel or class of vessels to comply with the statutory provisions as to navigation lights.

A recent study indicates that the military design characteristics of the motor gunboat (PGM) preclude the installation of the two lower of the three towing lights required when the length of tow exceeds 600 feet, and the installation of the two lower of the three task lights, in conformance with Rules 3(a) and 4(c) of the Regulations for Preventing Collisions at Sea (33 U.S.C. 1063(a) and 1064(c)).

I hereby certify that these motor gunboats (PGM) are naval vessels of special construction and, with respect to the position on such vessels of the towing and task lights, it is not possible to comply with the requirements of the statutes referred to in section 360 and 1052, Title 33, United States Code.

I further find that it is feasible to locate these said navigation lights as follows:

(a) The three towing lights shall be carried in a vertical line, equally spaced and not less than three feet apart in lieu of the prescribed 6-foot separation.

(b) The three task lights shall be carried in a vertical line, equally spaced and not less than three feet apart in lieu of the prescribed 6-foot separation.

Further, I certify that such locations constitute compliance as closely with the applicable statutes as I hereby find to be feasible.

I do direct that Note 11 of § 706.2, Title 32, Code of Federal Regulations as published in the FEDERAL REGISTER of August 31, 1965 (30 F.R. 11173), and amended in the FEDERAL REGISTER of May 12, 1966 (31 F.R. 6962), be revised to read as follows:

11. On guided missile destroyers known as the DDG–2 Class, and on destroyer-type vessels when engaged in towing vessels or objects exceeding 600 feet in length, the two lower of the three towing 20-point white lights will be separated from 3 feet to 15 feet vertically in lieu of the prescribed 6-foot separation. On motor gunboats (PGM), the three towing lights shall be carried in a vertical line, equally spaced and not less than 3 feet apart in lieu of the prescribed 6-foot separation (based on International Rule 3(a)).

I do further direct that Note 13 of § 706.2, Title 32, Code of Federal Regulations as published in the FEDERAL REGISTER of May 12, 1966 (31 F.R. 6962), be revised to read as follows:

13. On motor gunboats (PGM), the three task lights shall be carried in a vertical line, equally spaced and not less than 3 feet apart in lieu of the prescribed 6-foot separation (based on International Rule 4(c)).

I specify that the foregoing amendments shall become effective on the date of publication of this document in the FEDERAL REGISTER.

(Sec. 1, 59 Stat. 590, Sec. 2, 77 Stat. 194, 33 U.S.C. 360, 1052)

[SEAL] ROBERT H. B. BALDWIN,
Under Secretary of the Navy.

JANUARY 31, 1967.

[F.R. Doc. 67–1490; Filed, Feb. 7, 1967; 8:47 a.m.]

Title 39—POSTAL SERVICE

Chapter I—Post Office Department

CITY DELIVERY AND INTERNATIONAL MAIL

Miscellaneous Amendments

The regulations of the Post Office Department are amended as follows:

PART 155—CITY DELIVERY

I. In § 155.6 *Apartment house receptacles*, the list of manufacturers and distributors of apartment house mail boxes in paragraph (f)(1) is revised as follows:

A. Add the following in proper alphabetical order:

L. A. Cal Sheet Metal, Inc., Post Office Box 385, Pico Rivera, Calif. 90660.
Wisor, Smith Metal Products Co., Inc., 35 York Street, Brooklyn, N.Y. 11201.

B. Delete the following names:

Kent Corp., Bellevue, Ky. 41071.
Progress Manufacturing Co., Inc., G and Erie Avenue, Philadelphia, Pa. 19134.

NOTE: The corresponding Postal Manual section is 155.661.

APPENDIX C—DIRECTORY OF INTERNATIONAL MAIL

II. In the Appendix to Subchapter C—The Director of International Mail under *Individual Country regulations* make the following changes under "India" to show an increase in the weight limit for surface parcels from 22 to 44 pounds.

A. Under Postal Union Mail the material under the item *Classifications, weight limits and dimensions* is revised to read:

POSTAL UNION MAIL

Classifications, weight limits and dimensions. See Chart I in the front of the Appendix and Part 222 of this chapter.

B. Under Parcel Post the material under the item *Weight limit* is revised to read as follows:

PARCEL POST

Weight limit. 44 pounds for surface parcels; 22 pounds for air parcels.

As the foregoing amendments to Title 39, Code of Federal Regulations, do not affect substantive rights, public rule making procedures and advanced notice as well as a delayed effective date are unnecessary and would be contrary to the public interest.

(5 U.S.C. 301, 39 U.S.C. 501, 505)

February 2, 1967.

TIMOTHY J. MAY,
General Counsel.

[F.R. Doc. 67–1457; Filed, Feb. 7, 1967; 8:45 a.m.]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 1—Federal Procurement Regulations

MISCELLANEOUS AMENDMENTS

This amendment amends Subpart 1–1.7 of the Federal Procurement Regulations to include additional and revised small business standards and definitions prescribed by the Small Business Administration. It also amends Subpart 1–12.6, Walsh-Healey Public Contracts Act, regarding the use of prescribed forms.

PART 1–1—GENERAL

The table of contents for Part 1–1 is amended to add a new entry as follows:

Sec.
1–1.701–10 Base maintenance.

Subpart 1–1.7—Small Business Concerns

1. Section 1–1.701–1 is amended to prescribe new and revised provisions in paragraphs (a), (c), (d), (f), (h), and (i). As amended, the section reads as follows:

§ 1–1.701–1 Small business concern (for Government procurement).

(a) *General.* A small business concern for the purpose of Government procurement is a concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operation in which it is bidding on Government contracts, and can further qualify under the criteria set forth in this section. ("Concern" means any business entity organized for profit with a place of business located in the United States, its possessions, and Puerto Rico, including but not limited to, an individual, partnership, corporation, joint venture, association, or cooperative. "Annual receipts" means the annual receipts less returns and allowances of a concern and its affiliates.) For the purpose of a procurement of a product classified into two or more industries with different size standards, the smallest of such size standards shall be used in determining a bidder's size status. If no

standard for an industry, field of operation, or activity (e.g., animal speciality; fin fish; anthracite mining; management-logistics support to be performed outside of the several States, Puerto Rico, Virgin Islands, or the District of Columbia) has been set forth in this § 1–1.701–1, a concern bidding on a Government contract is a small business if, including its affiliates, it is independently owned and operated, is not dominant in the field of operation in which it is bidding on Government contracts, and has 500 employees or less.

* * * * *

(c) * * *

(2) *Pneumatic tires.* As small if it is bidding on a contract for pneumatic tires within Census Classification Codes 30111 and 30112: *Provided*, That (i) the value of the pneumatic tires within Census Classification 30111 and 30112 which it manufactured in the United States during the preceding calendar year is more than 50 percent of the value of its total worldwide manufacture, (ii) the value of the pneumatic tires within Census Classification Codes 30111 and 30112 which it manufactured worldwide during the preceding calendar year was less than 5 percent of the value of all such tires manufactured in the United States during said period, and (iii) the value of the principal products which it manufactured or otherwise produced or sold worldwide during the preceding calendar year is less than 10 percent of the total value of such products manufactured or otherwise produced or sold in the United States during said period.

* * * * *

(5) *Passenger cars.* As small if it is bidding on a contract for passenger cars within Census Classification Code 37171: *Provided*, That (i) the value of the passenger cars within Census Classification Code 37171 which it manufactured or otherwise produced in the United States during the preceding calendar year is more than 50 percent of the value of its total worldwide manufacture or production of such passenger cars, (ii) the value of the passenger cars within Census Classification Code 37171, which it manufactured or otherwise produced during the preceding calendar year was less than 5 percent of the total value of all such cars manufactured or produced in the United States during the said period, and (iii) the value of the principal products which it manufactured or otherwise produced or sold during the preceding calendar year is less than 10 percent of the total value of such products manufactured or otherwise produced or sold in the United States during said period.

(d) * * *

(3) In the case of Government procurement reserved for or involving the preferential treatment of small business concerns (including equal low bids), such nonmanufacturer shall furnish in the performance of the contract the products of a small business manufacturer or producer which products are manufactured or produced in the United States, its possessions, or Puerto Rico. However, if the goods to be furnished are woolen, worsted, knitwear, duck, and webbing, dealers and converters shall furnish such products which have been manufactured or produced by a small weaver (small knitter for knitwear) and, if finishing is required, by a small finisher. If the procurement is for thread, dealers and converters shall furnish such products which have been finished by a small finisher. (Finishing of thread is defined as all "dyeing, bleaching, glazing, mildew proofing, coating, waxing, and other applications required by the pertinent specification, but excluding mercerizing, spinning, throwing, or twisting operations.") If the procurement is for a refined petroleum product, other than a product classified in Standard Industrial Classification Industries No. 2951, Paving mixtures and blocks, No. 2952, Asphalt felts and coatings, No. 2992, Lubricating oils and greases, or No. 2999, Products of petroleum and coal, not elsewhere classified, paragraph (i) of this section is for application. ("Nonmanufacturer" means any concern which in connection with a specific Government procurement contract, other than a construction or service contract, does not manufacture or produce the products required to be furnished by such procurement. Nonmanufacturer includes a concern which can manufacture or produce the products referred to in the specific procurement but does not do so in connection with that procurement.)

* * * * *

(f) * * *

(2) As small if it is bidding on a contract for engineering services other than marine engineering services and its average annual sales or receipts for the preceding 3 fiscal years do not exceed $5 million ($6,250,000 if the concern is located in Alaska).

* * * * *

(4) As small if it is bidding on a contract for janitorial and custodial services and its average annual sales or receipts for the preceding 3 fiscal years do not exceed $3 million ($3,750,000 if the concern is located in Alaska).

(5) As small if it is bidding on a contract for base maintenance and its average annual sales or receipts for the preceding 3 fiscal years do not exceed $5 million ($6,250,000 if the concern is located in Alaska).

(6) As small if it is bidding on a contract for naval architectural and marine engineering services and its average annual sales or receipts for the preceding 3 fiscal years do not exceed $6 million ($7,500,000 if the concern is located in Alaska).

(7) As small if it is bidding on a contract for marine cargo handling services and its annual sales or receipts for the preceding 3 fiscal years do not exceed $5 million ($6,250,000 if the concern is located in Alaska).

* * * * *

(h) * * *

Census classification code	Industry	Employment size standard (number of employees)[1]
*	* * *	*
	MAJOR GROUP 29—PETROLEUM REFINING AND ALLIED PRODUCTS	
2952	Asphalt felts and coatings	750
	MAJOR GROUP 30—RUBBER AND MISCELLANEOUS PLASTIC PRODUCTS	
3011	Tires and inner tubes	1,000
30111	Passenger car and motorcycle pneumatic tires (casings)	(2)
30112	Truck and bus (and off-the-road) pneumatic tires	(2)
3021	Rubber footwear	1,000
3031	Reclaimed rubber	750
*	* * *	*
	MAJOR GROUP 37—TRANSPORTATION EQUIPMENT	
3717	Motor vehicles and parts [3]	1,000
37171	Passenger cars (knocked down or assembled)	(2)
3721	Aircraft [4]	1,500
3722	Aircraft engines and engine parts [4]	1,000
3723	Aircraft propellers and propeller parts	1,000
3729	Aircraft parts and auxiliary Equipment, not elsewhere classified [4]	1,000
3731	Shipbuilding and repairing [5]	1,000
3741	Locomotives and parts	1,000
3742	Railroad and street cars	750
*	* * *	*

[1] The size standards for SIC 30111, 30112, and 37171 are set forth in §§ 1-1.701-1(c)(2) and 1-1.701-1(c)(5).

* * * * *

(i) *Refined petroleum products.* Any concern bidding on a contract for a refined petroleum product other than a product classified in Standard Industrial Classification Industries No. 2951, Paving mixture and blocks, No. 2952, Asphalt felts and coatings, No. 2992, Lubricating oils and greases, or No. 2999, Products of petroleum and coal, not elsewhere classified, is classified as small if (1) (i) its number of employees does not exceed 1,000 persons; (ii) it does not have more than 30,000 barrels-per-day crude oil or bona fide feed stock capacity from owned or leased facilities; and (iii) the product to be delivered in the performance of the contract will contain at least 90 percent components refined by the bidder from either crude oil or bona fide feed stocks: *Provided, however*, That a petroleum refining concern which meets the requirements in subdivisions (i) and (ii) of this subparagraph may furnish the product of a refinery not qualified as small business if such product is obtained pursuant to a bona fide exchange agreement, in effect on the date of the bid or offer, between the bidder or offeror and the refiner of the product to be delivered to the Government which requires exchanges in a stated ratio on a refined petroleum product for a refined petroleum product basis, and precludes a monetary settlement, and that the products exchanged for the products offered and to be delivered to the Government meet the requirement in subdivision (iii) of this subparagraph: *And provided further*, That the exchange of products for

products to be delivered to the Government, will be completed within 90 days after expiration of the delivery period under the Government contract; or (2) its number of employees does not exceed 500 persons and the product to be delivered to the Government has been refined by a concern which qualifies under subparagraph (1)(i) of this paragraph. ("Bona fide feed stocks" means crude and any other hydrocarbon material actually charged to refinery processing units, as distinguished from materials used as components in products to be delivered after merely filtering, settling, or blending.)

2. Section 1–1.701–2 is revised to read as follows:

§ 1–1.701–2 Affiliates.

Business concerns are affiliates of each other when either directly or indirectly (a) one concern (other than an investment company licensed under the Small Business Investment Act of 1958 or registered under the Investment Company Act of 1940, as amended), controls or has the power to control the other, or (b) a third party or parties (other than an investment company licensed under the Small Business Investment Act of 1958 or registered under the Investment Company Act of 1940, as amended), controls or has the power to control both. In determining whether concerns are independently owned and operated and whether affiliation exists, consideration shall be given to all appropriate factors, including common ownership, common management, and contractual relationships: *Provided, however,* That restraints imposed on a franchisee by its franchise agreement shall not be considered in determining whether the franchisor controls or has the power to control and, therefore, is affiliated with the franchisee, if the franchisee has the right to profit from his effort, commensurate with ownership, and bears the risk of loss or failure.

3. Section 1–1.701–10 is added to read as follows:

§ 1–1.701–10 Base maintenance.

"Base maintenance" means furnishing at an installation within the several States, Puerto Rico, Virgin Islands, or the District of Columbia three or more of the following services: Janitorial and custodial services, protective guard services, commissary services, fire prevention services, refuse collection services, safety engineering services, messenger services, grounds maintenance and landscaping services, and air-conditioning and refrigeration maintenance: *Provided, however,* That whenever the contracting officer determines prior to the issuance of bids that the estimated value of one of the foregoing services constitutes more than 50 percent of the estimated value of the entire contract, the contract shall not be classified as base maintenance but in the industry in which such service is classified.

PART 1–2—PROCUREMENT BY FORMAL ADVERTISING

Subpart 1–2.4—Opening of Bids and Award of Contract

Section 1–2.404–2 is amended to revise the cross reference in paragraph (f), as follows:

§ 1–2.404–2 Rejection of individual bids.

* * * * *

(f) Where a bid guarantee is required and a bidder fails to furnish it in accordance with the requirements of the invitation for bids, the bid shall be rejected except as otherwise provided in § 1–10.103–4.

* * * * *

PART 1–12—LABOR

Subpart 1–12.6—Walsh-Healey Public Contracts Act

Section 1–12.604 is amended to revise paragraphs (b), (c), and (d). As amended, the section reads as follows:

§ 1–12.604 Responsibilities of contracting officers.

* * * * *

(b) Furnish to the contractor Form PC–13, Letter and Poster (issued 1965), explaining the application of the Walsh-Healey Public Contracts Act and giving instructions for display of the Poster;

(c) Furnish to the contractor Form PC–16 (issued 1965), Minimum Wage Determinations, under the Walsh-Healey Public Contracts Act, for ascertaining the minimum wage determinations applicable to his contract;

(d) Prepare and transmit to the Department of Labor two copies of the Notice of Award (Revised Standard Form 99) immediately on award of the contract; and

* * * * *

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

Effective date. This regulation is effective upon publication in the FEDERAL REGISTER, except the industry employment size standard in § 1–1.701–1(h) for Census Classification Code No. 3721, Aircraft, which is effective February 1, 1967, for invitations for bids or requests for proposals issued on or after that date.

Dated: February 2, 1967.

J. E. MOODY,
Acting Administrator of General Services.

[F.R. Doc. 67–1460; Filed, Feb. 7, 1967; 8:45 a.m.]

Title 47—TELECOMMUNICATION

[FCC 67–137]

Chapter I—Federal Communications Commission

PART 0—COMMISSION ORGANIZATION

PART 13—COMMERCIAL RADIO OPERATORS

Restricted Radiotelephone Operator Permit

In the matter of amendment of Parts 0 and 13 to provide for change in procedure for applying for the Restricted Radiotelephone Operator Permit.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 1st day of February 1967, the Commission has under consideration a change in the procedure for filing applications for restricted radiotelephone operator permits.

Beginning with January 1, 1965, the Commission made provision for central processing of applications for restricted radiotelephone operator permits. Accordingly, with some minor exceptions, applicants for such permits are now required to file their applications in the Commission's offices in Gettysburg, Pa.

The time required for filing applications in Gettysburg and for delivering the permits after they are granted appears excessive in the case of applicants in Alaska, Hawaii, Puerto Rico, and the Virgin Islands, and therefore the rules and regulations should be amended to permit them to file applications in field offices.

Because the amendments ordered herein are procedural in nature and not substantive, the prior notice and effective date provisions of the Administrative Procedure Act are not applicable.

It is ordered, Effective February 10, 1967 pursuant to sections 4(i) and 303(r) of the Communications Act of 1934, as amended, that Parts 0 and 13 of the rules and regulations are amended as shown below.

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interprets or applies sec. 308, 48 Stat. 1082, as amended; 47 U.S.C. 303)

Released: February 3, 1967.

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

Chapter I of Title 47 of the Code of Federal Regulations is amended as follows:

1. In Part 0, § 0.443(c) is amended to read as follows:

§ 0.443 Applications for amateur station and operator license and/or commercial operator license.

* * * * *

(c) Application for commercial operator license for which examination is not

required (Restricted Radiotelephone Operator Permit) shall be submitted to the Federal Communications Commission, Gettysburg, Pa., 17325, with the following exceptions:

(1) When the applicant is located in Alaska, Hawaii, Puerto Rico, or the Virgin Islands of the United States, the application may be submitted by mail or in person to the nearest engineering field office.

(2) When the applicant is at any other location and the application is accompanied by a written showing by the applicant of immediate need for a permit for safety purposes and presented in person by the applicant or his agent, the application may be submitted to the nearest engineering field office.

(3) When application is from an alien aircraft pilot (see § 13.4(c) of this chapter), it shall be submitted to the Federal Communications Commission, Washington, D.C. 20554.

2. In Part 13, § 13.11(b)(1) is amended to read as follows:

§ 13.11 **Procedure.**

* * * * *

(b) *Place of filing.* (1) An application (FCC Form 753) for restricted radiotelephone operator permit shall be submitted to the Federal Communications Commission, Gettysburg, Pa. 17325, with the following exceptions:

(i) When the applicant is located in Alaska, Hawaii, Puerto Rico, or the Virgin Islands of the United States, the application may be submitted by mail or in person to the nearest engineering field office.

(ii) When the applicant is at any other location and the application is accompanied by a written showing by the applicant of immediate need for a permit for safety purposes and presented in person by the applicant or his agent, the application may be submitted to the nearest engineering field office.

(iii) When accompanied by a request (FCC Form 755) for a waiver of the U.S. nationality requirement, as in the case of an alien applicant who is an aircraft pilot (see § 13.4(c)), the application shall be submitted in person or by mail to the Federal Communications Commission, Washington, D.C. 20554.

* * * * *

[F.R. Doc. 67-1470; Filed, Feb. 7, 1967; 8:45 a.m.]

[FCC 67-107; Docket 16407]

TELEPHONE COMPANIES, RADIOTELEGRAPH CARRIERS, AND WIRE-TELEGRAPH AND OCEAN-CABLE CARRIERS

Uniform System of Accounts; Property Items

In the matter of amendment of Parts 31, 33, 34, and 35 of the Commission's rules to delete references to obsolete property items and to add items which have become representative.

1. On January 5, 1966, the Commission adopted a notice of proposed rule making in the above-entitled matter which was published in the FEDERAL REGISTER on January 12, 1966 (31 F.R. 354), in accordance with section 4(a) of the Administrative Procedure Act. This notice presented for comment on or before February 28, 1966 (with allowance for reply comments on or before March 25, 1966), a proposal to amend Part 31 (Uniform System of Accounts for Class A and Class B Telephone Companies), Part 33 (Uniform System of Accounts for Class C Telephone Companies), Part 34 (Uniform System of Accounts for Radiotelegraph Carriers), and Part 35 (Uniform System of Accounts for Wire-Telegraph and Ocean-Cable Carriers) of the Commission's rules in order to delete references therein to obsolete property items. Comments were also solicited as to any items that would seem to warrant inclusion in the item lists or other changes in the systems of accounts not involving changes in accounting that are believed to be appropriate because of changes in the art of communication.

2. On February 28, 1966, the American Telephone and Telegraph Co. (AT&T), on behalf of itself and the Bell System telephone companies, filed a request for a 60-day extension of time in which to file comments. Accordingly, on March 7, 1966, the Commission issued an order, published in the FEDERAL REGISTER on March 11, 1966 (31 F.R. 4303), extending the time for filing comments in this proceeding to April 29, 1966, and the date for filing reply comments to May 24, 1966.

3. Timely comments were filed by AT&T, GT&E Service Corp. (GT&E), and Hawaiian Telephone Co. (Hawaiian) with respect to Part 31; RCA Communications, Inc. (RCAC), with respect to Part 34; and The Western Union Telegraph Co. (WU) with respect to Part 35. Reply comments were filed by AT&T.

4. All those filing comments except WU were in favor of amending the systems of accounts to delete obsolete items and made recommendations for deletion of specific items and addition of certain new items. WU recommended that in connection with Part 35 of the Commission's rules no action be taken at this time in this proceeding. It stated that it proposed to submit at a later date recommendations, particularly for the inside communication plant accounts, that would provide for more realistic account classifications that would be consistent with the service rendered and would provide for realistic property and retirement units. The changes mentioned by WU would not be appropriate for consideration in this proceeding in any event under the terms of the notice of proposed rule making since they would have involved substantive changes in accounting. No comments were received with respect to Part 33. However, the Commission believes that Parts 33 and 35, as well as Parts 31 and 34, should be amended at this time to delete obsolete property items and to add new ones where items comparable to those proposed for amendment in Parts 31 or 34 are applicable to other parts.

5. Most of the suggestions contained in the comments are included in the amendments set forth in the appendix below, although not necessarily using the exact wording suggested, particularly where different wording was suggested by different parties. Where suggested amendments for one part of the rules appear to be obviously appropriate for other parts, they are also being incorporated in such other parts. Several of the suggested amendments were editorial in nature and did not involve obsolete items. Nevertheless, such proposed changes that are deemed appropriate are being incorporated in the amendments set forth in the appendix below.

6. RCAC suggested that Account 32, "Other transmitter equipment," be deleted from Part 34. This account covers a type of transmitter no longer in use. Through correspondence, RCAC agreed that, if this account is deleted, Account 31, "Electron-tube transmitter equipment," should be broadened to include the cost of all radio transmitter equipment to provide for future contingencies. Accordingly, in the appendix, below, Account 32 is deleted and the title of Account 31 is amended to read "Radio transmitter equipment," and the text of the account is amended to include all radio transmitter equipment. The title of Account 71 is also amended to read "Transportation equipment," as proposed in the notice of proposed rule making in this matter.

7. The following suggestions of AT&T are not being adopted:

a. AT&T suggested that the definition of "Telephone operations" and "telephone service" in § 31.01-3(gg) be amended by adding the words "data transmission, program (audio and video) transmission, facsimile," after the word "telegraph"; also that the phrase "or at the current money value of the security received, whichever is more clearly evident" be added after the word "company" in § 31.1-12(a). We believe that these suggestions would involve substantive changes not of the character contemplated in this proceeding.

b. AT&T suggested that the word "security" after the word "collateral" be deleted from §§ 31.101:1(c) and 31.102(c). These changes are not believed to serve any useful purpose and are not being made.

c. AT&T suggested the addition in § 31.231 of an item reading "Call directors." This item is not being added since it is a trade name peculiar to equipment manufactured by the Western Electric Co.

d. AT&T's suggestion that the word "department" in § 31.640 be changed to the word "operations" is not being adopted. The system of accounts contemplates a departmental organization and it is not believed appropriate to provide for the function performed in lieu of a departmental organization in this one instance.

e. AT&T suggested that the lists of officers and employees appearing under accounts 661 through 664 be deleted. AT&T stated that it saw no advantage

to updating the lists as it has found that they no longer serve a useful purpose. However, the Commission believes that these lists may be useful to smaller telephone companies and, therefore, they are not being deleted.

f. Both AT&T and Hawaiian suggested the addition in § 31.662 of items pertaining to data processing costs. Since the appropriate accounting for costs pertaining to data processing functions is now being studied by the Commission, these suggestions are not being adopted.

g. In § 31.8 under account 212, AT&T's suggested addition of a retirement unit reading "Air-conditioning and dehumidifying systems" is not being adopted. Since many of the component parts of air-conditioning and dehumidifying systems, while not specified as such, are covered by some of the items already prescribed as retirement units, the Commission believes that the addition of this retirement unit might imply that only a complete unit would constitute a retirement unit.

8. The following suggestions made by GT&E are not being adopted:

a. GT&E suggested the addition in § 31.231 of an item reading "Closed circuit television equipment." In its reply comments AT&T pointed out that the current list of representative items under account 234 includes all television equipment on customers' premises except portable equipment subject to use in central offices and that, therefore, the inclusion of the above item under account 231 would be a change in prescribed accounting. Accordingly, this item is not being included in the amendments.

b. GT&E suggested that the title of § 31.234 be amended to read "Large private branch exchanges and special equipment." In its reply comments AT&T pointed out that the proposed title change would require revision in many company and FCC instructions, report forms, etc., merely to reflect the change in title and that consideration of the full text of the account is still necessary to understand in detail the items includible in the account. The Commission feels that, in the interest of brevity, account titles cannot be made descriptive of every item included therein. Accordingly, the title of the account is not being amended.

c. Also in § 31.234 GT&E suggested that the eighth item in the item list be revised to specify specially designed systems and make certain other additions and deletions to the equipment listed. It is believed that the words "specially designed" should not be added preceding the words "systems for governmental agencies" in the present wording of the item since it is not necessary that equipment be specially designed to qualify for inclusion in account 234. Furthermore, the item is merely an example of representative types of equipment to be included. Accordingly, the item is not being amended.

d. In § 31.242:1, GT&E suggested the addition of a note indicating that air dryers should be charged to the appropriate cable account. This note does not appear necessary since air dryers are being added as an item in §§ 31.242:1, 31.242:2, 31.242:3, and 31.242:4.

e. In § 31.8 under accounts 242:1, 242:2, 242:3 and 242:4, GT&E suggested the deletion of the retirement units "Complete cable terminal" and "Pressure contactor terminal." This suggested change is not being made as it would be a substantive change not of the character contemplated in this proceeding.

9. The following suggestions made by Hawaiian are not being adopted:

a. Hawaiian suggested the addition of an item in § 31.231 reading "Automatic dialing equipment." This language is more descriptive of equipment includible in account 221, "Central office equipment," and might prove more confusing than helpful. Accordingly, it is not being adopted.

b. Hawaiian suggested the deletion of "Receiver" from the list of Officers and Employees in § 31.661. Receivers are also mentioned in the text of the account and this item is not obsolete even though it may be applicable only in unusual circumstances.

c. Hawaiian suggested the deletion of "Paymasters" from the list of Officers and Employees in § 31.663. This amendment is not believed to be necessary and, while paymasters may be an obsolete title, the title is also used in Note A to that section and the function indicated in the Note is believed desirable for retention. Accordingly, the suggestion is not being adopted.

d. Hawaiian's suggestions that the title of § 31.672 be amended to read "Pensions and employee benefits" and that a new item be added to the item list reading "Premiums paid for medical and hospital insurance for the benefit of employees and their dependents" are not being adopted. AT&T in its reply comments stated that the proposed title change would require revision in many company and FCC instructions, report forms, etc., merely to reflect the change in title and that consideration of the full text of the account is still necessary to understand in detail the items includible in the account. The item proposed is already covered by the item reading "Premiums paid for group insurance for the benefit of employees or their beneficiaries."

10. In order to correlate Annual Report Form R for Radiotelegraph Carriers with the amendments made to Part 34, amendments are being made in the appropriate schedules of that report form to delete references to account 32, "Other transmitter equipment," and to revise the titles of accounts 31 and 71 to read respectively "Radio transmitter equipment" and "Transportation equipment."

11. *It is ordered*, That, under authority contained in sections 4(i), 219, and 220 of the Communications Act of 1934, as amended, Part 31 (Uniform System of Accounts for Class A and Class B Telephone Companies), Part 33 (Uniform System of Accounts for Class C Telephone Companies), Part 34 (Uniform System of Accounts for Radiotelegraph Carriers), and Part 35 (Uniform System of Accounts for Wire-Telegraph and Ocean-Cable Carriers) of the Commission's rules and Annual Report Form R for Radiotelegraph Carriers are amended as set forth in the Appendix below, effective April 1, 1967, for Parts 31, 33, 34, and 35 of the Commission's rules and effective with the annual report for the calendar year 1967 for Annual Report Form R; and

12. *It is further ordered*, That this proceeding is hereby terminated.

(Secs. 4, 219, 220, 48 Stat. 1066, as amended, 1077, as amended, 1078; 47 U.S.C. 154, 219, and 220)

Adopted: January 25, 1967.

Released: February 3, 1967.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] BEN F. WAPLE, *Secretary.*

PART 31—UNIFORM SYSTEM OF ACCOUNTS FOR CLASS A AND B TELEPHONE COMPANIES

I. Part 31—Uniform System of Accounts for Class A and Class B Telephone Companies is amended as follows:

1. Section 31.1–17 is amended to read as follows:

§ 31.1–17 Contingent assets and liabilities.

Contingent assets represent a possible source of value to the company contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may under certain conditions become obligations of the company but which are neither direct nor assumed liabilities at the date of the balance sheet. In the annual report to this Commission, contingent assets and contingent liabilities shall not be included in the balance sheet but material contingent assets and liabilities shall be shown in detail in a supplementary statement accompanying it.

2. In § 31.120:1, paragraph (a) is amended to read as follows:

§ 31.120:1 Accounts receivable from affiliated companies.

(a) This account shall include amounts due from affiliated companies on all transactions that are subject to current settlement, except for sales of telephone service at regular rates. There shall be included herein accounts receivable arising from division of revenues. (Note also § 31.1–11.)

* * * * *

3. In § 31.122, paragraph (a) is amended to read as follows:

§ 31.122 Material and supplies.

(a) This account shall include the cost of unapplied material and supplies held in stock (see also Note E to this account), including plant supplies, motor vehicle supplies, tools, fuel, and other supplies; and material and articles of the com-

[1] Commissioner Wadsworth absent; Commissioner Johnson not participating.

pany in process of manufacture for supply stock.

* * * * *

4. Section 31.137 is amended to read as follows:

§ 31.137 Insurance and other funds.

This account shall include the amount of cash, the book cost of securities of other companies, and the book or face amount of nominally issued and nominally outstanding securities issued or assumed by the company, and other assets held by trustees or managers (including workmen's compensation commissions) of insurance and other funds which have been specifically set aside or invested for specific purposes not provided for elsewhere. A separate subaccount shall be kept for each fund under titles which will designate the obligation in support of which the fund is created. (Note also §§ 31.1–12, 31.1–13, and 31.3–31.)

5. In § 31.159:1, paragraph (a) is amended to read as follows:

§ 31.159:1 Accounts payable to affiliated companies.

(a) This account shall include amounts owed by the company to affiliated companies on all transactions subject to current settlement. There shall be included herein accounts payable arising from divisions of revenues.

* * * * *

6. In § 31.2–20, paragraph (c) is amended to read as follows:

§ 31.2–20 Purpose of telephone plant accounts.

* * * * *

(c) When telephone plant ordinarily having a service life of more than 1 year is installed for temporary use in telephone service, it shall be accounted for in the same manner as plant having a service life of more than 1 year. This includes temporary installations of station equipment, plant (such as poles, wire, and cable) installed to maintain service during the progress of highway reconstruction or during interruptions due to storms or other casualties, equipment used for the training of operators, equipment used to provide intercepting positions in central offices to handle traffic for a short period following extensive system changes, and similar installations of property for telephone service.

* * * * *

7. In § 31.2–25, paragraph (e) is amended to read as follows:

§ 31.2–25 Telephone plant retired.

* * * * *

(e) Determination of the cost of property to be retired: The cost of telephone plant retired shall be the amount at which such property is included in the telephone plant accounts. When it is impracticable to determine the cost of each item due to the relatively large number or small cost of such items, the average cost of all the items covered by an appropriate subdivision of the account shall be used in determining the cost to be assigned to such items when retired: *Provided*, That the method used in determining average cost gives due regard to the quantity, size and kind of items, the area in which they were installed and their classification in other respects, as called for by the rules of the Commission regarding continuing property records and by the system of continuing property records accepted by the Commission specifically for use of the accounting company. This method of average cost may be applied in retirement of such items as telephones, station connections, poles, wire, cable, cable terminals, conduit, small private branch exchanges, and booths. Any company may use average cost of property installed in a year or band of years. It should be understood, however, that the use of average costs shall not relieve the company of the requirement for maintaining its continuing property records in such manner as to show, where practicable, dates of installation and removal so as to provide these data for purposes of mortality studies.

* * * * *

8. In § 31.212, the item list is amended to read as follows:

§ 31.212 Buildings.

* * * * *

ITEMS

(Note § 31.01–8)

Antenna supports on buildings.
Antenna towers, large self-supporting.
Awnings.
Boilers, furnaces, fixtures, and machinery for heating, lighting, ventilating, and plumbing.
Cable vaults and conduits constructed as part of the building.
Central air conditioning systems.
Central dehumidifying systems.
Commissions and fees to brokers, agents, architects, and others.
Door checks and door stops.
Drainage and sewerage systems.
Electric wiring.
Elevators.
Escalators.
Fences and hedges.
Fire-extinguisher systems.
Garages and shops.
General and central office buildings.
Grading, excavating, and preparing grounds for buildings, including laying out of grounds after construction.
Improvements to leased buildings. (Note also § 31.2–23.)
Linoleum and similar floor covering, excluding carpets and rugs.
Motors and generators.
Partitions, including movable.
Piers and foundations for machinery constructed as a permanent part of a building.
Platforms, storage or loading.
Power boards.
Raised flooring to conceal cabling.
Refrigeration systems.
Retaining walls.
Screens, door and window.
Sidewalks, pavements, and driveways on building grounds.
Sprinkling systems.
Storm doors and windows.
Voiding leases to secure possession of buildings acquired.
Water, steam, and gas pipes.
Water-supply systems.
Window shades and ventilators.

* * * * *

9. In § 31.221, the item list is amended to read as follows:

§ 31.221 Central office equipment.

* * * * *

ITEMS

(Note § 31.01–8)

Aisle-lighting equipment.
Announcement equipment—time, weather forecast, etc.
Automatic message recording equipment.
Balconies for distributing frames.
Banks—connector, selector.
Batteries.
Battery cabinets.
Boards—floor alarm, power, test, service observing.
Building alterations, minor, such as opening and closing holes in ceilings, partitions, walls, and floors to permit installations of equipment, power conduit, and wiring.
Cables. (See also Note B to this account.)
Calculagraphs.
Call registers.
Carrier-current equipment.
Carrier line filters.
Circuit breakers.
Covers for transmission power apparatus.
Desks and tables when equipped with central office telephone equipment. (See also Note A of this account.)
Engines, including special foundations not a part of buildings.
Frames—alarm, connector, decoder, decoder connector, line finder, line switch, repeater, selector, sender, test.
Fuse boards.
Fuse panels.
Generators, including special foundations not a part of buildings.
Jumper wires.
Key indicator equipment.
Line concentrator equipment.
Line filters.
Loading coils. (See also Note C to this account.)
Loudspeaker equipment.
Main and intermediate frames.
Meters.
Motors, including special foundations not a part of buildings.
Multiplex apparatus.
Operators' breastplate transmitters.
Operators' chairs.
Operators' head sets.
Permits and privileges and rights of way for installation of externally mounted central office equipment. (Note also § 31.2–22(b)(7) and Note F to account 211.)
Platforms, not part of buildings.
Pole changers.
Power circuits for emergency use including payment for installation by others of circuits not owned.
Power panels.
Power plants.
Protectors.
Pulse machines and tone machines.
Radio transmitting and receiving equipment.
Rectifiers.
Register cabinets.
Relay racks and coil racks.
Relays.
Repeater sets.
Rheostats.
Ringing machines, including special foundations not a part of buildings.
Rolling ladders.
Submarine cable repeaters.
Switchboards and other electrical equipment used in operators' schools.
Switchboards—subscribers' "A" and "B" trunk, toll, dial system.
Switches—connector, line repeater, selector, repeater, test, distributor.
Tarpaulins.
Telegraph instruments and equipment.
Telephotographic equipment.

Teletypewriter switchboards and equipment.
Test boards.
Testing and routining central office equipment prior to assignment to service.
Testing equipment and tools, central office. (See also Note D to this account.)
Test tables.
Ticket holders.
Toll ticket carriers.
Traffic load counting equipment.
Turrets.
Water stills for battery service.

* * * * *

10. In § 31.231, the item list and Note C are amended to read as follows:

§ 31.231 Station apparatus.

* * * * *

ITEMS

(Note § 31.01–8)

Amplifying equipment.
Answering equipment.
Attendants' cabinets.
Attendants' desks.
Backboards.
Booths.
Code call units.
Code sending sets.
Coin collectors.
Data sets.
Desk sets, hand sets, wall sets, and combined sets, including those used at main, extension, private branch exchange, and private line stations, etc. This includes such sets used as operator's sets at large private branch exchanges and in central offices and operators' schools. (See also Note C to this account.)
Directory stands or shelves.
Distributing frames.
Extension bells.
Facsimile equipment.
Hand-set mountings.
Messenger, and similar signaling devices.
Mobile telephone equipment.
Operators' chairs.
Operators' head sets and transmitters. (See also Note C to this account.)
Order receiving tables.
Order turrets.
Power equipment.
Printer-telegraph equipment.
Private branch exchange equipment—nonmultiple manual and cordless switchboards and dial equipment of types designed to accommodate fewer than 100 lines and which cannot normally be expanded to more than 99 lines.
Program supply equipment—other than television.
Public address equipment.
Public telephone signs.
Stations switching and signaling devices, including apparatus cabinets, keys, key cabinets, and other devices used as parts of intercommunicating systems. (See also account 234.)
Subscriber sets.
Telegraph equipment.
Teletypewriter equipment, including switching equipment. (See also accounts 221 and 234.)

* * * * *

NOTE C: Operators' head sets and transmitters in central offices and at large private branch exchanges, and test sets such as those used by wire chiefs, linemen, and others, shall be included in account 221, "Central Office equipment," account 234, "Large private branch exchanges," or account 264, "Vehicles and other work equipment," as appropriate.

* * * * *

11. In § 31.234, the item list is amended to read as follows:

§ 31.234 Large private branch exchanges.

* * * * *

ITEMS

(Note § 31.01–8)

Cables or wires from distributing frame to switchboard.
Dial system private branch exchanges of types designed to accommodate 100 or more lines or which can normally be expanded to 100 or more lines, including any nonmultiple manual switchboards used as attendants' positions in connection with such dial system exchanges.
Distributing frames.
Multiple manual switchboards.
Operators' chairs.
Operators' head sets and transmitters.
Power equipment, including special foundations.
Switching and signaling devices in large installations, such as certain key systems for governmental agencies, including relay rack equipment, apparatus cabinets, key cabinets, key boxes, and other components of such systems.
Switching equipment at switching or relay centers of large private line teletypewriter systems.
Television program supply equipment and other television equipment on customers' premises except portable equipment subject to use in central offices.
Wires (or small cables used instead of wires) installed specifically to serve as trunk, battery, or generator circuits from a large private branch exchange to the point of connection with the permanent house or outside cables or wires.

* * * * *

12. In § 31.241, the item list is amended to read as follows:

§ 31.241 Pole lines.

* * * * *

ITEMS

(Note § 31.01–8)

Anchors.
A and H fixtures.
Bolts.
Braces, pole and back.
Bridge fixtures.
Cable arms.
Clearing routes and tree trimming except maintenance of previous clearings. (Note also account 602:1.)
Crossarms.
Extension arms.
Guard arms.
Guy clamps.
Guy stubs.
Guy wire or strand.
Permits and privileges and rights of way for construction. (Note also § 31.2–22(b)(7) and Note F to account 211.)
Pins.
Pole brackets.
Poles.
Pole steps.
River crossing and long span fixtures.
Strain insulators.
Towers.
Treating and marking poles.

13. In § 31.242:1, the item list is amended to read as follows:

§ 31.242:1 Aerial cable.

* * * * *

ITEMS

(Note § 31.01–8)

Air dryers.
Bonds and grounds.
Cable—block, feeder, main, subsidiary.
Cable—house, including riser and distributing cables extending to floor terminal boxes, cross-connection boxes at wall outlets, etc., where connection is made with inside wires.
Cable clamps.
Cable rings.
Cable terminals or boxes.
Closure and splice cases.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Floor terminal boxes and cross-connection boxes at wall outlets.
Fuse boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside cable.
Negative returns.
Permits and privileges for construction. (Note also § 31.2–22(b)(7).)
Pole seats and balconies.
Pressure contactor-terminals.
Protectors and arresters.
Sleeves.
Strand, suspension.
Tree guards.

* * * * *

14. In § 31.242:2, the item list is amended to read as follows:

§ 31.242:2 Underground cable.

* * * * *

ITEMS

(Note § 31.01–8)

Air dryers.
Bonds and grounds.
Cable—feeder, main, subsidiary.
Cable terminals or boxes.
Closure and splice cases.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Electrolysis surveys made in the course of installing cable.
Fuse boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside cable.
Negative returns.
Permits and privileges for construction. (Note also § 31.2–22(b)(7).)
Pressure contactor-terminals.
Protectors and arresters.
Pumping out and cleaning manholes and ducts in underground cable construction work. (See also Note A to this account.)
Sleeves.
Splicing boxes.

* * * * *

15. In § 31.242:3, the item list is amended to read as follows:

§ 31.242:3 Buried cable.

* * * * *

ITEMS

(Note § 31.01–8)

Air dryers.
Cable—feeder, main.
Cable terminals or boxes.
Closure and splice cases.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside cable.
Negative returns.
Pedestals.
Permits and privileges and rights of way for construction. (Note also § 31.2–22(b)(7) and Note F to account 211.)
Pressure contactor-terminals.

Protective covering for buried cable, i.e., cable not run in regular conduit, such as fiber or other material (except when constructed so as to be reusable in place for other cable) and the cost of manholes, etc., designed specifically for use in such construction.
Protectors and arresters.
Pumping out and cleaning manholes in buried cable construction work. (See also Note A to this account.)
Sleeves.
Splicing boxes.
Trenching for and burying cable not run in regular conduit.
Wire when buried and used as a part of the general distribution system.

* * * * *

16. In § 31.242:4, the item list is amended to read as follows:

§ 31.242:4 Submarine cable.

* * * * *

ITEMS

(Note § 3101–8)

Air dryers.
Cable—feeder, main.
Cable terminals or boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Permits and privileges and rights of way for construction. (Note also § 31.2–22(b) (7) and Note F to account 211.)
Pressure contactor-terminals.
Protectors and arresters.
Sleeves.
Submarine cable terminal huts.

* * * * *

17. In § 31.243, the item list is amended to read as follows:

§ 31.243 Aerial wire.

* * * * *

ITEMS

(Note § 31.01–8)

Bridle rings.
Bridle wire.
Ground wire, clamps, and rods.
Insulators and thimbles.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Permits and privileges for construction. (Note also § 31.2–22(b) (7).)
Protectors and arresters.
Repeating coils.
Rural and urban distribution wire.
Tie wires.
Transposition brackets.
Transposition of the circuits in initial construction work and any additions or betterments resulting from transposing or retransposing existing circuits.

* * * * *

18. In § 31.261, the item list is amended to read as follows:

§ 31.261 Furniture and office equipment.

* * * * *

ITEMS

(Note § 31.01–8)

Air conditioning units, portable.
Beds, cots, and couches.
Bins, counters, and shelves.
Bookcases.
Cabinets and filing cases.
Chairs, carpets, and rugs.
Data processing equipment.
Davenports.
Dehumidifying units, portable.
Desks.
Drapes.
Equipment in rest, dining, recreation and medical rooms.
Fans, electric, portable.
Fire-extinguisher equipment, portable.
Floor-scrubbing and polishing machines.
Gas and electric fixtures, portable.
Lockers and wardrobes, portable.
Microfilm equipment.
Office devices, including addressing, billing, blueprinting, computing, dating, duplicating, mailing, photostat and recording machines, cash registers, check writers, postage meter machines, typewriters, etc.
Pianos and phonographs.
Projection equipment.
Radio sets.
Racks—magazine, newspaper, umbrella, and clothing.
Refrigerators, portable.
Safes.
Stoves.
Switchboards, special type public demonstration.
Tables.
Television sets.
Vacuum sweepers.
Vending machines.
Water coolers.

* * * * *

19. In § 31.264, the item list is amended to read as follows:

§ 31.264 Vehicles and other work equipment.

* * * * *

ITEMS

(Note § 31.01–8)

Air compressors.
Aircraft.
Automobiles, motor trucks and tractors, including those equipped with earth-boring machines, pumps, winches, etc.
Boats and barges.
Blowers, power.
Carts, cable splicers.
Compressed air tools.
Concrete mixers and breakers.
Derricks.
Drills and hammers, power.
Earth-boring machines.
Gasoline and oil pumps, portable.
Hand tools.
Hand trucks.
Lasher, cable.
Lathes.
Loaders, power.
Motors and generators.
Planers.
Plows, cable laying.
Pole-treating apparatus, chemical.
Pumps.
Rodder, duct.
Saws, power.
Snowmobiles.
Tamping and back-filling machines.
Tents, cable splicers'.
Testing equipment, portable. (See also, Note B to this account.)
Torches.
Trailers.
Trenching machines.
Winches, power.
Wire-measuring machines.

* * * * *

20. Section 31.504 is amended to read as follows:

§ 31.504 Local private line services.

This account shall include local service revenues from local private line services and facilities furnished on an exclusive basis, either continuously or during stated periods, between points in the same local service area. It shall include local private line service revenues from services and facilities furnished for such purposes as telephone, teletypewriter, program transmission, telephotograph, data transmission, and remote control.

21. Section 31.521 is amended to read as follows:

§ 31.521 Telegraph commissions.

This account shall include commissions receivable for the billing or collection of telegraph, cable, or radio tolls on messages transmitted by others.

22. In § 31.6–63, paragraph (a) is amended to read as follows:

§ 31.6–63 Distribution of pay and expenses of employees.

(a) Charges to the telephone plant, operating expense, and other accounts for services and expenses of employees engaged in activities chargeable to various accounts shall be based upon the actual time engaged in the respective classes of work except that the pay and expenses of an employee who performs the same type of work from day to day may be distributed upon the basis of a study of the time actually engaged during a representative period.

* * * * *

23. In § 31.602:1, the item list is amended to read as follows:

§ 31.602:1 Repairs of pole lines.

* * * * *

ITEMS

(Note § 31.01–8)

Inspecting, testing, and reporting on the condition of pole lines to determine the need for repairs or replacements.
Moving poles in connection with road and street changes. (Note also § 31.2–25.)
Permits and privileges for maintenance work.
Reinforcing and resetting poles.
Replacing minor items of pole lines, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2–25.)
Respacing poles and crossarms.
Restoring condition of pole lines damaged by storms, fires, or other casualties. (Note also § 31.2–25.)
Straightening poles and crossarms.
Tightening guys and raking guy stubs.
Transferring crossarms and guys in connection with replacements of poles and crossarms.
Trenching poles.
Trimming trees, cutting underbrush, and other work to maintain previous clearance of right of way.
Work on the property of others in connection with the maintenance of the pole lines of the company. (See also note A to this account.)

* * * * *

24. In § 31.602:2, the item list is amended to read as follows:

§ 31.602:2 Repairs of aerial cable.

* * * * *

ITEMS

(Note § 31.01–8)

Clearing defective cable pairs.
Inspecting, testing, and reporting on the condition of aerial cable plant to determine the need for repairs or replacements. (Note also account 603.)

Installing, transferring, replacing, and removing cross-connection wires and fuses in cable terminals or boxes. (See also note A to this account.)
Maintaining gas pressure.
Maintenance of air dryers.
Moving aerial cable plant.
Opening, testing, splicing, and other work of transferring pairs in cable and transferring cable from one cable or stub to another cable or stub.
Permits and privileges for maintenance work.
Replacing minor items of aerial cable plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2–25.)
Restoring condition of aerial cable plant damaged by storms, fires, or other casualties. (Note also § 31.2–25.)
Testing for, locating, and clearing trouble. (Note also account 603.)
Tightening suspension strand and cutting out cable slack.
Transferring cable, cable boxes, and other aerial cable plant in connection with replacements of poles and crossarms.
Work on the property of others in connection with the maintenance of the aerial cable plant of the company. (See also note B to this account.)

* * * * *

25. In § 31.602:3, the item list is amended to read as follows:

§ 31.602:3 Repairs of underground cable.

* * * * *

ITEMS

(Note § 31.01–8)

Clearing defective cable pairs.
Inspecting, testing, and reporting on the condition of the underground cable plant to determine the need for repairs or replacements. (Note also account 603.)
Installing, transferring, replacing, and removing cross-connection wires and fuses in cable terminals or boxes. (See also note A to this account.)
Maintaining gas pressure.
Maintenance of air dryers.
Moving underground cable plant. (Note also § 31.2–25.)
Opening, testing, splicing, and other work of transferring pairs in cable and transferring cable from one cable or stub to another cable or stub.
Permits and privileges for maintenance work.
Replacing minor items of underground cable plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2–25.)
Reracking cables.
Restoring condition of underground cable plant damaged by storms, fires, or other casualties. (Note also § 31.2–25.)
Testing for, locating, and clearing trouble. (Note also account 603.)
Tests and surveys of existing plant to detect presence of electrolysis. (See note A to this account, also account 603.)
Work on the property of others in connection with the maintenance of the underground cable plant of the company. (See also note B to this account.)

* * * * *

26. In § 31.602:4, the item list is amended to read as follows:

§ 31.602:4 Repairs of buried cable.

* * * * *

ITEMS

(Note § 31.01–8)

Clearing defective cable pairs.
Inspecting, testing, and reporting on the condition of the buried cable plant to determine the need for repairs or replacements. (Note also account 603.)
Installing, transferring, replacing, and removing cross-connection wires and fuses in cable terminals or boxes. (See also note A to this account.)
Maintaining gas pressure.
Maintenance of air dryers.
Moving buried cable plant. (Note also § 31.2–25.)
Opening, testing, splicing, and other work of transferring pairs in cable and transferring cable from one cable or stub to another cable or stub.
Permits and privileges for maintenance work.
Replacing minor items of buried cable plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2–25.)
Restoring condition of buried cable plant damaged by storms, fires, or other casualties. (Note also § 31.2–25.)
Testing for, locating, and clearing trouble. (Note also account 603.)
Work on the property of others in connection with the maintenance of the buried cable plant of the company. (See also note B to this account.)

* * * * *

27. In § 31.602:5, the item list is amended to read as follows:

§ 31.602:5 Repairs of submarine cable.

* * * * *

ITEMS

(Note § 31.01–8)

Clearing defective cable pairs.
Inspecting, testing, and reporting on the condition of submarine cable plant to determine the need for repairs or replacements. (Note also account 603.)
Installing, transferring, replacing, and removing cross-connection wires and fuses in cable terminals or boxes. (See also note A to this account.)
Maintaining gas pressure.
Maintenance of air dryers.
Opening, testing, splicing, and other work of transferring pairs in cable and transferring cable from one cable or stub to another cable or stub.
Permits and privileges for maintenance work.
Replacing minor items of submarine cable plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2–25.)
Restoring condition of submarine cable plant damaged by storms, fires, or other casualties. (Note also § 31.2–25.)
Testing for, locating, and clearing trouble. (Note also account 603.)
Work on the property of others in connection with the maintenance of the submarine cable plant of the company. (See also note B to this account.)

* * * * *

28. In § 31.602:6, the item list is amended to read as follows:

§ 31.602:6 Repairs of aerial wire.

* * * * *

ITEMS

(Note § 31.01–8)

Cutting out or cutting in slack in aerial wire.
Inspecting, testing, and reporting on the condition of aerial wire plant to determine the need for repairs or replacements. (Note also account 603.)
Moving aerial wire. (Note also § 31.2–25.)
Permits and privileges for maintenance work.
Rearranging wires on pins.
Replacing minor items of aerial wire plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2–25.)
Restoring condition of aerial wire plant damaged by storms, fires, or other casualties. (Note also § 31.2–25.)
Testing for, locating, and clearing trouble. (Note also account 603.)
Transferring aerial wire in connection with replacements of poles and cross arms.
Transposing or retransposing existing aerial wire, including such work for the removal of electric interference and for the creation of phantom and carrier circuits subsequent to the original installation of wires. (See also note A to this account.)
Work on the property of others in connection with the maintenance of the aerial wire plant of the company. (See also note B to this account.)

* * * * *

29. In § 31.602:7, the item list is amended to read as follows:

§ 31.602:7 Repairs of underground conduit.

* * * * *

ITEMS

(Note § 31.01–8)

Cleaning manholes and ducts. (See also note A to this account.)
Moving underground conduit plant. (Note also § 31.2–25.)
Opening pavement and repaving in connection with repairs of underground cable and conduit.
Permits and privileges for maintenance work.
Replacing minor items of underground conduit plant, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2–25.)
Restoring condition of underground conduit plant damaged by storms, fires, or other casualties. (Note also § 31.2–25.)
Work on the property of others in connection with the maintenance of the underground conduit plant of the company. (See also note B to this account.)

* * * * *

3. In § 31.604, the item list is amended to read as follows:

§ 31.604 Repairs of central office equipment.

* * * * *

ITEMS

(Note § 31.01–8)

Adding acid and water to batteries and reading specific gravity, current drain, and voltage of batteries.
Cleaning equipment.

Disconnecting and reconnecting customers' lines in central offices for temporary periods of nonuse or for nonpayment of bills.
Disconnecting customers' lines in central offices due to termination of service.
House service. (Note also account 707.)
Lubrication, adjustment, and cleaning of power equipment, including the lubrication and cleaning of drive motors and driving mechanism in panel offices.
Operating prime movers, generators, and motors.
Reading and recording information from message registers and traffic load counters located in central offices.
Rearranging and replacing frame cross-connection wires. (See also note A to this account.)
Removing sediment from storage batteries and the cost of repairing storage batteries, including replacement of minor items.
Repairing used central office equipment for reuse.
Replacement of central office dry cell batteries.
Replacing minor items of central office equipment, including labor and material used and the removal and recovery of the items retired less salvage recovered, except when such items are replaced through the replacement of retirement units. (Note also § 31.2-25.)
Starting, stopping, and watching operation of power equipment.
Supplies, such as acid, caustic soda, cheesecloth, commutator paste, dry cells, electrolyte, kerosene, oil, and waste.
Tools and other individual central office equipment—items of small value or short life, cost and repairs of. (Note also § 31.2-20(d).)
Training employees for central office repair work.
Underlining switchboard jacks, renewing switchboard markings, and placing and changing number plates and designation strips, not incident to construction. (See also note C to this account.)

* * * * *

31. In § 31.622, the item list is amended to read as follows:

§ 31.622 Service inspection and customer instruction.

* * * * *

ITEMS

(Note § 31.01-8)

Card notices and other literature for instruction of customers in use of dial equipment.
Employment and training of private branch exchange operators apart from the regular employment and training of operators.
House service. (Note also account 707.)
Investigation and adjustment of traffic service complaints. (See also note B to this account.)
Making test calls.
Observation of handling of traffic by operators. (See also note C to this account.)
Observation of accuracy of measured service charges.
Office supplies.
Postage, printing, and stationery.
Private branch exchange service supervisors, pay and expense of.
Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.
Summarization of service observation data.
Traveling expenses.

* * * * *

32. In § 31.624, paragraphs (a) and (b) are amended to read as follows:

§ 31.624 Operators' wages.

(a) This account shall include the pay of chief operators, assistant chief operators, supervisors, ticket distributors, switchboard operators, information operators, directory operators, private branch exchange operators, telegraph operators, teletypewriter operators, operators employed in quoting toll rates and charges, listening-in work in connection with coaching operators, helping subscribers to place and complete calls together with the incidental recording of subscribers' complaints, operating telephotographic equipment, and all other operators employed in the operation of central office and private branch exchange equipment.

(b) This account shall include also the pay of clerks, stenographers, personnel assistants, and messengers engaged in line assignments, peg counts, message register readings, plug counts, preparing time or attendance records, pay rolls, intercepting records, panel and jack records, line and station reports, delivering messages or notifying persons of calls, facilities administration, ticket investigation, and similar traffic work performed in central offices or centralized outside of central offices. It shall include the pay of such employees while engaged in underlining switchboard jacks and placing and changing number plates and designation strips.

* * * * *

33. In § 31.626, the item list is amended to read as follows:

§ 31.626 Rest and lunch rooms.

* * * * *

ITEMS

(Note § 31.01-8)

Bedding.
Dishes.
Electric power for cooking, refrigeration, or operating kitchen equipment.
Food supplies.
Fuel for cooking.
Handling orders and bills for supplies.
House service. (Note also account 707.)
Laundry.
Linen.
Lunch-room managers, cooks, cashiers, waiters, and kitchen helpers, pay and expenses of.
Medical supplies, including first-aid materials, used in operators' quarters.
Newspapers, magazines, and phonograph records.
Nurses, matrons, and attendants for operators' quarters, pay and expenses of.
Postage, printing, and stationery.
Repairs of furniture and equipment, and cost and repairs of individual items of small value or short life.
Silverware.
Uniforms.

* * * * *

34. In § 31.627, the item list is amended to read as follows:

§ 31.627 Operators' employment and training.

* * * * *

ITEMS

(Note § 31.01-8)

Advertising for operators, cost of.
Pay and expenses of employees engaged in the employment of operators and in interviewing applicants.
Pay and expenses of instructors, messengers, personnel supervisors, etc., in schools.
Pay of operators, supervisors, chief operators, etc., attending supplemental training or post-graduate courses.
Pay of student operators rendering no service.
Postage, printing, and stationery.
Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.
Supplies for employment and school work.
Traveling expenses.

* * * * *

35. In § 31.629, the item list is amended to read as follows:

§ 31.629 Central office stationery and printing.

* * * * *

ITEMS

(Note § 31.01-8)

Message records such as paper tickets, mark sense cards, AMA tapes, magnetic tapes, etc., traffic department's expense of.
Office supplies.
Printing and distributing tariff and route data, traffic department's proportion of cost of. (See also note A to this account.)
Printing directories of telephone numbers by street addresses, traffic department's expense of. (See also note B to this account.)
Tickets and other central office stationery and supplies furnished connecting companies.
Transportation of message records, traffic department's expense of.

* * * * *

36. In § 31.630, the item list is amended to read as follows:

§ 31.630 Central office house service.

* * * * *

ITEMS

(Note § 31.01-8)

Electricity for elevators, fans, lights, and ventilators. (See also note A to this account.)
Fuel, towels, water, toilet, and other supplies.

* * * * *

37. In § 31.642, the item list is amended to read as follows:

§ 31.642 Advertising.

* * * * *

ITEMS

(Note § 31.01-8)

Announcements of rates changes. (See also note A to this account.)
Commercial advertising in newspapers and magazines and on radio and television. (See also note A to this account.)
Commercial advertising matter such as posters, bulletins, booklets, and related items. (See also note A to this account.)
Electric current consumed in illuminating public telephone signs.
Exhibits in connection with industrial expositions, expenses of. (See also note B to this account.)
House service. (Note also account 707.)
Lecture and demonstration tours for promotion purposes. (See also note B to this account.)
Managers and their office forces in charge of advertising and publicity, pay and expenses of.
Motion pictures.
Office supplies.
Postage, printing, and stationery.
Promotional advertising in the company's directories, such as colored page inserts, when additional printing and binding costs are incurred.
Radio and television programs.

Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.
Traveling expenses.
Window displays.

* * * * *

38. In § 31.645, the item list is amended to read as follows:

§ 31.645 Local commercial operations.

* * * * *

ITEMS

(Note § 31.01–8)

Badges.
Business office signs on windows, doors, etc.
Coin-box collectors, guards and supervisors of coin-box collections, pay and expenses of.
Customers' accounts, cost of keeping and billing, when performed in the course of local commercial operations. (See also note C to this account.)
Fees paid banks or others for collection of customers' bills. (For law expenses see account 664.)
House service. (Note also account 707.)
Managers in charge of local commercial operations, supervisors, service representatives, bookkeepers, cashiers, clerks, and collectors, pay and expenses of. (See also note C to this account.)
Office supplies.
Postage, printing, and stationery.
Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.
Traveling expenses.

* * * * *

39. In § 31.662, the list of officers and employees and the list of expenses and supplies are amended to read as follows:

§ 31.662 Accounting department.

* * * * *

OFFICERS AND EMPLOYEES

(Note § 31.01–8)

Accountants. (See also note to this account.)
Auditor of disbursements.
Auditor of receipts.
Auditors—general and division.
Bookkeepers.
Chief accountant.
Chief statistician.
Chief traveling auditor.
Clerks.
Comptroller.
Division auditor of disbursements.
Division auditor of receipts.
General accountants.
Office managers. (See also note to this account.)
Plant accountants.
Revenue accountants.
Statisticians.
Supervisors of methods, bookkeeping, vouchers, pay rolls, estimates, etc.
Tax accountants.
Traveling auditors.
Vice president in charge of accounting department.
Assistants authorized to act for officers of accounting department.
Office and staff forces (e.g., staff assistants, secretaries, stenographers, messengers, office boys, etc.) of officers and employees of accounting department.

EXPENSES AND SUPPLIES

(Note § 31.01–8)

Automobile service, including charges through clearing account 702.
Books and periodicals for office use.
House service. (Note also account 707.)
Meals, including payments therefor on account of overtime work.
Membership fees and dues of officers and employees in trade, technical and professional associations.
Office supplies.
Postage, including that used in mailing bills to customers by accounting department and in forwarding message and other billing service data to local collection offices.
Printing.
Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.
Stationery supplies.
Telephone and telegraph service, amounts paid others for.
Traveling expenses.

* * * * *

40. In § 31.668, the list of losses and damages is amended to read as follows:

§ 31.668 Insurance.

* * * * *

LOSSES AND DAMAGES

(Note § 31.01–8)

Burglaries, holdups, check alterations, and forgeries.
Damages to the property of others.
Defalcations of employees and agents.
Fire and other casualties to telephone plant.
Fire and other casualties to telephone plant rented to others, the rents from which are includible in account 524.
Injury to or death of employees.
Injury to or death of persons other than employees.
Loss due to business interruption (i.e., use and occupancy insurance).
Loss of service of employees through death, sickness, injury, or other cause.
Loss of unbilled message records.
Nonperformance of contractual obligations of others.

* * * * *

41. In § 31.702, paragraph (a) and the item list are amended to read as follows:

§ 31.702 Vehicle and other work equipment expense.

(a) This account shall include the expense of operating vehicles and other work equipment, including expenses of garages, shops, and toolrooms and the amount of depreciation charges applicable to the accounting period for plant classified in account 264, "Vehicles and other work equipment," except equipment of storerooms.

* * * * *

ITEMS

(Note § 31.01–8)

Books and periodicals.
Depreciation of vehicles and other work equipment, except equipment of storerooms.
House service. (Note also account 707.)
Insurance (see also note to account 668), including that against losses and damages to or by vehicles and other work equipment.
License fees for vehicles and for drivers.
Office supplies.
Overages and shortages in material and supplies for vehicles and other work equipment.
Parking fees.
Postage, printing, and stationery.
Rent paid for and repairs of rented vehicles and other work equipment, garages, shops, toolrooms, and other quarters. (Note also § 31.2–23.)
Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.
Repairs of vehicles and other work equipment, and cost and repairs of individual items of small value or short life.
Supplies used in the operation of vehicles and other work equipment, garages, shops, toolrooms, and other quarters.
Supervising officers and their office and field forces, including inspectors, testers, garagemen, and other employees, pay and expenses of.

42. In § 31.707, the item list is amended to read as follows:

§ 31.707 House service expense.

* * * * *

ITEMS

(Note § 31.01–8)

Building superintendents and others engaged in supervising house service operations, pay and expenses of.
Cleaning supplies.
Elevator and escalator service.
Fuel.
Heat.
Janitor service.
Light.
Office supplies.
Postage, printing, and stationery.
Power. (Note also accounts 604 and 610.)
Refrigeration.
Rent paid for and repairs of rented quarters used in the supervision of general house service operations, other than space used by janitors and similar employees in furnishing house service for a particular building. (Note also § 31.2–23.)
Repairs of furniture and office equipment, and cost and repairs of individual items of small value or short life.

43. In § 31.8, the list of retirement units under center caption "212 Buildings" is amended by adding a new unit immediately preceding the note; and the list of retirement units under center caption "242:1 Aerial Cables; 242:2 Underground Cable; 242:3 Buried Cable; 242:4 Submarine Cable" is amended by adding a new unit at the end of the list as follows:

§ 31.8 List of retirement units.

* * * * *

212 Buildings.

* * * * *

A self-supporting structure used to support antennae.

* * * * *

242:1 Aerial Cable.
242:2 Underground Cable.
242:3 Buried Cable.
242:4 Submarine Cable.

* * * * *

An air dryer.

* * * * *

44. In Appendix B to Part 31, section 4(a) is amended to read as follows:

APPENDIX B

STANDARD PRACTICES FOR THE ESTABLISHMENT AND MAINTENANCE OF CONTINUING PROPERTY RECORDS BY TELEPHONE COMPANIES HAVING INVESTMENT IN ACCOUNT 100:1, "TELEPHONE PLANT IN SERVICE," IN EXCESS OF $40,000,000

* * * * *

4. *Average costs.* (a) In the development of average costs for plant consisting of a large number of similar units, such as telephones, station connections, poles, wire, cable, cable

terminals, conduit, small private branch exchanges, and booths, units of similar size and type within each specified accounting area and plant account may be grouped without regard to year of construction. Each such average cost shall be set forth in the continuing property record or in records supplemental thereto and in support thereof.

* * * * *

PART 33—UNIFORM SYSTEM OF ACCOUNTS FOR CLASS C TELEPHONE COMPANIES

II. Part 33—Uniform System of Accounts for Class C Telephone Companies is amended as follows:

1. In § 33.1064, the item list is amended to read as follows:

§ 33.1064 Vehicles and other work equipment.

* * * * *

ITEMS

(See § 33.13)

1. Automobiles, motor trucks, and tractors, including those equipped with earth-boring machines, pumps, winches, etc.
2. Carts, cable splicers'.
3. Concrete mixers.
4. Derricks.
5. Gasoline and oil pumps, portable.
6. Hand tools.
7. Hand trucks.
8. Lasher, cable.
9. Lathes.
10. Motors and generators.
11. Planers.
12. Plows, cable laying.
13. Pole-treating apparatus.
14. Pumps.
15. Rodder, duct.
16. Saws, power.
17. Torches.
18. Trailers.
19. Winches, power.

* * * * *

2. In § 33.9000, paragraph (a) and the item list are amended to read as follows:

§ 33.9000 Vehicle and other work equipment expense; clearing.

(a) This account, when used, shall include the expense of operating and maintaining automobiles, trucks, and other work equipment (except storeroom equipment), including the expense of garages, shops, small tools, and tool rooms, and the amount of depreciation charges applicable to the accounting period for plant in account 1064. "Vehicles and other work equipment."

* * * * *

ITEMS

(See § 33.13)

1. Depreciation of transportation and garage equipment.
2. Insurance.
3. License fees for vehicle and drivers.
4. Rents for equipment and garages.
5. Repairs of equipment.
6. Supplies, such as gas, oil, tires, tubes, tire chains, grease, etc.

PART 34—UNIFORM SYSTEM OF ACCOUNTS FOR RADIOTELEGRAPH CARRIERS

III. Part 34—Uniform System of Accounts for Radiotelegraph Carriers is amended as follows:

1. § 34.04–1 is amended to read as follows:

§ 34.04–1 Classes of depreciable operated plant.

The classes of depreciable operated plant and the accounts in which the cost of such plant is included are as follows:

Land improvements (account 12).
Drainage, sewerage, gas, and water systems (account 13).
Buildings (account 14).
Towers and masts (account 21).
Antenna systems (account 22).
Control lines (account 26).
Power-supply lines (account 27).
Radio transmitter equipment (account 31).
Cooling apparatus (account 33).
Receiver equipment (account 34).
Power supply and distribution equipment (account 36).
Ocean cable (account 37).
Control apparatus (account 40).
Equipment on customers' premises (account 41).
Furniture and office equipment (account 51).
Ship station equipment (account 61).
Other mobile station equipment (account 69).
Transportation equipment (account 71).
Shop equipment, tools, and implements (account 72).
Store and Warehouse equipment (account 73).

2. In § 34.1–99, the line for account 32, Other transmitter equipment, is revoked and the lines for accounts 31 and 71 and the footnote are amended to read as follows:

§ 34.1–99 Contemplated form of plant statement.

* * * * *

* * *	31 Radio transmitter equipment	$ * * *	$ * * *	(2) * * *	$ * * *	$ * * *
* * *	71 Transportation equipment	$ * * *	$ * * *	$ * * *	$ * * *	$ * * *

1 2 3 4 The accounts represented, if appropriate, at the 4 respective points bearing these symbols shall be numbered, for example, 1031, 1121, 1231, and 1434, respectively.

3. In § 34.14, the item list and Note B are amended to read as follows:

§ 34.14 Buildings.

* * * * *

ITEMS

(See § 34.03–12)

Awnings.
Boilers, furnaces, fixtures, and machinery for heating, lighting, and ventilating.
Cable vaults and conduits constructed as part of the building.
Central air conditioning systems.
Commissions and fees to brokers, agents, architects, and others.
Door checks and door stops.
Drainage and sewerage, inside piping and equipment. (See also account 13, "Drainage, sewerage, gas, and water systems.")
Electric shielding.
Electric wiring.
Elevators and escalators.
Fire-extinguisher systems.
Garages and shops.
General and other office buildings.
Grading, excavating, and preparing grounds for buildings, including clearing of grounds after construction.
Ground systems (installed with buildings).
Improvements to leased buildings. (See particularly § 34.1–5.)
Linoleum and similar floor coverings, excluding carpets and rugs.
Motors and generators.
Partitions, including movable.
Piers and foundations for machinery constructed as a permanent part of a building.
Platforms, storage or loading.
Refrigeration systems.
Retaining walls (erected in connection with buildings).
Screens, door and window.
Signs; permanent, attached to buildings.
Sprinkling systems.
Storm doors and windows.
Taxes assumed on buildings, applicable to the period prior to the date of acquisition.
Voiding leases to secure possession of buildings acquired.
Water, steam, and gas pipes.
Window shades and ventilators.

* * * * *

NOTE B: The cost of shelters used exclusively for housing drainage, sewerage, gas and water systems, and power supply equipment shall be included in account 13, "Drainage, sewerage, gas and water systems," or account 36, "Power supply and distribution equipment," as appropriate.

4. In § 34.22, the item list is amended to read as follows:

§ 34.22 Antenna systems.

* * * * *

ITEMS

(See § 34.03–12)

Aerial assemblies or arrays

Anchors.
Bridle rings and wire.
Insulators and thimbles.
Permits and privileges for construction. (See particularly § 34.1–3(c)(6).)
Spreaders.
Switches.
Transposition brackets.
Wire and cable (aerial).

Ground or counterpoise systems

Clamps and rods.
Counterpoise supports.
Insulators and thimbles.
Plates and pipes.
Protectors and arresters.
Tie wires.
Wire and cable (ground).

Radiofrequency transmission lines

Anchors.
Bolts, nuts, and brackets.
Clearing routes and tree trimming prior to construction.
Guy clamps.
Guy wire or strand.
Harmonic tuning traps.
Insulators.
Lightning arresters.

Permits and privileges for construction. (See particularly § 34.1-3(c)(6).)
Pins.
Poles.
Wire.

* * * * *

5. In § 34.31, the headnote and text are amended to read as follows:

§ 34.31 Radio transmitter equipment.

This account shall include the cost of radio transmitters and associated equipment used in radiotelegraph service. (See §§ 34.22, 34.26, 34.36, and 34.40.)

ITEMS

(See § 34.03-12)

Air ducts and oil coolers.
Amplifiers; power, audio.
Antenna coupling devices (inside).
Circulating pumps and blowers.
Crystal oscillators.
Electron tubes. (See § 34.41-7.)
Exciters and drivers.
Filament motor generators.
Meters (permanently installed).
Rectifiers (if a part of the transmitter).
Steel mesh partitions.
Transmitter control panels.
Voltage regulators.

§ 34.32 [Revoked]

6. Section 34.32 is revoked in its entirety.

7. The note to § 34.33 is amended to read as follows:

§ 34.33 Cooling apparatus.

* * * * *

NOTE: The cost of cooling apparatus that forms an integral part of transmitter or power supply equipment shall be included in account 31, "Radio transmitter equipment," or account 36, "Power supply and distribution equipment," as appropriate.

8. In § 34.36, paragraph (b) is amended to delete the reference to § 34.32. As amended, paragraph (b) of § 34.36 reads as follows:

§ 34.36 Power supply and distribution equipment.

* * * * *

(b) This account shall include also the cost of power rectifiers or motor generator installations (not forming an integral part of a transmitter) that are provided as a common source of power for a multiplicity of transmitters or other equipment. (See also § 34.31.)

* * * * *

9. In § 34.40, the item list is amended to read as follows:

§ 34.40 Control apparatus.

* * * * *

ITEMS

(See § 34.03-12)

Frequency-measuring equipment

Equipment rack.
Frequency indicator.
Receiver.

Message transmitting and receiving apparatus

Automatic transmitters.
Desks or tables fitted with apparatus or used as mountings for apparatus.
Facsimile machines.
Photoradio operating tables, receiving recorders, scanner units, and transmitting and receiving machines.
Printers; keyboard, page, or tape.
Tape pullers and tape perforators.
Time stamps.
Teletypewriters.
Typewriters, traffic.

Message-conveyor equipment

Conveyor belts.
Pneumatic tubes and associated equipment.

Calling and order-dispatching equipment

Annunciator systems.
Microphone and loud speaker equipment.
Public address equipment.
Registers and call boxes.
Telautograph equipment.

Terminal equipment

Amplifiers and associated equipment.
Code converters.
Control or switching equipment.
Electron tubes. (See § 34.41-7.)
Filters and filter racks.
Fuse, lamp, and mixer panels.
Microphone equipment.
Modulators.
Mountings for line terminal equipment.
Photoradio facsimile and multiplex terminals.
Radio transmitter frequency control equipment.
Relay test panels.
Tone generating equipment.
Volume indicators.

Monitoring equipment

Loud speakers.
Monitor receivers and recorders.
Multiple pen recorders.
Telephone head sets, hand sets, and breast sets.

* * * * *

10. In § 34.41, the item list is amended to read as follows:

§ 34.41 Equipment on customers' premises.

* * * * *

ITEMS

(See § 34.03-12)

Call boxes.
Data sets.
Facsimile equipment.
Printer tables.
Printers; keyboard, page, or type.
Telephones.

* * * * *

11. In § 34.51, the item list is amended to read as follows:

§ 34.51 Furniture and office equipment.

* * * * *

ITEMS

(See § 34.03-12)

Air conditioning units, portable.
Beds, cots, and couches.
Bins, counters, and shelves.
Bookcases.
Cabinets and filing cases.
Chairs, carpets, and rugs.
Clocks.
Data processing equipment.
Davenports.
Dehumidifying units, portable.
Desks.
Drapes.
Electric heaters.
Equipment in kitchens and in rest, dining, recreation, and medical rooms.
Fans, electric, portable.
Fire-extinguisher equipment, portable.
Floor scrubbing and polishing machines.
Gas and electric fixtures, portable.
Lockers and wardrobes, portable.
Microfilm equipment.
Mirrors, portable.
Motion-picture equipment.
Office devices, including addressing, billing, blueprinting, computing, dating, duplicating, mailing, photostat and recording machines, cash registers, check writers, postage-meter machines, typewriters, and similar items.
Pianos and phonographs.
Projection equipment.
Radio sets.
Racks; magazine, newspaper, umbrella, and clothing.
Refrigerators, portable.
Safes.
Signs, portable.
Shoe-shining equipment.
Stoves.
Tables.
Television sets.
Vacuum sweepers.
Water coolers.

* * * * *

12. In § 34.71, the headnote and text are amended to read as follows:

§ 34.71 Transportation equipment.

This account shall include the cost of transportation equipment and appurtenances thereto used in radiotelegraph service.

ITEMS

(See § 34.03-12)

Automobiles and airplanes.
Bicycles and scooter-bikes.
Boats and barges.
Hand trucks and carts.
Motorcycles.
Trailers.
Trucks and tractors (including those equipped with earth-boring machines, pumps, winches, and similar items).

13. In § 34.4250, the item list is amended to read as follows:

§ 34.4250 Advertising.

* * * * *

ITEMS

(See § 34.03-12)

Announcements of rate changes. (See also note A to this account.)
Commercial advertisements in newspapers and magazines and on radio and television. (See also note A to this account.)
Commercial advertising matter, such as posters, bulletins, booklets, and related items. (See also note A to this account.)
Electric current consumed in illuminating signs.
Exhibits in connection with industrial expositions, expenses of.
Lecture and demonstration tours for traffic promotion purposes.
Managers and their office forces in charge of advertising, expenses of.
Radio and television programs.
Window displays.

* * * * *

14. In § 34.1-6-1, the list of retirement units for accounts 22, 36, and 40 are amended; the title of account 31 is amended; the title and list of account 71 are amended; and account 32 is revoked, as follows:

§ 34.1–6–1 Retirement units.

* * * * *

ANTENNA SYSTEMS (ACCOUNT 22)

Antenna—complete.
Conductor system, buried.
Discrimination network.
Down leads—all associated with one antenna.
Filter assembly.
Frequency matching trap.
Ground system.
Lightning arrestor assembly.
Pole—20 feet or more in height.
Power board.
Single or multiple antenna wire (with or without associated spacers, supporting insulators and catenary wires, if integral parts of span)—continuous span.
Terminal or switching structure—with or without foundation.
Transmission line—2 or more continuous spans or a section of 300 feet or more.

* * * * *

RADIO TRANSMITTER EQUIPMENT

(ACCOUNT 31)

Air-duct system.
Amplifier unit.
Antenna coupling device.
Blower.
Control panel.
Cooling unit—oil or water.
Driver or exciter unit.
Generator.
Harmonic filter unit.
Keyer unit—tone signal, frequency shift, etc.
Modulator unit.
Motor, electric (1 or more hp.).
Oscillator unit.
Power supply unit, crystal.
Pump.
Radiator.
Rectifier unit.
Transformer.
Transmitter—complete, with or without associated wiring or conduit.

OTHER TRANSMITTER EQUIPMENT (ACCOUNT 32)

[Revoked in its entirety, including retirement units]

* * * * *

POWER SUPPLY AND DISTRIBUTION EQUIPMENT (ACCOUNT 36)

Alternator.
Ash or coal conveyor.
Battery charging installation.
Battery, storage.
Battery rack, cabinet, or counter—storage or dry.
Boiler.
Bus bars, cable or wiring—with or without conduit (such as between: battery and fuse panel or power switchboard and equipment).
Bus and switching structure—substation.
Circuit breaker.
Compensator.
Compressor, air.
Condenser, power factor correction or synchronous motor.
Disconnect switch, high tension.
Feed water condenser.
Filter assembly, battery charging.
Filter condensers.
Fuse cabinet or box.
Generator.
Housing or shelter for pump.
Lighting system, substation.
Lightning arrester assembly.
Machine foundation.
Meter, demand or watt hour.
Metering transformer, high tension.
Motor generator.
Motor, electric (1 or more hp.).
Oil burner.
Power plant or substation—complete.
Prime mover.
Pump.
Rack or frame—rectifier, filter.
Reactor.
Rectifier.
Starter.
Substation enclosure, structure, vault or house.
Switchboard or control panel.
Tank—fuel oil, feed water, or compressed air.
Tanks or jars—complete set for storage batteries.
Transformer.
Trolley hoist or crane.
Voltage regulator.

* * * * *

CONTROL APPARATUS (ACCOUNT 40)

Adaptors—ocean cable—telex.
Air conditioning system—associated with a frequency-measuring room—not part of building.
Amplifier or amplifier-rectifier unit.
Audio-frequency carrier telegraph equipment.
Auto frequency correcting units.
Base, printer or reperforator.
Blower.
Board-printer-control, relay, amplifier, line-test, or keyer.
Bus truck.
Cabinet—with or without equipment.
Call register.
Clock—synchronous, master, or control board.
Comparator.
Compressor.
Concentrator for radiotelegraph or wire-telegraph circuits, printer circuits or telephones.
Console, teletypewriter—package set—reperforator or perforator.
Control or switching box.
Control booth, desk, or console.
Converter unit.
Conveyer belt installation.
Cover—printer, reperforator or perforator.
Demodulation limiter unit.
Duplicating machine, message.
Echo suppressors.
Equalizers—phase and amplitude.
Facsimile machine—transmitting, receiving or combination.
File or rack—message handling.
Filter-rack installation.
Filter unit.
Fork unit.
Frequency meter.
Frequency standard.
Fuse panel—with or without associated wiring.
Heat-control unit, fork.
Hybrid coil panel.
Intercommunicating system.
Inverter unit.
Jack panel.
Keyboard—printer or reperforator.
Keyer unit.
Lamp panel—with or without associated wiring.
Limiter.
Line-equalizing unit.
Microphone—complete with mounting, connecting cord, etc.
Microphone control panel.
Mixer panel.
Modulator unit.
Monitor loudspeaker—portable.
Monitor receiver—portable.
Monitor recorder—portable.
Motor starter or compensator.
Motor, electric (1 or more hp.)
Multi-conductor patching panel.
Multiple pen recorder.
Multiplex terminal.
Numbering machine, message.
Oscillator unit.
Oscilloscope or oscillograph.
Perforator or reperforator.
Phonographic turntable.
Photoradio or facsimile terminal.
Photoradio operating table—complete with wiring, outlets, compressor, etc.
Photoradio receiving recorder.
Photoradio universal transmitting and receiving machine.
Pneumatic tubing—with or without protective covering—section of.
Power supply unit.
Printer control unit.
Printer, keyboard—page or tape.
Public-address system.
Rack, table, stand, desk, panel, shelf, console, cabinet or other supporting structure—with or without equipment.
Radio receiver or unit.
Radio transmitter frequency-control installation.
Reactor, modulation.
Receiving terminal—tape tube.
Rectifier.
Regenerators.
Regulator unit.
Relay-control drawer—with or without relays—teletypewriter package set.
Relay test panel—with or without associated wiring.
Relay tray.
Reperforator transmitters.
Scanner unit—radiophoto.
Signal indicator, teletypewriter—package set.
Sub-dividers—telegraph channel.
Switchboard, call circuit.
Tape rewind—motor driven.
Teleautograph installation.
Telegraph repeater.
Telephone head-set, hand-set, breast-set, receiver, or transmitter.
Telephone modulator.
Teletypewriter.
Temperature-control box.
Test board—telegraph.
Time delay unit for automatic transmitters.
Time stamp or time-stamp installation.
Tone-generator unit or installation.
Transformer, power or modulation.
Transmitter-distributor.
Transmitter frequency monitor.
Typewriter, traffic.
Typing unit, printer or reperforator.
Volume-indicator unit.
Wiring base, cabinet rack.

* * * * *

TRANSPORTATION EQUIPMENT (ACCOUNT 71)

Air compressor, mobile.
Airplane.
Amphibious vehicle.
Automobile.
Bicycle.
Boat or barge.
Cart.
Motorcycle.
Motor truck—with or without body.
Motor truck body.
Mounted kitchen.
Pole dolly or dinkey.
Scooter-bike.
Tractor or trailer.

PART 35—UNIFORM SYSTEM OF ACCOUNTS FOR WIRE-TELEGRAPH AND OCEAN-CABLE CARRIERS

IV. Part 35—Uniform System of Accounts for Wire-Telegraph and Ocean-Cable Carriers is amended as follows:

1. In § 35.15, the item list is amended to read as follows:

§ 35.15 Buildings.

* * * * *

ITEMS

(See § 35.03–12)

Awnings.
Boilers, furnaces, fixtures, and machinery for heating, lighting, and ventilating.

Cable vaults and conduits constructed as part of the building.
Central air conditioning systems.
Commissions and fees to brokers, agents, architects, and others.
Door checks and door stops.
Drainage and sewerage, inside piping and equipment.
Electric wiring.
Elevators and escalators.
Fire-extinguisher systems.
Garages and shops.
General and other office buildings.
Grading, excavating, and preparing grounds for buildings, including the laying out of grounds after construction.
Linoleum and similar floor covering, excluding carpets and rugs.
Motors and generators.
Partitions, excluding movable.
Piers and foundations for machinery constructed as a permanent part of a building.
Platforms, storage or loading.
Power board (where predominantly used for building power).
Refrigeration systems.
Retaining walls (erected in connection with buildings).
Screens, door and window.
Signs: permanent, attached to buildings.
Sprinkling systems.
Storm doors and windows.
Taxes assumed on buildings, applicable to the period prior to the date of acquisition.
Voiding leases to secure possession of buildings acquired.
Water, steam, and gas pipes.
Water-supply systems.
Window shades and ventilators.

* * * * *

2. In § 35.21, the item list is amended to read as follows:

§ 35.21 Poles.

* * * * *

ITEMS

(See § 35.03–12)

Anchors.
A and H fixtures.
Bolts.
Braces.
Bridge fixtures.
Cable arms.
Clearing routes and trimming trees, except maintenance of previous clearings. (See also § 35.41–7(a)(3).)
Crossarms.
Extension arms.
Guard arms.
Guy clamps.
Guy wire or strand.
Masts.
Permits and privileges for construction. (See particularly § 35.1–3(c)(6); also § 35.82.)
Pins, wood.
Poles.
Pole steps.
River-crossing and long-span fixtures.
Strain insulators.
Towers.
Treating and marking poles.

3. In § 35.23, the item list is amended to read as follows:

§ 35.23 Aerial cable.

* * * * *

ITEMS

(See § 35.03–12)

Bonds and grounds.
Cable: block, feeder, main, subsidiary.
Cable clamps.
Cable huts or houses (including contained equipment).
Cable rings.
Cable terminals or boxes.
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.
Fuse boxes.
Loading coils, building-out condensers, carrier-line filters, and cases therefor.
Main-frame-terminating cable extending to outside aerial cable.
Negative returns.
Permits and privileges for construction. (See particularly § 35.1–3(c)(6); also § 35.82.)
Pole seats and balconies.
Pressure contactor-terminals.
Protectors (except office protectors) and arresters.
Sleeves.
Strand, suspension.
Tree guards.

* * * * *

4. In § 35.51, the item list is amended to read as follows:

§ 35.51 Equipment furnished customers.

* * * * *

ITEMS

(See § 35.03–12)

Buzzer systems.
Call boxes.
Data sets.
Facsimile equipment.
Motor-generator sets.
Pneumatic-tube terminals.
Printer sets.
Rectifiers.
Switchboards.
Telephone sets.
Tickers.
Time-service equipment.

5. § 35.61, the item list is amended to read as follows:

§ 35.61 Furniture and office appliances.

* * * * *

ITEMS

(See § 35.03–12)

Accounting machines.
Adding and listing machines.
Addressing machines and equipment.
Air-conditioning units (not part of a building).
Beds, cots, or couches.
Benches, messenger.
Bicycle racks.
Bookcases.
Card-punching, card-sorting, or card-tabulating machines.
Carpets, rugs, or other floor coverings.
Cash registers.
Chairs.
Clocks.
Computing machines.
Counters.
Data processing equipment.
Date stamps.
Davenports.
Dehumidifying units, portable.
Desks.
Dictionaries or code books.
Dictographs or other interoffice communication equipment.
Dishes.
Drafting-room equipment.
Drapes.
Duplicating machines.
Electric fans.
Filing cabinets.
Floor-scrubbing and polishing machines.
Lockers (single or multiple).
Messenger dressing booths.
Microfilm equipment.
Multigraphs.
Partitions, movable.
Pianos.
Projection equipment.
Refrigerators.
Safes.
Signs (illuminated or non-illuminated).
Sorting racks.
Stationery cabinets.
Steel shelves.
Storage cabinets, shelves, or racks (except those in shops or storerooms).
Tables.
Television sets.
Time stamps.
Typewriters.
Water coolers.

* * * * *

6. In § 35.71, the item list is amended to read as follows:

§ 35.71 Vehicles.

* * * * *

ITEMS

(See § 35.03–12)

Automobiles.
Cable-splicers' carts.
Hand trucks and carts.
Mobile telegraph offices.
Motorcycles.
Trailers.
Trucks and tractors (including attached work equipment, such as earth-boring machines, pumps, winches, and similar items).

* * * * *

7. In § 35.4223, the item list is amended to read as follows:

§ 35.4223 Advertising and soliciting expense.

ITEMS

(See § 35.03–12)

Announcements of rate changes.
Commercial advertisements in newspapers and magazines and on radio and television.
Commercial advertising matter, such as posters, bulletins, booklets, and related items.
Electric current consumed in illuminating signs.
Exhibits in connection with industrial expositions, expenses of.
Expenses of canvassers, solicitors, and managers in charge of advertising and soliciting, and expenses of their office forces.
Lecture and demonstration tours for traffic-promotion purposes.
Public distribution of tariffs and notices of changes, expenses of.
Radio and television programs.
Window displays.

* * * * *

V. Annual Report Form R for Radiotelegraph Carriers is amended as follows: Schedules 101R, 102, 105R, 106R, and 107R are amended by changing the titles of accounts 31 and 71 to read respectively "Radio transmitter equipment" and "Transportation equipment," by deleting references to account 32, "Other transmitter equipment," and by changing line numbers where appropriate because of the deletion of account 32.

[F.R. Doc. 67–1420; Filed, Feb. 7, 1967; 8:45 a.m.]

Title 50—WILDLIFE AND FISHERIES

Chapter I—Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior

PART 33—SPORT FISHING

Modoc National Wildlife Refuge, Calif.

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 33.5 Special regulations; sport fishing; for individual wildlife refuge areas.

CALIFORNIA

MODOC NATIONAL WILDLIFE REFUGE

Sport fishing on the Modoc National Wildlife Refuge, Calif., is permitted only on the area designated by signs as open to fishing. This open area, comprising 600 acres, is delineated on maps available at the refuge headquarters and from the office of the Regional Director, Bureau of Sport Fisheries and Wildlife, 730 Northeast Pacific Street, Portland, Oreg. 97208. Sport fishing shall be in accordance with all applicable State regulations, subject to the following special condition:

(1) Sport fishing will be permitted the entire year except closed during migratory waterfowl hunting season.

The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuge areas generally, which are set forth in Title 50, Code of Federal Regulations, Part 33, and are effective to March 1, 1968.

URBAN C. NELSON,
Acting Regional Director.

JANUARY 27, 1967.

[F.R. Doc. 67-1446; Filed, Feb. 7, 1967; 8:45 a.m.]

PART 33—SPORT FISHING

Mark Twain National Wildlife Refuge, Illinois, Iowa, and Missouri

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 33.5 Special regulations; sport fishing; for individual wildlife refuge areas.

ILLINOIS, IOWA, AND MISSOURI

MARK TWAIN NATIONAL WILDLIFE REFUGE

Sport fishing on the Mark Twain National Wildlife Refuge, Illinois, Iowa, and Missouri, is permitted only on the areas designated by signs as open to fishing. These open areas, comprising 5,310 acres, are delineated on maps available at the refuge headquarters and from the office of the Regional Director, Bureau of Sport Fisheries and Wildlife, 1006 West Lake Street, Minneapolis, Minn. 55408. Sport fishing shall be in accordance with all applicable State regulations subject to the following special conditions:

ILLINOIS

(1) The open season for sport fishing in the Calhoun and Batchtown Divisions of the Mark Twain National Wildlife Refuge extends from January 1, 1967, through October 15, 1967, with exception of certain designated areas open until December 31, 1967.

(2) The open season for sport fishing in the Gardner and Keithsburg Divisions of the Mark Twain National Wildlife Refuge extends from April 1, 1967, through September 30, 1967.

IOWA

(1) The open season for sport fishing on the Louisa Division of the Mark Twain National Wildlife Refuge extends from January 1, 1967, through September 30, 1967.

MISSOURI

(1) The open season for sport fishing on the Clarence Cannon National Wildlife Refuge, a division of the Mark Twain National Wildlife Refuge, extends from January 1, 1967, through October 15, 1967. Fishing on the Clarence Cannon National Wildlife Refuge is permitted only on Bryants Creek.

The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuge areas generally which are set forth in Title 50, Part 33, and are effective through December 31, 1967.

JAMES F. GILLETT,
Refuge Manager, Mark Twain National Wildlife Refuge.

JANUARY 31, 1967.

[F.R. Doc. 67-1514; Filed, Feb. 7, 1967; 8:49 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Comptroller of the Currency

[12 CFR Parts 10, 18]

UNIFORM FINANCIAL STATEMENTS AND REPORTS TO STOCKHOLDERS

Notice of Proposed Rule Making

Notice is hereby given that the Comptroller of the Currency has under consideration regulations to be designated as Part 18, relating to the form and content of financial statements. The Comptroller also has under consideration conforming amendments to Part 10, concerning annual reports to stockholders. These provisions are issued and amended under the authority in R.S. 324 et seq., as amended, 12 U.S.C. 1, et seq., sections 12(g) and 13(a)(2), Securities Exchange Act of 1934, as amended.

These proposed regulations have been developed by the Office of the Comptroller of the Currency after consideration of the recommendations of the Subcommittee on Accounting of the National Advisory Committee to the Comptroller. In formulation of their recommendations this Committee had the benefit of the studies and views of other interested groups and individuals. Additional comments have been solicited from the other Federal banking agencies.

Interested persons may send their comments with respect to these proposed regulations within 30 days of publication of this notice in the FEDERAL REGISTER to the Comptroller of the Currency, Room 3108, Treasury Department, Washington, D.C. 20220.

Chapter 1, Title 12 of the Code of Federal Regulations of the United States of America is amended by addition of a new Part 18 and a revision of Part 10 as follows:

PART 18—FORM AND CONTENT OF FINANCIAL STATEMENTS

§ 18.1 Scope and application.

(a) This part (unless otherwise noted) together with any subsequent interpretive statements specifies the form and minimum content of all financial statements required by regulation of this Office to be distributed to stockholders for fiscal years ending after June 30, 1967.

(b) The term "financial statements" as used in this part should be deemed to include all supporting schedules, instructions, and related forms.

(c) This part incorporates by reference all instructions and interpretations of this Office relating to financial reporting to stockholders which are presently outstanding and as may be amended hereafter.

(d) Certain instructions which assume a basis of full accrual accounting apply only to those banks within the scope of § 18.3(a).

§ 18.2 Definition of terms.

Unless the context otherwise requires, the following terms shall have the meaning indicated in this section:

Valuation reserve.—A "valuation reserve" is an account established through an appropriate charge representing management's judgment as to possible loss or value depreciation in a specific class of assets. Loan loss reserves established pursuant to the Treasury tax formula should be separately disclosed and may be considered valuation reserves; where reported as a liability, these reserves should not be included in the capital accounts.

Reserve for contingencies.—A "reserve for contingencies" is an account which represents capital reserves set aside for possible or unforeseen decreases or shrinkage in book values of assets or for other unforeseen or indeterminate liabilities, not otherwise reflected on the bank's books. Reserves for possible security losses, reserves for possible loan losses, and other contingency reserves that are established as precautionary measures only shall be included, as they represent segregations of undivided profits.

Significant subsidiary.—The term "significant subsidiary" means a subsidiary meeting either of the following conditions:

(1) The investments and advances in the subsidiary by its parent plus the parent's proportion of investment and advances in such subsidiary by the parent's other subsidiaries, if any, exceed 5 percent of the equity capital accounts of the parent (bank).

(2) The parent's proportion of the gross operating revenues of the subsidiary exceeds 5 percent of the gross operating revenue of the parent (bank).

Material.—The term "material" when used to modify any item of assets or liabilities means an item exceeding 3 percent of total assets; when used to modify any income or expense item, it means an item exceeding 5 percent of total operating income.

Significant.—The term "significant" refers to information which would be considered necessary to evaluate the condition of a bank.

§ 18.3 Accrual accounting.

(a) For all fiscal years beginning after December 31, 1967, any bank subject to the jurisdiction of this Office, with total resources of $100 million or more shall prepare all its financial statements subject to this part on the basis of accrual accounting. Where the results would be only insignificantly different for particular accounts, a cash basis of reporting may be used.

(b) For all fiscal years beginning after December 31, 1967, any bank subject to the jurisdiction of this Office shall prepare all its financial statements subject to this part so that its installment loan function and related tax provisions are on the basis of accrual accounting.

(c) Notwithstanding paragraphs (a) and (b) of this section, income and expense items of trust department functions may be reported on a cash basis.

§ 18.4 Consolidated statements.

(a) All majority-owned significant subsidiaries shall be consolidated with the parent.

(b) All majority-owned bank premises subsidiaries—whether or not significant subsidiaries—shall be consolidated with the parent.

(c) Any lien on bank premises owned by the bank or its majority-owned bank premises subsidiary, which has not been assumed by the bank or its subsidiary, should be reported in a parenthetical item "(Bank premises owned are subject to $_____ liens not assumed by bank or its subsidiaries)" immediately following the "bank premises and equipment" account in the balance sheet, Appendix A.

(d) Nonsignificant subsidiaries may be consolidated provided they are (1) majority owned, (2) effectively controlled, and (3) are considered together with the parent an integrated unit.

(e) Minority interests in the net assets of consolidated subsidiaries shall be shown in each consolidated balance sheet as a liability. The aggregate amount of profit and loss accruing to minority interests may be stated separately in the consolidated profit or loss statement. Alternatively, net income (less minority interest) may be reported in "other income," or net loss in "other operating expense."

(f) Income from foreign subsidiaries shall be reported only when remittable to the parent bank.

(g) In general, intercompany items and transactions shall be eliminated. If significant items are not eliminated, a statement of the reasons and the methods of treatment shall be made.

§ 18.5 Reporting of securities transactions.

(a) *Amortization of securities.* When an investment security is purchased at a price exceeding par or face value, the bank shall provide for the amortization of the premiums paid by a charge to operating income so that such premium shall be entirely extinguished at or before maturity of the security.

(b) *Accretion of bond discount.* The accretion of bond discount is at the option of the bank. When discount is accreted and amounts to 5 percent or more of the annual bond income, appropriate notation should be made in statements of net operating income indicating

the amount of net operating income after taxes resulting from the accretion of discount. If accretion is followed, discount on bonds acquired should be accreted from date of purchase to maturity, and a provision for applicable deferred income taxes should be made.

(c) *Trading account securities.* Banks that are dealers in securities should report their trading account securities at the lower of cost or market value. If either the reporting value of securities or income therefrom meet the test of materiality, the trading account and trading account income should be reported separately. The income account should include coupon interest, profit and losses, revaluation adjustments and any other incidental revenue or expenses related to the purchase and sale of such securities, but salaries, commissions and other expenses should be excluded. If materiality is not met, unless management wishes to report separately, trading account securities should be included with portfolio securities in the respective classifications. In the earnings statement coupon interest should then be reported with interest on securities and other income with other operating income.

(d) *Securities profits and losses.* Securities profits and losses should be reported after applicable income taxes as a non-operating addition in the case of a net profit and non-operating deductions in the event of a net loss.

§ 18.6 Reconciliation of capital accounts and valuation reserves.

(a) Banks shall report a comparative reconciliation of capital accounts for the latest fiscal year and the preceding fiscal year, in the format illustrated in Appendix C.

(b) Banks shall report a comparative reconciliation of valuation reserves and contingency reserves for the latest fiscal year and the preceding fiscal year in the format illustrated in Appendix D.

§ 18.7 Rules of general application.

(a) *Earnings.* All banks subject to the jurisdiction of the Office of the Comptroller of the Currency shall be required to report: (1) Net operating earnings, total and per share, after deductions for income taxes applicable to operating earnings; (2) net amount, after non-operating additions and deductions and applicable income taxes, which was transferred to capital accounts.

(b) *Additional information.* The information required with respect to any financial statement shall be furnished as a minimum requirement to which shall be added such further material information as is necessary to make the required statements not misleading. For example, information on nonsubsidiary organizations or trusteeships operated for the benefit of bank stockholders should be disclosed. The reporting bank may add any additional information it deems desirable.

(c) *Changes in accounting principles and practices and retroactive adjustments initiated by the bank.* (1) Any changes in accounting principles or practices or in the method of applying any accounting principles or practices, made during any period for which financial statements are filed which affects comparability of such financial statements with those of prior or future annual periods, and the effect thereof upon the net operating earnings for each period for which financial statements are filed, should be disclosed in a note to the appropriate financial statement where significant.

(2) Any significant retroactive adjustment made during any period for which financial statements are filed, and the effect thereof upon net operating earnings of prior periods shall be disclosed in a note to the appropriate financial statement.

(d) *Balance sheet and statement of earnings.* Banks shall report a balance sheet and a statement of earnings. The format illustrated in Appendices A and B represents the minimum disclosure consistent with this part. Whether an accrual or cash basis of accounting has been used should be prominently displayed.

APPENDIX A.—BALANCE SHEET

	19–	19–
Resources:		
1. Cash and due from banks		
2. U.S. Government obligations, direct and guaranteed		
3. Obligations of States and political subdivisions		
4. Obligations of Federal agencies		
5. Other securities		
6. Investments in unconsolidated subsidiaries		
7. Trading account securities		
8. Securities purchased under agreements to resell		
9. Federal funds sold		
10. Loans		
11. Direct lease financing		
12. Bank premises and equipment		
13. Customer's acceptance liability		
14. Other assets		
15. Total		
Liabilities:		
16. Total deposits:		
(a) Demand		
(b) Time and savings		
17. Securities sold under agreements to repurchase		
18. Federal funds purchased		
19. Funds borrowed		
20. Mortgages payable		
21. Acceptances outstanding		
22. Other liabilities		
23. Total liabilities		
24. Minority interests in consolidated subsidiaries		
Capital accounts:		
25. (a) Capital notes and debentures		
(b) Preferred stock—total par value		
Number shares outstanding		
(c) Common stock—total par value		
Number shares authorized		
Number shares outstanding		
26. Surplus		
27. Undivided profits		
28. Reserve for contingencies		
29. Total capital accounts		
30. Total		

NOTE: A bank, for purposes of the preparation of its reports to shareholders, may use options permitted or specifically authorized and may also combine the various lines as indicated below, if the line figure is less than 3 percent of total assets or total liabilities.

Line 4 into line 5. Line 6 into line 14. Line 7 into lines 2, 3, 4, 5 as appropriate. Line 8 into line 10. Line 9 into line 10. Line 11 into line 14. Line 13 into line 14. Line 17 into line 19. Line 18 into line 19. Line 20 into line 19. Line 21 into line 22. Line 24 into line 22.

APPENDIX B.—STATEMENT OF EARNINGS

	19–	19–
1. Operating income:		
(a) Interest on loans		
(b) Interest and dividends on:		
(1) U.S. Government obligations		
(2) Obligations of States and political subdivisions		
(3) Other securities		
(c) Trading account		
(d) Service charges on deposit accounts		
(e) Trust department		
(f) Other		
(g) Total		

APPENDIX B.—STATEMENT OF EARNINGS—Continued

	19-	19-
2. Operating expenses:		
(a) Salaries		
(b) Bonuses and profit sharing		
(c) Pensions and other employee benefits		
(d) Interest on deposits		
(e) Interest on borrowed money		
(f) Net occupancy—bank premises		
(g) Equipment rentals, depreciation, maintenance		
(h) Other		
(i) Total		
3. Operating earnings before income tax		
4. Income taxes applicable to operating earnings		
5. Minority interest in net operating earnings		
6. Net operating earnings (per share ----)		
7. Nonoperating additions, net after tax effect:		
(a) Net security profits		
(b) Transfers from reserves		
(c) Loan recoveries (not credited to reserve for bad debts)		
(d) Other		
(e) Minority interest applicable thereto		
(f) Total nonoperating additions		
8. Nonoperating deductions, net after tax effect:		
(a) Net security losses		
(b) Transfers to reserves		
(c) Loan chargeoffs (not charged to reserve for bad debts)		
(d) Other		
(e) Minority interest applicable thereto		
(f) Total nonoperating deductions		
9. Net nonoperating additions (deductions)		
10. Transferred to undivided profits		

NOTE: Any operating income or expense item which is not material may be combined with 1(f) or 2(h), as appropriate.

APPENDIX C.—RECONCILEMENT OF CAPITAL ACCOUNTS

	19-	19-
Balance, beginning of year		
Additions:		
Transferred from statement of earnings (line 10)		
Other additions		
Total additions		
Deductions:		
Cash dividends declared (per share ----) $---- $----		
19- 19-		
Other deductions		
Total deductions		
Balance, end of year		

APPENDIX D.—RECONCILEMENT OF VALUATION AND CONTINGENCY RESERVES

Item	Valuation reserves						Contingency reserves	
	Reserve for loan losses pursuant to IRS rulings		Other reserves on loans		Reserves on securities			
	19-	19-	19-	19-	19-	19-	19-	19-
1. Balance at beginning of calendar year								
2. Additions due to mergers and absorptions								
3. Recoveries credited to these reserves								
4. Transfers to these reserves								
5. Total (sum of items 1, 2, 3 and 4)								
6. Losses charged to these reserves								
7. Transfers from these reserves								
8. Balance at end of year								

PART 10—ANNUAL REPORT TO STOCKHOLDERS

Sec.
10.1 Scope and application.
10.2 No private right of action hereunder.
10.3 Information to be furnished stockholders.
10.4 Filing of report.

AUTHORITY: The provisions of this Part 10 issued under R.S. 324 et seq. as amended; 12 U.S.C. 1, et seq., sections 12(g) and 13(a)(2), Securities Exchange Act of 1934, as amended.

§ 10.1 Scope and application.

(a) Every bank subject to the jurisdiction of the Comptroller of the Currency shall mail a written report containing, as a minimum, the financial and other information called for by this part, to each of its stockholders in time to be received by them prior to the bank's annual meeting, but in no event later than 60 days after the close of the fiscal year.

(b) On and after May 1, 1965, compliance with the requirements of § 10.4 shall be deemed a registration under section 12(g) of the Securities and Exchange Act of 1934, as amended, of any class of equity securities heretofore issued by a national bank and held of record by 750 or more persons (after May 1, 1967, 500 or more persons).

(c) Notwithstanding the foregoing, any national bank prior to listing any class of its securities on a national securities exchange shall have filed a registration statement in accordance with the applicable provisions of Part 16 of this chapter, which has been declared effective by the Comptroller of the Currency.

INSTRUCTION: Sections 10.1 (b) and (c) apply to issues of equity securities that are now held, or may in the future become held, of record by 750 or more persons (after May 1, 1967, 500 or more persons). The registration requirements applicable to public offerings made hereafter are found in Part 16 of this chapter.

§ 10.2 No private right of action hereunder.

The enforcement of Parts 10, 11, 15, and 16 of this chapter shall be a function solely of the Office of the Comptroller of the Currency and no provision of the regulation in these parts (Parts 10, 11, 15, and 16 of this chapter) is intended to confer any private right of action on any stockholder or other person against a national bank.

§ 10.3 Information to be furnished stockholders.

The annual report shall bear the written, printed, or facsimile signature of the Chairman of the Board, President or other executive officer of the bank and shall include, as a minimum, the schedules and related information required by, and prepared in accordance with, Part 18 of this chapter.

§ 10.4 Filing of report.

Every bank registered under the Securities Exchange Act, pursuant to this part, shall file two copies of the annual report with the Comptroller of the Currency, Washington, D.C.; one copy with the appropriate Regional Administrator of National Banks; and maintain one copy at the office of the bank. Such reports will be available for public inspection upon request, at the principal office of the reporting bank and at the Office of the Comptroller of the Currency, Washington, D.C., during normal business hours.

Dated: February 2, 1967.

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

[F.R. Doc. 67-1465; Filed, Feb. 7, 1967; 8:45 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Research Service

[7 CFR Part 301]

PINK BOLLWORM

Proposed Quarantine in Florida and Nevada

Notice of public hearing on extending quarantine to States of Florida and

Nevada and notice of rule making relating to such quarantine and supplemental regulations:

The Deputy Administrator of the Agricultural Research Service has information that the pink bollworm, Pectinophora gossypiella Saund., a dangerous insect which previously has been found to exist in certain parts of the States of Arizona, Arkansas, California, Louisiana, New Mexico, Oklahoma, and Texas, has been discovered in certain parts of Nevada and continues to be found in Florida.

Notice is hereby given that it is proposed under the authority of 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), to quarantine the States of Florida and Nevada and to regulate, under the pink bollworm quarantine and supplemental regulations (7 CFR 301.52, 301.52–1 et seq.), the interstate movement from these States or areas therein where the pink bollworm has been discovered or other basis for regulation exists, into or through any other State, Territory, or District of the United States of (1) okra and kenaf, including all parts of the plants; (2) cotton and wild cotton, including all parts of both cotton and wild cotton plants; (3) seed cotton; (4) cotton lint; (5) cotton linters; (6) cotton waste produced at cotton gins, cottonseed oil mills, or textile mills; (7) gin trash; (8) cottonseed; (9) cottonseed hulls; (10) cottonseed cake; (11) cottonseed meal; (12) used bagging and other used wrappers for cotton; (13) used cotton harvesting equipment; and (14) other farm products, other farm equipment, farm household goods, ginning and oil mill equipment, other cotton processing machinery, and means of conveyance, and, unlimited by the foregoing, any other products and articles of any character whatsoever, not within numbers (1) through (13) above, when it is determined in accordance with the regulations (§§ 301.52–1 to 301.52–10) that they present a hazard of spread of the pink bollworm.

Further, notice is hereby given under the administrative procedure provisions in 5 U.S.C. 553 that the Agricultural Research Service proposes to amend the pink bollworm quarantine and administrative instructions thereunder (7 CFR 301.52, 301.52–2a) by adding Florida and Nevada to the States designated as quarantined and specifying regulated areas in said States for purposes of the regulations, if it is determined that such action is necessary.

A public hearing to consider the above proposals will be held before a representative of the Agricultural Research Service at the Nevada State Office Building, 215 East Bonanza Street, Las Vegas, Nev., at 10 a.m., P.s.t., on March 6, 1967, at which hearing any interested person may appear and be heard, either in person or by attorney, on the proposals.

Any interested person who desires to submit written data, views, or arguments on the proposals may do so by filing the same with the Director of the Plant Pest Control Division, Agricultural Research Service, U.S. Department of Agriculture, Federal Center Building, Hyattsville, Md. 20782, on or before March 6, 1967, or with the presiding officer at the hearing. All written submissions made pursuant to this notice will be made available for public inspection at such times and places and in a manner convenient to the public business (7 CFR 1.27(b)).

(Sec. 9, 37 Stat. 318, sec. 106, 71 Stat. 33, 7 U.S.C. 162, 150ee; 29 F.R. 16210, as amended, 30 F.R. 5799, as amended. Interprets or applies sec. 8, 37 Stat. 318, as amended, 7 U.S.C. 161)

Done at Washington, D.C., this 3d day of February 1967.

[SEAL] F. J. MULHERN,
Acting Deputy Administrator,
Agricultural Research Service.

[F.R. Doc. 67–1507; Filed, Feb. 7, 1967; 8:49 a.m.]

[9 CFR Part 76]

HOG CHOLERA AND OTHER COMMUNICABLE SWINE DISEASES

Notice of Proposed Rule Making

Notice is hereby given in accordance with the administrative procedure provisions in 5 U.S.C. Section 553, that the Department of Agriculture is considering the amendment of the regulations relating to hog cholera and other communicable swine diseases (9 CFR Part 76) pursuant to the provisions of the Act of May 29, 1884, as amended, the Act of February 2, 1903, as amended, the Act of March 3, 1905, as amended, the Act of September 6, 1961, and the Act of July 2, 1962 (21 U.S.C. 111–113, 114g, 115, 117, 120, 121, 123–126, 134–134h) in the following respects:

1. Paragraphs (b) and (c) of § 76.6 would be revised to read as follows:

§ 76.6 Interstate movement of swine affected with or exposed to hog cholera prohibited except as provided.

* * * * *

(b) No swine known to be, or suspected of being, exposed to hog cholera shall be moved interstate except as provided in paragraph (c) of this section or in § 76.11 or § 76.13.

(c) Swine known to be, or suspected of being, exposed to hog cholera may be moved interstate for immediate slaughter from a State which is cooperating in the eradication of hog cholera by complete and prompt depopulation of all swine on infected premises, other than a State listed in § 76.2 (f) or (g), if:

(1) Such movement does not terminate in a State listed in § 76.2 (f) or (g);

(2) The shipper obtains a permit from the appropriate livestock sanitary official of the State of destination approving the movement of such swine into that State and said permit accompanies the interstate movement of such swine;

(3) Such swine are examined immediately prior to loading for interstate shipment by a veterinarian employed by the appropriate State or Federal agency and no clinical evidence of hog cholera is found;

(4) Such interstate shipment is continuous and accomplished in the same vehicle in which movement of such swine commenced;

(5) Such swine do not come in contact with other swine en route to their destination;

(6) Such swine are moved interstate in accordance with provisions of this section for immediate slaughter at an establishment designated by the Director of the Division to slaughter specific shipments of exposed swine; and

(7) Such swine are moved interstate in vehicles which have been sealed with seals of the Department; and such seals are not removed or broken except by inspectors employed by the Consumer and Marketing Service or other persons authorized by the Director of the Division: *Provided, however,* That such sealing of vehicles shall not be required when an inspector employed by the Division accompanies such swine interstate: *And provided further,* That the Director of the Division may waive the requirements of this subparagraph to the extent he may deem warranted, if said Director determines that any or all such requirements are not necessary to prevent the hazard of a spread of hog cholera under particular circumstances.

2. Paragraph (d) of § 76.6 would be deleted.

The foregoing proposed amendment would permit the interstate movement of swine which do not originate in a State listed in 9 CFR 76.2(f) or 72.6(g) and do not exhibit clinical evidence of hog cholera but have been exposed to such disease, when the movement originates in any other State that is cooperating with the Division in the depopulation of herds infected with hog cholera; when the swine are consigned for immediate slaughter; and when the other specific requirements of the proposed § 76.6(c) are fulfilled. In addition, § 76.6(d) would be deleted. It appears that the amendment of § 76.6(c) and the deletion of § 76.6(d) would not interfere with the usual interstate shipment of swine.

The purpose of the proposed amendment is to facilitate the eradication of hog cholera by eliminating the provision for the interstate movement of swine exposed to such disease into States where substantial gains in eradication have been made. The proposal also provides a method to salvage the meat from exposed marketable swine from infected herds in certain States and thereby eliminate foci of infection. The accomplishment of this eradication procedure would reduce indemnity costs.

Any person who wishes to submit written data, views, or arguments concerning the proposed amendment may do so by filing them with the Director, Animal Health Division, Agricultural Research Service, U.S. Department of Agriculture, Federal Center Building, Hyattsville, Md., within 45 days after publication of this notice in the FEDERAL REGISTER.

All written submissions made pursuant to this notice will be made available for public inspection at such times and places

and in a manner convenient to the public business (7 CFR 1.27(b)).

Done at Washington, D.C., this 3d day of February 1967.

F. J. MULHERN,
Acting Deputy Administrator,
Agricultural Research Service.

[F.R. Doc. 67-1506; Filed, Feb. 7, 1967; 8:49 a.m.]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 201]

FEDERAL SEED ACT REGULATIONS

Notice of Second Hearing and Extension of Time for Filing Comments

On January 17, 1967, there appeared in the FEDERAL REGISTER (32 F.R. 454) a notice of proposed rule making relating to amendments of the regulations under the Federal Seed Act. Said notice stated that a public hearing with respect thereto would be held at 10 a.m. on February 23, 1967, in Room 2096, South Building, U.S. Department of Agriculture, 14th and Independence Avenue SW., Washington, D.C., and that any comments or suggestions bearing on the proposals that are not made or presented at the hearing may be transmitted in duplicate by mail to the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250, and will be considered if received on or before March 23, 1967.

In view of the fact that certain interested persons have indicated that they will be unable to submit their views at the hearing on February 23, 1967, it has been determined that a second hearing should be held and that additional time should be afforded parties to submit comments. Accordingly, a second hearing will be held on April 24, 1967, at the same time and location as specified above, and the time for submitting written comments is hereby extended to May 8, 1967.

Done at Washington, D.C., this 2d day of February 1967.

CLARENCE H. GIRARD,
Deputy Administrator,
Regulatory Programs.

[F.R. Doc. 67-1455; Filed, Feb. 7, 1967; 8:45 a.m.]

Consumer and Marketing Service

[7 CFR Parts 1001, 1015]

[Docket Nos. AO 14-A41, AO 305-A15]

MILK IN MASSACHUSETTS-RHODE ISLAND AND CONNECTICUT MARKETING AREAS

Decision on Proposed Amendments to Tentative Marketing Agreements and Orders

NOTE: In F.R. Doc. 67-1209, appearing at page 1181 of the issue for Thursday, February 2, 1967, a portion of the text is out of order. The matter which begins with the words "The material issue on the record of the hearing * * *" in the first column of page 1183, and ends with the words "* * * upon which a hearing has been held." in the first column of page 1184, should appear following the last paragraph in the third column of page 1181.

[7 CFR Parts 1063, 1070, 1078, 1079]

[Docket Nos. AO 105-A24, AO 229-A15, AO 272-A10, AO 295-A12]

MILK IN QUAD CITIES-DUBUQUE, CEDAR RAPIDS-IOWA CITY, NORTH CENTRAL IOWA, AND DES MOINES, IOWA, MARKETING AREAS

Notice of Recommended Decision and Opportunity To File Written Exceptions on Proposed Amendments to Tentative Marketing Agreements and to Orders

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this recommended decision with respect to proposed amendments to the tentative marketing agreements and orders regulating the handling of milk in the Quad Cities-Dubuque, Cedar Rapids-Iowa City, North Central Iowa, and Des Moines, Iowa, marketing areas. Interested parties may file written exceptions to this decision with the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250, by the seventh day after publication of this decision in the FEDERAL REGISTER. The exceptions should be filed in quadruplicate. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

PRELIMINARY STATEMENT

The hearing on the record of which the proposed amendments, as hereinafter set forth, to the tentative marketing agreements and to the orders as amended, were formulated, was conducted at Cedar Rapids, Iowa, on December 8, 1966, pursuant to notices thereof issued October 25, 1966 (31 F.R. 13864), and November 8, 1966 (31 F.R. 14523).

The material issues on the record of the hearing relate to the Class II price.

FINDINGS AND CONCLUSIONS

The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof.

The Class II price. The Class II price in the Quad Cities-Dubuque, Cedar Rapids-Iowa City, North Central Iowa, and Des Moines, Iowa, orders should be established at the level of the basic formula price for the month. The basic formula price in these four orders is the average price per hundredweight paid for manufacturing grade milk in Minnesota and Wisconsin as reported by the U.S. Department of Agriculture, adjusted to a 3.5 percent butterfat test.

The Class II price in the Quad Cities-Dubuque, Cedar Rapids-Iowa City, and North Central Iowa orders is now the average reported basic paying prices at four milk manufacturing plants in Illinois and Iowa (herein referred to as the local condensery price). In the Des Moines order, the Class II price is the higher of the above described local condensery price or a formula price based on the market prices of butter and nonfat dry milk. The butter-nonfat dry milk formula has been the effective formula in only 1 month during the past 4 years.

The present pricing provisions are no longer appropriate as a basis for determining Class II prices under these four orders. The number of local condensery plants reporting prices has dwindled from 12 to 4; of the 4 remaining plants 3 are operated by the same company. Further, the reported prices at these plants do not include all payments for milk such as premiums paid for bulk tank milk.

Producers and handlers proposed that prices paid at manufacturing plants in Wisconsin and Minnesota be used in establishing the Class II prices under these four orders. There was no opposition to the use of this price series. There was disagreement, however, regarding the inclusion of an alternative Class II pricing formula in the orders. One cooperative association representative urged that the monthly Class II prices be based on the present Class II price formula in the Des Moines order whenever such formula yields a higher price than the Minnesota-Wisconsin price series.

Handlers, on the other hand, argued that the monthly Class II prices should be based solely on the Minnesota-Wisconsin price series. However, they testified that if an alternative formula is to be considered, it should be similar to the one in the Indianapolis market. The Class II price formula in the Indianapolis order provides that the Class II price be based on the Minnesota-Wisconsin series but may not exceed by more than 10 cents a butter-nonfat dry milk formula. For October 1966, the Indianapolis Class II price, which was based on the butter-nonfat dry milk formula, was $4.02 per hundredweight for 3.5 percent milk while the Minnesota-Wisconsin price was $4.26.

The Minnesota-Wisconsin price series is representative of prices paid to dairy farmers for about one-half of the manufacturing grade milk sold in the United States. There are many plants in these States which are competing for such milk supplies. This price series reflects a price level determined by competitive conditions which are affected by demand in all the major uses of manufactured dairy products. Further it reflects the supply and demand for manufactured dairy products within a highly coordinated marketing system

which is national in scale. Milk products that are manufactured from the excess milk in these four Iowa markets compete within this system. Using the Minnesota-Wisconsin price series to determine Class II prices under these four orders would yield an appropriate Class II price level in each of these markets.

For the year ending November 30, 1966, this would have obtained an average Class II price of $3.86; the actual Class II price under these four orders in the same 12 months averaged $3.83.

Representatives of two cooperative associations stated that their associations receive a price in excess of the present Class II price for milk they sell for manufacturing purposes. Further, three Iowa manufacturing plants to which excess milk is moved from some of these four markets have consistently paid higher prices for manufacturing grade milk than the Class II prices computed under the present formulas. Prices at these three manufacturing plants have been about equal to or above the Minnesota-Wisconsin price series.

No alternative Class II price formula should be provided in the orders. As set forth above, the Minnesota-Wisconsin price series reflects the supply and demand conditions in a marketing system which is national in scope. Also, plants regulated under these four Iowa orders must compete within this system and such plants are located in relatively close proximity to manufacturing plants in the States of Minnesota and Wisconsin. Any significant variation in prices between plants regulated under these four orders and prices in Minnesota and Wisconsin would have a direct bearing upon the competitive position of the plants regulated under these orders in the national market. Accordingly, the Class II prices under each of these four orders should be based solely upon the Minnesota-Wisconsin price series. Therefore, the proposals to provide an alternative Class II price formula in the orders are denied.

The Minnesota-Wisconsin price series, which is the basic formula used in most Federal orders for determining Class I prices, has also gained wide acceptance in various orders as a formula for pricing milk used for manufacturing purposes. This formula is used for such purpose in 39 other Federal orders, including the nearby orders of Central Illinois, Rock River Valley, and Madison, Wis. Utilizing it in these Iowa orders will tend to obtain a Class II price level consistent with that prevailing in other markets and will assure an equitable return to producers for Class II milk.

Proposals were contained in the notice of hearing which would have used the average monthly prices reported to have been paid to farmers for bulk tank milk received at seven manufacturing plants in Illinois and Iowa as an alternative in determining the Class II prices. Proponents abandoned these proposals. Since they were not supported at the hearing, no further consideration of these proposals is warranted on this record.

Rulings on Proposed Findings and Conclusions

Briefs and proposed findings and conclusions were filed on behalf of certain interested parties. These briefs, proposed findings and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.

General Findings

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 orders and of the previously issued amendments thereto; and all of 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) The tentative marketing agreements and the orders, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) 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 marketing areas, and the minimum prices specified in the proposed marketing agreements and the orders, as hereby proposed to be 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

(c) The tentative marketing agreements and the orders, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Recommended Marketing Agreements and Order Amending the Orders

The following order amending the orders as amended regulating the handling of milk in the Quad Cities-Dubuque, Cedar Rapids-Iowa City, North Central Iowa, and Des Moines, Iowa, marketing areas is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreements are not included in this decision because the regulatory provisions thereof would be the same as those contained in the orders, as hereby proposed to be amended:

Amendment to Quad Cities-Dubuque order. Section 1063.50(c) is revised to read as follows:

§ 1063.50 Basic formula and class prices.

* * * * *

(c) *Class II milk price.* The Class II milk price shall be the basic formula price for the month.

Amendment to Cedar Rapids-Iowa City order. Section 1070.50(c) is revised to read as follows:

§ 1070.50 Basic formula and class prices.

* * * * *

(c) *Class II milk price.* The Class II milk price shall be the basic formula price for the month.

Amendment to North Central Iowa order. Section 1078.50(c) is revised to read as follows:

§ 1078.50 Basic formula and class prices.

* * * * *

(c) *Class II milk price.* The Class II milk price shall be the basic formula price for the month.

Amendment to Des Moines, Iowa, order. Section 1079.50(c) is revised to read as follows:

§ 1079.50 Basic formula and class prices.

* * * * *

(c) *Class II milk price.* The Class II milk price shall be the basic formula price for the month.

Signed at Washington, D.C., on February 3, 1967.

Clarence H. Girard,
Deputy Administrator,
Regulatory Programs.

[F.R. Doc. 67-1509; Filed, Feb. 7, 1967; 8:49 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 8]

COLOR ADDITIVES

Alumina (Dried Aluminum Hydroxide), Calcium Carbonate, and Talc; Proposal To List for Drug Use and Exempt From Certification

Notice is given that the Commissioner of Food and Drugs, on his own initiative, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 706 (b)(1), (c)(2), (d), 74 Stat. 399, 402; 21 U.S.C. 376(b)(1), (c)(2), (d)) and under the authority delegated to him by the Secretary of Health, Education, and Welfare (21 CFR 2.120), proposes the listing and exemption from certification of the color additives alumina (dried aluminum hydroxide), calcium carbonate, and talc for use in coloring drugs.

All interested persons are invited to present their views in writing regarding this proposal, within 30 days from the date of its publication in the Federal

REGISTER. Such views and comments should be submitted, preferably in quintuplicate, to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, and may be accompanied by a memorandum or brief in support thereof.

It is proposed to amend Part 8 by adding to Subpart F the following new sections:

§ 8.6011 Alumina (dried aluminum hydroxide).

(a) *Identity.* (1) The color additive alumina (dried aluminum hydroxide) is a white, odorless, tasteless, amorphous powder consisting essentially of aluminum hydroxide ($Al_2O_3 \cdot X\ H_2O$).

(2) Color additive mixtures for drug use made with alumina (dried aluminum hydroxide) may contain only those diluents listed in this Subpart F as safe and suitable for use in color additive mixtures for coloring drugs.

(b) *Specifications.* Alumina (dried aluminum hydroxide) shall conform to the following specifications:

Acidity or alkalinity: Agitate 1 gram of the color additive with 25 milliliters of water and filter. The filtrate shall be neutral to litmus paper.

Matter insoluble in dilute hydrochloric acid, not more than 0.5 percent.

Lead (as Pb), not more than 10 parts per million.

Arsenic (as As), not more than 1 part per million.

Mercury (as Hg), not more than 1 part per million.

Aluminum oxide (Al_2O_3), not less than 50 percent.

(c) *Uses and restrictions.* Alumina (dried aluminum hydroxide) may be safely used in amounts consistent with good manufacturing practice to color drugs generally.

(d) *Labeling requirements.* The label of the color additive and of any mixtures prepared therefrom intended solely or in part for coloring purposes shall conform to the requirements of § 8.32.

(e) *Exemption from certification.* Certification of this color additive is not necessary for the protection of the public health, and therefore batches thereof are exempt from the certification requirements of section 706(c) of the act.

§ 8.6012 Calcium carbonate.

(a) *Identity.* (1) The color additive calcium carbonate is a fine, white, synthetically prepared powder consisting essentially of precipitated calcium carbonate ($CaCO_3$).

(2) Color additive mixtures for drug use made with calcium carbonate may contain only those diluents listed in this Subpart F as safe and suitable for use in color additive mixtures for coloring drugs.

(b) *Specifications.* Calcium carbonate shall meet the specifications for precipitated calcium carbonate in the U.S.P.

(c) *Uses and restrictions.* Calcium carbonate may be safely used in amounts consistent with good manufacturing practice to color drugs generally.

(d) *Labeling requirements.* The label of the color additive and of any mixtures prepared therefrom intended solely or in part for coloring purposes shall conform to the requirements of § 8.32.

(e) *Exemption from certification.* Certification of this color additive is not necessary for the protection of the public health, and therefore batches thereof are exempt from the certification requirements of section 706(c) of the act.

§ 8.6013 Talc.

(a) *Identity.* (1) The color additive talc is a finely powdered, native, hydrous magnesium silicate sometimes containing a small proportion of aluminum silicate.

(2) Color additive mixtures for drug use made with talc may contain only those diluents listed in this Subpart F as safe and suitable for use in color additive mixtures for coloring drugs.

(b) *Specifications.* Talc shall meet the specifications for talc in the U.S.P. and the following:

Lead (as Pb), not more than 20 parts per million.

Arsenic (as As), not more than 3 parts per million.

Lead and arsenic shall be determined in the solution obtained by boiling 10 grams of the talc for 15 minutes in 50 milliliters of 0.5*N* hydrochloric acid.

(c) *Uses and restrictions.* Talc may be safely used in amounts consistent with good manufacturing practice to color drugs generally.

(d) *Labeling requirements.* The label of the color additive and of any mixtures prepared therefrom intended solely or in part for coloring purposes shall conform to the requirements of § 8.32.

(e) *Exemption from certification.* Certification of this color additive is not necessary for the protection of the public health, and therefore batches thereof are exempt from the certification requirements of section 706(c) of the act.

Dated: January 30, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1498; Filed, Feb. 7, 1967; 8:48 a.m.]

[21 CFR Part 8]

COLOR ADDITIVES

Ferrous Gluconate; Proposal To List for Food Use and Exempt From Certification

Notice is given that the Commissioner of Food and Drugs, on his own initiative, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 706 (b)(1), (c)(2), (d), 74 Stat. 399, 402; 21 U.S.C. 376 (b)(1), (c)(2), (d)) and under the authority delegated to him by the Secretary of Health, Education, and Welfare (21 CFR 2.120), proposes the listing and exemption from certification of the color additive ferrous gluconate for use in coloring olives.

All interested persons are invited to present their views in writing regarding this proposal, within 30 days from the date of its publication in the FEDERAL REGISTER. Such views and comments should be submitted, preferably in quintuplicate, to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, and may be accompanied by a memorandum or brief in support thereof.

It is proposed to amend Part 8 by adding to Subpart D the following new section:

§ 8.320 Ferrous gluconate.

(a) *Identity.* The color additive ferrous gluconate is the ferrous gluconate defined in the Food Chemicals Codex, First Edition, Publication 1406 (1966), National Academy of Sciences-National Research Council, Washington, D.C.

(b) *Specifications.* Ferrous gluconate shall meet the specifications given in the Food Chemicals Codex.

(c) *Uses and restrictions.* Ferrous gluconate may be safely used in amounts consistent with good manufacturing practice for the coloring of ripe olives.

(d) *Labeling.* The label of the color additive shall conform to the requirements of § 8.32.

(e) *Exemption from certification.* Certification of this color additive is not necessary for the protection of the public health, and therefore batches thereof are exempt from the certification requirements of section 706(c) of the act.

Dated: January 27, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1499; Filed, Feb. 7, 1967; 8:48 a.m.]

[21 CFR Part 19]

CREAMED COTTAGE CHEESE

Proposal To Amend Identity Standard by Listing Diacetyl and Other Artificial Flavors, Cottage Cheese Whey, and Sodium Citrate as Optional Ingredients

Notice is given that the Milk Industry Foundation, 1012 14th Street NW., Washington, D.C. 20005, has submitted a petition proposing that the identity standard for creamed cottage cheese (§ 19.530) be amended by listing diacetyl, starter distillate, and other safe and suitable flavoring substances that enhance the characteristic flavor and aroma of the food as optional ingredients of the creaming mixture. The petitioner also proposes that cottage cheese whey and sodium citrate be listed to provide another citrated medium in which to culture flavor- and aroma-producing bacteria for addition to the creaming mixture.

Grounds set forth in the petition in support of the proposed amendments are that through direct addition of diacetyl and other artificial flavors, a flavor and aroma can be imparted to cottage cheese comparable to that developed through microbial fermentation of the cream dressing or a portion of it. Also, it is claimed that citrated cottage cheese

whey is as desirable a medium as citrated skim milk for culturing flavor- and aroma-producing bacteria and that sodium citrate and citric acid are equally effective for citrating the culture medium.

The petition proposes label declaration of diacetyl, starter distillate, and other safe and suitable flavoring substances as artificial flavors when used in the manufacture of creamed cottage cheese. Label declaration of cottage cheese whey and sodium citrate is not proposed.

Accordingly, it is proposed that § 19.530 be amended by revising paragraph (b)(4), by adding a new subparagraph (7) to paragraph (b), by redesignating paragraph (d)(2) as (d)(3), with changes, and by adding to paragraph (d) a new subparagraph (2). The affected portions would read as follows:

§ 19.530 Creamed cottage cheese; identity; label statement of optional ingredients.

* * * * *

(b) * * *

(4) A preparation of pasteurized skim milk or cottage cheese whey with added citric acid or sodium citrate, which preparation has been cultured with harmless flavor- and aroma-producing bacteria.

* * * * *

(7) Singly or in combination: Diacetyl, starter distillate, or other safe and suitable flavoring substances which contribute to the characteristic flavor and aroma associated with the food and which are not food additives as defined by section 201(s) of the Federal Food, Drug, and Cosmetic Act; or if they are food additives as so defined, they are used in conformity with regulations established under section 409 of the act.

* * * * *

(d) * * *

(2) When any ingredient named under paragraph (b)(7) is used, the label shall bear the statement "artificially flavored" or "artificial flavor added" or "with added artificial flavoring".

(3) Wherever the name "creamed cottage cheese" appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the label declarations prescribed in subparagraphs (1) and (2) of this paragraph, showing the optional ingredients present, shall immediately and conspicuously precede or follow such name without intervening written, printed, or graphic matter.

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended, 70 Stat. 919, 72 Stat. 948; 21 U.S.C. 341, 371) and in accordance with the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (21 CFR 2.120), all interested persons are invited to submit their views in writing, preferably in quintuplicate, regarding the proposal published herein. Such views and comments should be addressed to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, within 60 days following the date of publication of this notice in the FEDERAL REGISTER. Comments may be accompanied by a memorandum or brief in support thereof.

Dated: January 31, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1500; Filed, Feb. 7, 1967; 8:48 a.m.]

[21 CFR Part 19]

LOW MOISTURE MOZZARELLA (SCAMORZA) CHEESE; LOW MOISTURE PART-SKIM MOZZARELLA (SCAMORZA) CHEESE

Proposal To Amend Identity Standards by Listing Sorbic Acid, Potassium Sorbate, and Sodium Sorbate as Optional Ingredients

Notice is given that a petition has been filed by the National Cheese Institute, Inc., 110 North Franklin Street, Chicago, Ill. 60606, proposing that the standards of identity for low moisture mozzarella cheese, low moisture scamorza cheese (21 CFR 19.605) and for low moisture part-skim mozzarella cheese, low moisture part-skim scamorza cheese (21 CFR 19.606) be amended to provide for the use of sorbic acid, potassium sorbate, sodium sorbate, or combinations of these as optional ingredients to retard mold growth. The petition recognizes that, due to cross-reference, adoption of the proposed amendment to § 19.605 would in effect amend § 19.606.

No proposal was made for label declaration of these optional ingredients; however, section 403(k) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(k)) requires label declaration of chemical preservatives in food. Therefore, the Commissioner of Food and Drugs has appended to the proposal herein a requirement for label declaration of these mold inhibitors.

Accordingly, it is proposed that Part 19 be amended by changing the heading of § 19.605, by adding two new paragraphs to § 19.605, and by revising § 19.606. The affected portions would read as follows:

§ 19.605 Low moisture mozzarella cheese, low moisture scamorza cheese; identity; label statement of optional ingredients.

(d) Low moisture mozzarella cheese, low moisture scamorza cheese in the form of slices or cuts in consumer-sized packages may contain an optional mold-inhibiting ingredient consisting of sorbic acid, potassium sorbate, sodium sorbate, or any combination of two or more of these in an amount not to exceed 0.3 percent by weight, calculated as sorbic acid.

(e) (1) If low moisture mozzarella cheese, low moisture scamorza cheese in sliced or cut form contains an optional mold-inhibiting ingredient as specified in paragraph (d) of this section, the label shall bear the statement "_____ added to retard mold growth" or "_____ added as a preservative," the blank being filled in with the common name or names of the mold-inhibiting ingredient or ingredients used.

(2) Wherever the name of the food appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the statements prescribed by this section, showing the optional ingredient(s) used, shall immediately and conspicuously precede or follow such name, without intervening written, printed, or graphic matter.

§ 19.606 Low moisture part-skim mozzarella cheese, low moisture part-skim scamorza cheese; identity; label statement of optional ingredients.

Low moisture part-skim mozzarella cheese, low moisture part-skim scamorza cheese conforms to the definition and standard of identity and complies with the requirements for label declaration of optional ingredients prescribed for low moisture mozzarella cheese, low moisture scamorza cheese by § 19.605, except that its milk fat content, calculated on the solids basis, is less than 45 percent but not less than 30 percent.

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended 70 Stat. 919, 72 Stat. 948; 21 U.S.C. 341, 371) and in accordance with the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.120), all interested persons are invited to submit their views in writing, preferably in quintuplicate, regarding this proposal. Such views and comments should be addressed to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, within 60 days following the date of publication of this notice in the FEDERAL REGISTER, and may be accompanied by a memorandum or brief in support thereof.

Dated: January 27, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1501; Filed, Feb. 7, 1967; 8:48 a.m.]

[21 CFR Part 120]

INORGANIC BROMIDES

Proposed Tolerance for Residues Resulting From Fumigation With Methyl Bromide

The U.S. Department of Agriculture has requested (PP 6F0470) that action be taken to permit the use of methyl bromide as a fumigant on timothy hay to prevent the spread of cereal leaf beetles from infested to uninfested areas. In this program it is proposed to use methyl bromide as a fumigant on timothy hay under supervision of representatives of

the U.S. Department of Agriculture. That Department states that residues of inorganic bromides (calculated as Br) resulting from the treatment in the fumigation program do not exceed 50 parts per million. These residues on timothy hay will not constitute a hazard to man.

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(e), 68 Stat. 514; 21 U.S.C. 346a(e)) and delegated by him to the Commissioner of Food and Drugs (21 CFR 2.120), the Commissioner, on his own initiative, proposes that § 120.123 be amended by inserting immediately following the item "50 parts per million in or on cabbage * * *," a new item reading as follows:

§ 120.123 **Inorganic bromides resulting from fumigation with methyl bromide; tolerances for residues.**

* * * * *

Fifty parts per million in or on timothy hay from use in accordance with the Plant Pest Control Program of the U.S. Department of Agriculture.

* * * * *

Any person who has registered or who has submitted an application for the registration of an economic poison under the Federal Insecticide, Fungicide, and Rodenticide Act containing any of the ingredients listed in the document may request, within 30 days from the date of publication of this proposal in the FEDERAL REGISTER, that this proposal be referred to an advisory committee in accordance with section 408(e) of the act.

Any interested person may, within 30 days from the date of publication of this notice 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 comments on this proposal, preferably in quintuplicate. Comments may be accompanied by a memorandum or brief in support thereof.

Dated: January 31, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1502; Filed, Feb. 7, 1967; 8:48 a.m.]

DEPARTMENT OF LABOR

Office of the Secretary

[29 CFR Parts 608, 689]

[Administrative Order No. 598]

CERTAIN INDUSTRIES IN PUERTO RICO

Review Committees

Review committees for handkerchief, scarf, and art linen industry, and sugar manufacturing industry in Puerto Rico; appointment, covention, notice of hearings.

Section 6(c)(2)(A) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(c)(2)(A)) as amended by the Fair Labor Standards Amendments of 1966 (P.L. 89-601, 80 Stat. 830) requires, with respect to employees in Puerto Rico and the Virgin Islands, that the rate or rates applicable to them under the most recent wage order issued by the Secretary of Labor prior to February 1, 1967, be increased by 12 percentum, unless such rate or rates are superseded by a rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a review committee appointed under section 6(c)(2)(C) of the Act.

Pursuant to section 6(c)(2)(C) and section 5 of the Act and Reorganization Plan No. 6 of 1950 (64 Stat. 1263) I hereby appoint Review Committee No. 9 for the handkerchief, scarf, and art linen industry in Puerto Rico, and Review Committee No. 10 for the sugar manufacturing industry in Puerto Rico. Pursuant to section 8 of the Act and Reorganization Plan No. 6 of 1950 I hereby convene these review committees, refer to each of them the question of the minimum wage rate or rates to be fixed for the industry with which it is concerned, and give notice of the hearing to be held by each.

For the purpose of this order—

1. The handkerchief, scarf, and art linen industry in Puerto Rico (29 CFR Part 608) is defined as follows: The manufacture of plain, scalloped, or ornamental handkerchiefs and scarves; the manufacture of art linen, including, but not by way of limitation, table cloths, luncheon cloths, alter cloths, napkins, bridge sets, table covers, sheets, pillow cases, and towels; and the manufacture of needlepoint on canvas or other materials: *Provided, however,* That the industry shall not include the outlining or embroidery of lace by machine or the embroidery of any article or trimming by a crochet beading process or with bullion thread.

2. The sugar manufacturing industry in Puerto Rico (29 CFR Part 689) is defined as follows: The production of raw sugar, cane juice, molasses and refined sugar, and incidental byproducts; all railroad transportation activities carried on by a producer of any of these products (or by any firm owned or controlled by, or owning and controlling such producer, or by any firm owned or controlled by the parent company of such producer) where the railroad transportation activities are in whole or in part used for the production or shipment of the products of the industry; and any transportation activities by truck, vessel, or other vehicle performed by a producer of products of the industry in connection with the production or shipment of such products by such producer: *Provided, however,* That the industry shall not include any transportation activity covered by the wage order for the communications, utilities, and transportation industry in Puerto Rico (29 CFR Part 671), or any transportation activity to which the agricultural exemption contained in section 13(a)(6) of the Act was applicable prior to February 1, 1967.

Review Committee No. 9 shall meet in executive session at 9 a.m. on February 20, 1967, in the office of the Wage and Hour and Public Contracts Divisions, U.S. Department of Labor, Condominio San Alberto Building, 1200 Ponce de Leon Avenue, Santurce, P.R., and shall commence its hearing at 10:30 a.m. on the same date at the same place.

Review Committee No. 10 shall meet in executive session at 10 a.m. on March 6, 1967, in the office of the Wage and Hour and Public Contracts Divisions, U.S. Department of Labor, Condominio San Alberto Building, 1200 Ponce de Leon Avenue, Santurce, P.R., and shall commence its hearing at 1:30 p.m. on the same date at the same place.

Each review committee shall investigate conditions in its industry, and each review committee, or any authorized subcommittee thereof, shall hear such witnesses and receive such evidence as may be necessary or appropriate to enable the committee to perform its duties and functions under the aforementioned Act. Each review committee shall recommend to the Administrator of the Wage and Hour and Public Contracts Divisions of this Department the highest minimum wage rates which it determines, having due regard to economic and competitive conditions, will not substantially curtail employment in its industry, and will not give any industry in Puerto Rico a competitive advantage over any industry in the United States outside of Puerto Rico, the Virgin Islands, and American Samoa.

Whenever either review committee finds that a higher minimum wage may be determined for employees engaged in certain activities or in the manufacture of certain products in its industry than may be determined for other employees in that industry, the committee shall recommend such reasonable classifications within that industry as it determines to be necessary for the purpose of fixing for each classification the highest minimum wage rate (not in excess of $1.40 an hour for the period ending January 31, 1968, nor $1.60 an hour thereafter) that can be determined for it under the principles set forth herein which will not give a competitive advantage to any group in the industry. No classification shall be made, however, and no minimum wage rate shall be fixed solely on a regional basis or on the basis of age or sex. In determining whether there should be classifications within its industry, in making such classifications, and in determining the minimum wage rates for such classifications, each review committee shall consider, among other relevant factors, the following: (1) Competitive conditions as affected by transportation, living, and production costs; (2) wages established for work of like or comparable character by collective labor agreements negotiated between employers and employees by representatives of their own choosing; and (3) wages paid for work of like or comparable character by employers who voluntarily maintain minimum wage standards in the industry.

The Administrator of the Wage and Hour and Public Contracts Divisions shall prepare an economic report for each re-

view committee containing such data as he is able to assemble pertinent to the matters referred to the committee. Copies of each such report may be obtained at the National and Puerto Rican offices of the U.S. Department of Labor as soon as they are completed. Each review committee shall take official notice of the facts stated in the economic report for the industry referred to it. Parties, however, shall be afforded an opportunity to refute such facts by evidence received at the hearings.

The procedure for each review committee shall be governed by 29 CFR Part 512, as amended on October 13, 1966 (31 F.R. 13211). Part 512 makes 29 CFR Part 511 applicable to the procedure of review committees and the general method for issuance of wage orders pursuant to their recommendations, except insofar as Part 511 may be inconsistent with Part 512 or the Fair Labor Standards Amendments of 1966. As a prerequisite to participation in the hearing of Review Committee No. 9 interested persons shall file prehearing statements containing the data specified in 29 CFR 511.8 not later than February 15, and as a prerequisite to participation in the hearing of Review Committee No. 10, interested persons shall file such statements not later than March 1, 1967.

Signed at Washington, D.C., this 3d day of February 1967.

W. WILLARD WIRTZ,
Secretary of Labor.

[F.R. Doc. 67-1515; Filed, Feb. 7, 1967; 8:49 a.m.]

ATOMIC ENERGY COMMISSION

[10 CFR Parts 31, 32]

TRITIUM

Increase in Quantity Limit in Generally Licensed Self-Luminous Aircraft Safety Devices

On March 14, 1962, the Atomic Energy Commission amended 10 CFR Part 30 to establish a general license for possession and use of certain luminous safety devices containing tritium (hydrogen 3) for use in aircraft and criteria for the issuance of specific licenses to manufacture or import such devices for distribution as generally licensed items (27 F.R. 2393). That amendment followed publication (26 F.R. 8522) of a notice of proposed rule making which contained an extensive discussion of anticipated radiation doses in the event of failure of such a device. Among the limitations imposed on the devices used under the general license was a maximum quantity limit of 4 curies of tritium per device. That limitation was not imposed on the basis that a larger quantity would present an unacceptable health risk, but because devices with 4 curies of tritium were considered adequate to provide the needed brightness for marking emergency exits of aircraft.

Recently the Federal Aviation Agency (FAA) adopted revised exit marking and sign requirements in its regulations applicable to commercial aircraft (14 CFR 25.812, 121.310(b); 31 F.R. 8911). By letter to the Commission dated August 26, 1966, the United States Radium Corp. (USRC) indicated that the present state of the art requires use of a quantity of tritium on the order of 10 curies in aircraft safety markers to achieve the brightness considered desirable by FAA. Accordingly, USRC requested amendment of 10 CFR Part 31, "General Licenses for Certain Quantities of Byproduct Material and Byproduct Material Contained in Certain Items", and Part 32, "Specific Licenses to Manufacture, Distribute, or Import Exempted and Generally Licensed Items Containing Byproduct Material", to increase the quantity limit per generally licensed aircraft safety device from 4 curies to 10 curies.

The Commission has considered the favorable operating experience with more than 16,000 devices which have been used under the general license, and the low anticipated radiation exposures in the event of failure of a device, and has concluded that increasing the maximum quantity limit to 10 curies will not result in an unacceptable radiation exposure to the public. Accordingly, the Commission is now considering an amendment to § 31.7 of Part 31 to increase the maximum quantity of generally licensed tritium in any single aircraft safety device from 4 curies to 10 curies. Section 32.53 of Part 32, which contains requirements for specific licenses to manufacture or import aircraft safety devices containing tritium for distribution to general licensees, would also be amended to reflect the increase in the amount of tritium permitted under the general license. The only change in the text of the sections of Parts 31 and 32 to be amended would be the substitution of "10 curies" of tritium for "4 curies" of tritium where that term appears.

Pursuant to the Atomic Energy Act of 1954, as amended, and the Administrative Procedure Act of 1946, as amended, notice is hereby given that adoption of the following amendments of Title 10, Chapter I, Parts 31 and 32, Code of Federal Regulations, is contemplated. All interested persons who desire to submit written comments or suggestions for consideration in connection with the proposed amendments should send them to the Secretary, U.S. Atomic Energy Commission, Washington, D.C. 20545, within 30 days after publication of this notice in the FEDERAL REGISTER. Comments received after that period will be considered if it is practicable to do so, but assurance of consideration cannot be given except as to comments filed within the period specified.

1. Paragraph (a) of § 31.7 of 10 CFR Part 31 is revised to read as follows:

§ 31.7 Luminous safety devices for use in aircraft.

(a) A general license is hereby issued to own, receive, acquire, possess, and use tritium or promethium 147 contained in luminous safety devices for use in aircraft, provided each device contains not more than 10 curies of tritium or 100 millicuries of promethium 147 and that each device has been manufactured, assembled or imported in accordance with a license issued under the provisions of § 32.53 of this chapter or manufactured or assembled in accordance with a specific license issued by an agreement State which authorizes manufacture or assembly of the device for distribution to persons generally licensed by the agreement State.

* * * * *

2. Paragraph (c) of § 32.53 of 10 CFR Part 32 is revised to read as follows:

§ 32.53 Luminous safety devices for use in aircraft: requirements for license to manufacture, assemble, repair or import.

* * * * *

(c) Each device will contain no more than 10 curies of tritium or 100 millicuries of promethium 147. The levels of radiation from each device containing promethium 147 will not exceed 0.5 millirad per hour at 10 centimeters from any surface when measured through 50 milligrams per square centimeter of absorber.

* * * * *

(Sec. 81, 68 Stat. 935; 42 U.S.C. 2111; Sec. 161, 68 Stat. 948; 42 U.S.C. 2201)

Dated at Washington, D.C., this 26th day of January 1967.

For the Atomic Energy Commission.

W. B. McCOOL,
Secretary to the Commission.

[F.R. Doc. 67-1440; Filed, Feb. 7, 1967; 8:45 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 71]

[Airspace Docket No. 67-WE-3]

CONTROL ZONE AND TRANSITION AREA

Proposed Designation

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations which would designate controlled airspace in the Cody, Wyo., terminal area.

On or about June 22, 1967, the Federal Aviation Agency will commission the Cody VOR at latitude 44°37'15" N., longitude 108°57'53" W. The development of a public-use instrument approach procedure utilizing the VOR will require controlled airspace to provide protection for aircraft executing instrument approach, departure, and holding procedures. Therefore, it is proposed to establish a control zone and transition areas to provide this protection. The Cody VOR and a colocated Limited Remote Communications Outlet (LRCO) will be controlled by the FAA, Flight Service Station, Worland, Wyo., on a full-time basis. During those hours when the control zone is effective (0600 to 1700 hours, local time, daily), Frontier

Airlines will provide Cody weather service to the Worland Flight-Service station.

Rule-making action to establish an airway from Boysen Reservoir, Wyo., VORTAC to Billings, Mont., VORTAC via Cody, Wyo., VOR will be processed separately.

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.

In view of the foregoing, the FAA proposes the following airspace action:

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

CODY, WYO.

That airspace within a 5-mile radius of the Cody Municipal Airport, Cody, Wyo. (latitude 44°31'09" N., longitude 109°01'25" W.). This control zone is effective from 0600 until 1700 hours, local time, daily.

In § 71.181 (31 F.R. 2149) the following transition area is added:

CODY, WYO.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of the Cody Municipal Airport, Cody, Wyo. (latitude 44°31'09" N., longitude 109°01'25" W.), within 2 miles each side of the Cody VOR 023° and 203° radials, extending from the 5-mile radius area to 8 miles northeast of the VOR; and that airspace extending upward from 1,200 feet above the surface within 6 miles northwest and 8 miles southeast of the Cody VOR 023° and 203° radials, extending from 7 miles southwest to 17 miles northeast of the VOR.

These amendments are proposed under the authority of sec. 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 January 31, 1967.

LEE E. WARREN,
Acting Director, Western Region.

[F.R. Doc. 67-1444; Filed, Feb. 7, 1967; 8:45 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 66-EA-82]

CONTROL ZONE, TRANSITION AREA

Proposed Alteration

The Federal Aviation Agency is considering amending §§ 71.171 and 71.181 of Part 71 of the Federal Aviation Regulations so as to alter the Augusta State Airport, Augusta, Maine, control zone and transition area.

The control zone extensions to the southeast and east will be eliminated and a new extension added to the southwest for the Augusta ADF radio beacon procedure. The control zone extension to the northwest will be included to cover the Capital City ADF and VOR-17 approach procedures. The current transition area requires an additional extension to the northwest for the Capital City radio beacon ADF approach procedure.

Interested persons may submit such written data or views as they may desire. Communications should be submitted in triplicate to the Director, Eastern Region, Attention: Chief, Air Traffic Division, Federal Aviation Agency, Federal Building, John F. Kennedy International Airport, Jamaica, N.Y. 11430. All communications received within 30 days after publication in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No hearing is contemplated at this time, but arrangements may be made for informal conferences with Federal Aviation Agency officials by contacting the Chief, Airspace and Standards Branch, Eastern Region.

Any data or views 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 Office of Regional Counsel, Federal Aviation Agency, Federal Building, John F. Kennedy International Airport, Jamaica, N.Y.

The Federal Aviation Agency, having completed a review of the airspace requirements for the terminal area of Augusta, Maine, proposes the airspace action hereinafter set forth:

1. Amend § 71.171 of Part 71 of the Federal Aviation Regulations so as to delete the description of the Augusta, Maine, control zone in its entirety and substitute the following:

AUGUSTA, MAINE

Within a 5-mile radius of the center (44°19'15" N., 69°47'45" W.), of Augusta State Airport, Augusta, Maine; within 2 miles each side of the Augusta RBN 242° bearing extending from the 5-mile radius zone to 5 miles SW of the RBN; within 2 miles each side of the Augusta VOR 327° radial extending from the 5-mile radius zone to 6 miles NW of the VOR; and within 2 miles each side of the Capital City, Maine RBN (44°20'18" N., 69°48'42" W.) 333° bearing extending from the 5-mile radius zone to 6 miles NW of the RBN.

2. Amend § 71.181 of Part 71 of the Federal Aviation Regulations so as to delete in the description of the Augusta, Maine, transition area the phrases, "Augusta Airport" and "to 8 miles SW of the RBN." and insert in lieu thereof, "Augusta State Airport" and "to 8 miles SW of the RBN and within 2 miles each side of the Capital City, Maine RBN (44°20'18" N., 69°48'42" W.) 333° bearing extending from the 8-mile radius area to 8 miles NW of the RBN.".

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

Issued in Jamaica, N.Y., on January 18, 1967.

WAYNE HENDERSHOT,
Deputy Director, Eastern Region.

[F.R. Doc. 67-1445; Filed, Feb. 7, 1967; 8:45 a.m.]

FEDERAL HOME LOAN BANK BOARD

[12 CFR Part 509]

[No. 20,434]

PRACTICE AND PROCEDURE

Notice of Proposed Rule Making

FEBRUARY 2, 1967.

Resolved that, pursuant to Part 508 of the general regulations of the Federal Home Loan Bank Board (12 CFR Part 508), it is hereby proposed that Part 509 of the general regulations of the Federal Home Loan Bank Board (12 CFR Part 509) be revised to read as follows:

PART 509—RULES OF PRACTICE AND PROCEDURE

Sec.

AUTHORITY: The provisions of this Part 509 issued under sec. 17, 47 Stat. 736, as amended, sec. 5, 48 Stat. 132, as amended, secs. 402, 403, 48 Stat. 1256, 1257, as amended; 12 U.S.C. 1437, 1464, 1725, 1726. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1947 Supp.

§ 509.1 Scope of regulations.

This part prescribes rules of practice and procedure applicable to adjudicative proceedings as to which hearings are

provided by the following statutory provisions:

(a) Hearings under subsection (1) of section 6 of the Federal Home Loan Bank Act, as amended (12 U.S.C. 1426(1)), to determine whether cause exists for the removal of any member of a Federal Home Loan Bank from membership or for depriving any nonmember borrower of the privilege of obtaining advances from a Federal Home Loan Bank;

(b) Hearings in cease and desist proceedings under paragraph (2) of subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(d)(2)), and subsection (e) of section 407 of the National Housing Act, as amended (12 U.S.C. 1730(e));

(c) Hearings under paragraph (4) of subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(d)(4)), and subsection (g) of section 407 of the National Housing Act, as amended (12 U.S.C. 1730(g)), to determine whether a director, officer, or other person should be removed from office and/or prohibited from further participation in the conduct of the affairs of an institution;

(d) Hearings under subsection (b) of section 407 of the National Housing Act, as amended (12 U.S.C. 1730(b)), to determine whether cause exists for the termination of the insured status of any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation; and

(e) Hearings under section 408 of the National Housing Act, as amended (12 U.S.C. 1730a), for either or both of the following purposes:

(1) Under paragraph (3) of subsection (a) of said section 408 to determine whether a company directly or indirectly exercises a controlling influence over the management and policies of an institution or other organization, and

(2) Under paragraph (2) of subsection (b) of said section 408 to determine whether, at the time of the approval of an application of an institution for insurance as therein set forth, such institution was controlled by a company which also controlled another insured institution, or another applicant for insurance if the application of such other applicant was approved. For the purposes of the hearings referred to in this paragraph, the term "institution", as used in this part exclusive of this section, shall include a company referred to in this paragraph.

§ 509.2 Definitions.

As used in this part—

(a) The term "Board" means the Federal Home Loan Bank Board or, where appropriate, the Federal Savings and Loan Insurance Corporation;

(b) The term "Secretary" means the Secretary to the Federal Home Loan Bank Board and any Assistant Secretary to the Board; and

(c) The term "presiding officer" includes the Board, one or more members thereof, or a hearing examiner appointed under section 3105 of title 5 of the United States Code, and as used in this part the term shall be construed to refer to whichever of the three shall preside at a hearing hereunder, except as otherwise specified in the text.

§ 509.3 Appearances.

(a) *Before the Board or the presiding officer.* Any person who is a member in good standing of the bar of the highest court of any State, possession, territory, Commonwealth, or the District of Columbia, may represent others before the Board upon filing with the Secretary a written declaration that he is currently qualified as provided by this paragraph, and is authorized to represent the particular party on whose behalf he acts. Any other person desiring to represent others before the Board may be required to file with the Secretary a power of attorney showing his authority to act in such capacity, and he may be required to show to the satisfaction of the Board that he has the requisite qualifications. Attorneys or other representatives of parties to any proceeding provided for in this part shall file a written notice of appearance with the Secretary, or with the presiding officer.

(b) *Summary suspension.* Contemptuous conduct at any hearing before the Board or a presiding officer shall be ground for exclusion therefrom and suspension for the duration of the hearing.

§ 509.4 Notice of hearing.

Whenever a hearing is ordered by the Board in any proceeding provided for in this part, a notice of such hearing shall be served by the Secretary, or other person designated for such purpose by the Board, upon the party or parties afforded the hearing. Such notice shall state the time, place, and nature of the hearing, the legal authority and jurisdiction under which the hearing is to be held, and, if a presiding officer has been designated to preside at the hearing, the name and address of the presiding officer. Such notice shall also contain a statement of the matters of fact and law constituting the grounds for the hearing.

§ 509.5 Answer.

(a) *When required.* In any notice of hearing issued by the Board, the Board may direct the party afforded the hearing to file an answer to the allegations contained in the notice, and any party to any proceeding may file an answer. Except where a different period is specified by the Board, a party directed to file an answer, or a party who elects to file an answer, shall file the same with the Secretary within 20 days after service upon him of the notice of hearing.

(b) *Requirements of answer; effect of failure to deny.* An answer filed under this section shall specifically admit, deny, or state that the party does not have and is unable to obtain sufficient information to admit or deny, each allegation in the notice of hearing. A statement of lack of information shall have the effect of a denial. Any allegation not denied shall be deemed to be admitted. When a party intends in good faith to deny only a part or a qualification of an allegation, he shall specify so much of it as is true and shall deny only the remainder.

(c) *Admitted allegations.* If a party filing an answer under this section elects not to contest the allegations of fact set forth in the notice of hearing, his answer shall consist of a statement that he admits all of the allegations to be true. Such answer shall constitute a waiver of hearing as to the facts alleged in the notice, and together with the notice will provide a record basis on which the presiding officer shall file with the Secretary his recommended decision and his findings of fact and conclusions of law. In such an answer, such party may, however, reserve the right to file with the Secretary exceptions to such recommended decision, findings, and conclusions.

(d) *Effect of failure to answer.* Failure of a party to file an answer required by this section within the time provided shall be deemed to constitute a waiver of his right to appear and contest the allegations of the notice of hearing and to authorize the presiding officer, without further notice to the party, to find the facts to be as alleged in the notice and to file with the Secretary a recommended decision containing such findings and appropriate conclusions. The Board or the presiding officer may, for cause shown, permit the filing of a delayed answer after the time for filing the answer has expired.

§ 509.6 Conduct of hearings.

(a) *Authority of presiding officer.* All hearings governed by this part shall be conducted in accordance with the provisions of chapter 5 of title 5 of the United States Code. The presiding officer designated by the Board to preside at any such hearing shall have complete charge of the hearing, and he shall have the duty to conduct it in a fair and impartial manner and to take all necessary action to avoid delay in the disposition of proceedings. Such officer shall have all powers necessary to that end, including the following:

(1) To administer oaths and affirmations;

(2) To issue subpenas and subpenas duces tecum, as authorized by law, and to revoke, quash, or modify any such subpena;

(3) To receive relevant evidence and to rule upon the admission of evidence and offers of proof;

(4) To take or cause depositions to be taken;

(5) To regulate the course of the hearing and the conduct of the parties and their counsel;

(6) To hold conferences for the settlement or simplification of issues or for any proper purpose; and

(7) To consider and rule upon, as justice may require, all procedural and other motions appropriate in an adversary proceeding, except that a presiding officer other than the Board shall not have power to decide any motion to dismiss the proceedings or other motion which results in final determination of the merits of the proceedings.

Without limitation on the foregoing, the presiding officer shall, subject to the pro-

visions of this part, have all the authority of section 556(c) of title 5 of the United States Code.

(b) *Prehearing conference.* The presiding officer may, on his own initiative or at the request of any party, direct counsel for all parties to meet with him at a specified time and place prior to the hearing, or to submit suggestions to him in writing, for the purpose of considering any or all of the following:

(1) Simplification and clarification of the issues;

(2) Stipulations, admissions of fact and of the contents and authenticity of documents;

(3) Matters of which official notice will be taken; and

(4) Such other matters as may aid in the orderly disposition of the proceeding, including disclosure of the names of witnesses and of documents or other physical exhibits which will be introduced in evidence in the course of the proceeding.

Such conferences, in the discretion of the presiding officer, need not be recorded, but the presiding officer shall enter in the record an order which recites the results of the conference. Such order shall include the officer's rulings upon matters considered at the conference, together with appropriate directions, if any, to the parties; and such order shall control the subsequent course of the proceedings, unless modified at the hearing to prevent manifest injustice.

(c) *Attendance at hearings.* All hearings shall be private and shall be attended only by the parties, their representatives or counsel, witnesses while testifying, and other persons having an official interest in the proceeding: *Provided, however,* That where the Board, in its discretion, after fully considering the views of the party afforded the hearing, determines that a public hearing is necessary to protect the public interest, the Board may order the hearing be public.

(d) *Transcript of testimony.* Hearings shall be recorded and transcripts will be made available to any party upon payment of the cost thereof and, in the event the hearing is public, shall be furnished on similar payment to other interested persons. A copy of the transcript of the testimony taken at any hearing, duly certified by the reporter, together with all exhibits, all papers and requests filed in the proceedings, and any briefs or memoranda of law theretofore filed in the proceedings, shall be filed with the Secretary, who shall transmit the same to the presiding officer. The Secretary shall promptly serve notice upon each of the parties of such filing and transmittal. The presiding officer shall have authority to rule upon motions to correct the record.

(e) *Continuances and changes or extensions of time and changes of place of hearing.* Except as otherwise expressly provided by law, the Board may by the notice of hearing or subsequent order provide time limits different from those specified in this part, and the Board may, on its own initiative or for good cause shown, change or extend any time limit prescribed by these rules or the notice of hearing, or change the time and place for beginning any hearing hereunder. The presiding officer may continue or adjourn a hearing from time to time and, as permitted by law or agreed to by the parties, from place to place. Extensions of time for making any filing or performing any act required or allowed to be done within a specified time in the course of a proceeding may be granted by the presiding officer for good cause shown.

(f) *Call for further evidence, oral argument, briefs, reopening of hearing.* The presiding officer may call for the production of further evidence upon any issue, may permit oral argument and submission of briefs at the hearing and, upon appropriate notice, may reopen any hearing at any time prior to the certification of his recommended decision to the Secretary. The Board may order the reopening of any hearing at any time prior to the entry of its order disposing of the matter.

§ 509.7 Subpenas.

(a) *Issuance.* The presiding officer or, in the event he is unavailable, the Board, shall issue subpenas, as authorized by law, at the request of any party, requiring the attendance of witnesses or the production of documentary evidence at any designated place of hearing; except that where it appears to the presiding officer or the Board that the subpena may be unreasonable, oppressive, excessive in scope, or unduly burdensome, the party seeking the subpena may be required, as a condition precedent to the issuance of the subpena, to show the general relevance and reasonable scope of the testimony or other evidence sought. In the event the presiding officer or the Board, after consideration of all the circumstances, determines that the subpena or any of its terms are unreasonable, oppressive, excessive in scope, or unduly burdensome, he or it may refuse to issue the subpena, or issue it only upon such conditions as fairness requires.

(b) *Motion to quash.* Any person to whom a subpena is directed may, prior to the time specified therein for compliance but in no event more than 5 days after the date of service of such subpena, with notice to the party requesting the subpena, apply to the presiding officer, or, if he is unavailable, to the Board, to revoke, quash, or modify such subpena, accompanying such application with a statement of the reasons therefor.

(c) *Service of subpena.* Service of a subpena upon a person named therein shall be made by delivering a copy of the subpena to such person. If service is made by a U.S. marshal, or his deputy, or an employee of the Board, such service shall be evidenced by his return thereon. If made by any other person, such person shall make affidavit thereto, describing the manner in which service is made, and return such affidavit on or with the original subpena. In case of failure to make service, reasons for the failure shall be stated on the original subpena. The original subpena, bearing or accompanied by the required return, affidavit, or statement, shall be returned without delay to the presiding officer.

(d) *Attendance of witnesses.* The attendance of witnesses and the production of documents pursuant to a subpena, issued in connection with a hearing provided for in Part 550, 565, or 566 of this chapter, may be required from any place in any State or in any territory at any designated place where the hearing is being conducted. Witnesses subpenaed in any proceeding under this part shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States, except that when a subpena is issued at the request of Board counsel fees and mileage need not be tendered at the time of service of the subpena.

§ 509.8 Depositions.

(a) *Upon order of the Board or the presiding officer.* In connection with any hearing provided for in Part 550, 565, or 566 of this chapter, the presiding officer may by subpena or subpena duces tecum order evidence to be taken by oral deposition in any proceeding at any stage thereof. Such deposition may be taken by the presiding officer or before any person designated by the presiding officer and having power to administer oaths. Unless notice is waived, no such deposition shall be taken except after at least 5 days notice to each of the parties to the proceeding.

(b) *Application and order to take oral deposition.* Any party desiring to take the oral deposition of a witness, in connection with any hearing provided for in Part 550, 565, or 566 of this chapter, shall make application in writing to the presiding officer or, in the event he is unavailable, to the Board, setting forth the reasons why such deposition should be taken, the name and post office address of the witness, the matters concerning which the witness is expected to testify, its relevance, and the time when, the place where, and the name and post office address of the person before whom it is desired the deposition be taken. A copy of such application shall be served upon every other party to the proceeding by the party making such application. Upon a showing that (1) the proposed witness will be unable to attend or may be prevented from attending the hearing because of age, sickness or infirmity, or will otherwise be unavailable at the hearing, (2) his testimony will be material, and (3) the taking of the deposition will not result in any undue burden to any other party or in undue delay of the proceedings, the presiding officer or the Board may, in his or its discretion, by subpena or subpena duces tecum order the oral deposition to be taken. Such order will name the witness whose deposition is to be taken and specify the time when, the place where, and the person before whom the witness is to testify, but such time and place, and the person before whom the deposition is ordered to be taken, may or may not be the same as those named in the application. Notice of the issuance of such

subpena shall be served upon each of the parties a reasonable time, and in no event less than 5 days, in advance of the time fixed for the taking of the deposition.

(c) *Procedure on deposition; objections.* Each witness testifying upon oral deposition shall be duly sworn, and the adverse party shall have the right to cross-examine. Objections to questions or documents shall be in short form, stating the grounds of objection relied upon; but the person taking the deposition shall not have power to rule upon questions of competency or materiality or relevance of evidence. Failure to object to questions or evidence shall not be deemed a waiver unless the ground of the objection is one which might have been obviated or removed if presented at that time. The questions propounded and the answers thereto, together with all objections made (but not including argument or debate) shall be recorded by the person taking the deposition, or under his direction. The deposition shall be subscribed by the witness, unless the parties by stipulation waived the signing or the witness is ill or cannot be found or refused to sign, and certified as a true and complete transcript thereof by the person taking the deposition. If the deposition is not subscribed to by the witness, such person shall state on the record this fact and the reason therefor. Such person shall promptly send the original and two copies of such deposition, together with the original and two copies of all exhibits, by registered mail to the Secretary unless otherwise directed in the order authorizing the taking of the deposition. Interested parties shall make their own arrangements with the person taking the deposition for copies of the testimony and the exhibits.

(d) *Introduction as evidence.* Subject to appropriate rulings on such objections and answers as were noted at the time the deposition was taken or as would be valid were the witness personally present and testifying, the deposition or any part thereof may be read in evidence by any party to the proceedings. Only such part or the whole of a deposition as is received in evidence at a hearing shall constitute a part of the record in such proceedings upon which a decision may be based.

(e) *Payment of fees.* The fees of the person taking a deposition, and the fees of the reporter, shall be paid by the person upon whose application the deposition was taken.

§ 509.9 Rules of evidence.

(a) *Evidence.* Every party to a hearing shall have the right to present his case or defense by oral and documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. Irrelevant, immaterial or unduly repetitious evidence shall be excluded.

(b) *Objections.* Objections to the admission or exclusion of evidence shall be in short form, stating the grounds of objection relied upon but no argument thereon shall be permitted, except as ordered or requested by the presiding officer. Rulings on such objections and all other matters shall be part of the transcript. Failure timely to object to the admission or exclusion of evidence or to any ruling shall be considered a waiver of such objection.

(c) *Official notice.* All matters officially noticed by the presiding officer shall appear on the record.

§ 509.10 Motions.

(a) *In writing.* An application or request for an order or ruling not otherwise specifically provided for in this part shall be made by motion. After a presiding officer has been designated to preside at a hearing and before the filing with the Secretary of his recommended decision, pursuant to section 509.11, such applications or requests shall be addressed to and filed with him. At all other times motions shall be addressed to the Board and filed with the Secretary. Motions shall be in writing, except that a motion made at a session of a hearing may be made orally upon the record unless the presiding officer directs that it be reduced to writing. All written motions shall state with particularity the order or relief sought and the grounds therefor.

(b) *Objections.* Within 5 days after service of any written motion, or within such other period of time as may be fixed by the presiding officer or the Board, any party may file a written answer or objection to such motion. The moving party shall have no right to reply, except as permitted by the presiding officer or the Board. As a matter of discretion, the presiding officer or the Board may waive the requirements of this section as to motions for extensions of time, and may rule upon such motions ex parte.

(c) *Oral argument.* No oral argument will be heard on motions except as otherwise directed by the presiding officer or the Board. Written memoranda or briefs may be filed with motions or answers or objections thereto, stating the points and authorities relied upon in support of the position taken.

(d) *Rulings on motions.* Except as otherwise provided in this part, the presiding officer shall rule upon all motions properly addressed to him and upon such other motions as the Board may direct, except that if the presiding officer finds that a prompt decision by the Board on a motion is essential to the proper conduct of the proceeding, he may refer such motion to the Board for decision. The Board shall rule upon all motions properly submitted to it for decision.

(e) *Appeal from rulings on motions.* All motions and answers or objections thereto and rulings thereon shall become part of the record. Rulings of a presiding officer on any motion may not be appealed to the Board prior to its consideration of the presiding officer's recommended decision, findings, and conclusions except by special permission of the Board; but they shall be considered by the Board in reviewing the record. Requests to the Board for special permission to appeal from such rulings of the presiding officer shall be filed promptly, in writing, and shall briefly state the grounds relied on. The moving party shall immediately serve a copy thereof on every other party to the proceedings.

(f) *Continuation of hearing.* Unless otherwise ordered by the presiding officer or the Board, the hearing shall continue pending the determination of any motion by the Board.

§ 509.11 Proposed findings and conclusions and recommended decision.

(a) *Proposed findings and conclusions by parties.* Each party to a hearing shall have a period of 15 days after service of the Secretary's notice of the filing and transmittal of the record, as provided in paragraph (d) of § 509.6, such further time as the presiding officer for good cause shall determine, to file with the presiding officer proposed findings of fact and conclusions of law, which may be accompanied by a brief or memorandum in support thereof. All such proposals, briefs and memoranda shall become a part of the record.

(b) *Recommended decision and filing of record.* The presiding officer shall, within 30 days after the expiration of the time allowed for the filing of proposed findings and conclusions, or within such further time as the Board for good cause shall determine, file with the Secretary and certify to the Board for decision the entire record of the hearing, which shall include his recommended decision and findings of fact and conclusions of law, the transcript, exhibits (including on request of any of the parties any exhibits excluded from evidence or tenders of proof), exceptions, rulings, and all briefs and memoranda filed in connection with the hearing. Promptly upon such filing the Secretary shall serve upon each party to the proceeding a copy of the presiding officer's recommended decision, and findings and conclusions. The provisions of this section and § 509.12 shall not apply, however, in any case where the hearing was held before the Board.

§ 509.12 Exceptions.

(a) *Filing.* Within 15 days after service of the recommended decision and findings and conclusions of the presiding officer, or such further time as the Board for good cause shall determine, any party may file with the Secretary exceptions thereto or any part thereof, or to the failure of the presiding officer to make any recommendation, finding, or conclusion, or to the admission or exclusion of evidence, or other ruling of the presiding officer, supported by such brief as may appear advisable.

(b) *Waiver.* Failure of a party to file exceptions to the recommended decision of the presiding officer or any portion thereof, or to his failure to adopt a proposed finding or conclusion, or to the admission or exclusion of evidence or other ruling of the presiding officer, within the time prescribed in paragraph (a) of this section, shall be deemed to be a waiver of objection thereto.

§ 509.13 Briefs.

(a) *Contents.* All briefs shall be confined to the particular matters in issue. Each exception or proposed finding or conclusion which is briefed shall be supported by a concise argument and by citation of such statute, decisions, and other authorities, and by page references to such portions of the record, as may be relevant. If the exception relates to the admission or exclusion of evidence, the substance of the evidence admitted or excluded shall be set forth in the brief with appropriate references to the transcript.

(b) *Reply briefs.* Reply briefs may be filed with the Secretary within 10 days after service of original briefs of opposing parties, and shall be confined to matters in such briefs. Further briefs may be filed only with permission of the Board.

(c) *Delayed filing.* Briefs not filed on or before the time fixed in this part, will be received only upon special permission of the Board.

§ 509.14 Oral argument before the Board.

Upon its own initiative, or upon the written request of any party made within the time prescribed for the filing of exceptions, a brief in support thereof, or a reply brief, if any, for oral argument on the findings, conclusions and recommended decision of the hearing examiner, the Board may, if it considers that justice would best be served, order the matter to be set down for oral argument before the Board or one or more members thereof. Oral argument before the Board shall be recorded unless otherwise ordered by the Board.

§ 509.15 Notice of submission to the Board.

Upon the filing of the record with the Secretary, and upon the expiration of the time for the filing of exceptions and all briefs, including reply briefs or any further briefs permitted by the Board, and upon the hearing of oral argument by the Board, if ordered by the Board, the Secretary shall notify the parties in writing that the case has been submitted to the Board for final decision.

§ 509.16 Decision of the Board.

Copies of the decision and order of the Board shall be served by the Secretary upon each party to the proceeding, and, if directed by the Board or required by statute, upon any appropriate State supervisory authority.

§ 509.17 Filing papers.

All material required to be filed with the Board or the Secretary in any proceedings shall be filed with the Secretary, Federal Home Loan Bank Board, Washington, D.C. 20552. Any such papers may be sent to the Secretary by mail or express but must be received by the Secretary in the office of the Board in Washington, D.C., or be postmarked, within the time limit for the particular filing.

§ 509.18 Service.

(a) *By the Board.* All documents or papers required to be served by the Board upon any party afforded a hearing shall be served by the Secretary unless some other person shall be designated for such purpose by the Board. Such service, except for service on counsel for the Board, shall be made by personal service or by registered mail, addressed to the last known address as shown on the records of the Board, on the attorney or representative of record of such party: *Provided*, That if there is no attorney or representative of record, such service shall be made upon such party at the last known address as shown on the records of the Board. Such service may also be made in such other manner reasonably calculated to give actual notice as the Board may by regulation or otherwise provide.

(b) *By the parties.* Except as otherwise expressly provided in this part, all documents or papers filed in a proceeding under this part shall be served by the party filing the same upon the attorneys or representatives of record of all other parties to the proceeding, or, if any party is not so represented, then upon such party. Such service may be made by personal service or by registered, certified, or regular first-class mail addressed to last known address of such parties, or their attorneys or representatives of record. All such documents or papers shall, when tendered to the Board or the presiding officer for filing, show that such service has been made.

§ 509.19 Copies.

Unless otherwise specifically provided in the notice of hearing, an original and seven copies of all documents and papers required or permitted to be filed with or served upon the Secretary under this part, except the transcript of testimony and exhibits, shall be furnished to the Secretary.

§ 509.20 Computing time.

(a) *General rule.* In computing any period of time prescribed or allowed by this part, the date of the act, event or default from which the designated period of time begins to run is not to be included. The last day so computed is to be included, unless it is a Saturday, Sunday, or legal holiday in the District of Columbia, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, nor legal holiday. Intermediate Saturdays, Sundays, and legal holidays shall be included in the computation unless the time within which the act is to be performed is 10 days or less in which event Saturdays, Sundays, and legal holidays shall not be included. Half holidays shall be considered as other days and not as holidays.

(b) *Service by mail.* Whenever any party has the right or is required to do some act or take some proceeding, within a period of time prescribed in this part, after the service upon him of any document or other paper of any kind, and such service is made by mail, 3 days shall be added to the prescribed period from the date when the matter served is deposited in the United States mail.

§ 509.21 Documents in proceedings confidential.

Unless otherwise ordered by the Board or required by law, the entire record in any proceeding under this part, including the transcript, exhibits, proposed findings and conclusions, recommended decision of the presiding officer, exceptions thereto, the decision and order of the Board, and any other papers which are filed in connection with the proceeding shall not be made public, and shall be for the confidential use only of the Board and its staff, the presiding officer, and the parties.

§ 509.22 Formal requirements as to papers filed.

(a) *Form.* All papers filed under this part shall be printed, typewritten, or otherwise reproduced. All copies shall be clear and legible.

(b) *Signature.* The original of all papers filed by an institution shall be signed by an officer thereof, and if filed by another party, shall be signed by the party, or by the duly authorized agent or attorney of the institution or other party, and must show the address of the signer. Counsel for the Board shall sign the original of all papers filed by him.

(c) *Caption.* All papers filed must include at the head thereof, or on the title page, the name of the Board, the name of the institution or other party afforded the hearing, the number of the resolution giving notice of the hearing, and the subject matter of the particular paper.

Resolved further that all interested persons are hereby given the opportunity to submit written data, views, or arguments on the following subjects and issues: (1) Whether said proposed amendment should be adopted as proposed; (2) whether said proposed amendment should be modified and adopted as modified; (3) whether said proposed amendment should be rejected. All such written data, views, or arguments must be received through the mail or otherwise at the Office of the Secretary, Federal Home Loan Bank Board, Federal Home Loan Bank Board Building, 101 Indiana Avenue NW., Washington, D.C. 20552, not later than March 6, 1967, to be entitled to be considered, but any received later may be considered in the discretion of the Federal Home Loan Bank Board.

By the Federal Home Loan Bank Board.

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

[F.R. Doc. 67-1467; Filed, Feb. 7, 1967; 8:45 a.m.]

[12 CFR Parts 547, 548, 549, 550, 551]

[No. 20,435]

FEDERAL SAVINGS AND LOAN SYSTEM

Notice of Proposed Rule Making

FEBRUARY 2, 1967.

Proposed amendments relating to appointment and powers of conservator

and receiver; conduct of conservatorships and receiverships; cease-and-desist, suspension and removal orders; service of process.

Resolved that, pursuant to Part 508 of the general regulations of the Federal Home Loan Bank Board (12 CFR Part 508) and § 542.1 of the rules and regulations for the Federal Savings and Loan System (12 CFR 542.1), it is hereby proposed that the rules and regulations for the Federal Savings and Loan System (12 CFR Ch. V, Subchapter C) be amended by amendments the substance of which are as follows:

1. Revise Part 547 of Subchapter C, aforesaid, to read as follows:

PART 547—APPOINTMENT OF CONSERVATORS AND RECEIVERS

Sec.
547.1 Grounds for appointment of conservator or receiver.
547.2 Appointment of conservator or receiver.
547.3 Appointment on other grounds.
547.4 Notice of appointment.
547.5 Action for removal of conservator or receiver.
547.6 Federal Savings and Loan Insurance Corporation as receiver.
547.7 Possession by conservator or receiver.
547.8 Surrender of possession by conservator or receiver.

AUTHORITY: The provisions of this Part 547 issued under sec. 5, 48 Stat. 132, as amended; 12 U.S.C. 1464, Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1947 Supp.

§ 547.1 Grounds for appointment of conservator or receiver.

The grounds for the appointment of a conservator or receiver for a Federal association shall consist of any one or more of the following:

(a) Insolvency of the Federal association, in that its assets are less than its obligations to its creditors and others, including its members;

(b) Substantial dissipation of assets or earnings due to any violation or violations of law, rules, or regulations, or to any unsafe or unnsound practice or practices;

(c) The association is in an unsafe or unsound condition to transact business;

(d) Willful violation of a cease-and-desist order which has become final, as that term is defined in subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended;

(e) The concealment of books, papers, records, or assets of the association or refusal to submit books, papers, or affairs of the association for inspection to any examiner or to any lawful agent of the Board.

§ 547.2 Appointment of conservator or receiver.

If, in the opinion of the Board, a ground exists for the appointment of a conservator or receiver for a Federal association as set forth in § 547.1, the Board may appoint ex parte and without notice a conservator or receiver for the association.

§ 547.3 Appointment on other grounds.

The Board may, without any requirement of notice, hearing, or other action, appoint a conservator or receiver for a Federal association in the event that (a) the association, by resolution of its board of directors or of its members, consents to such appointment, or (b) the association is removed from membership in any Federal Home Loan Bank or its status as an institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation is terminated.

§ 547.4 Notice of appointment.

In the event that the Board appoints a conservator or receiver for a Federal association, the Secretary to the Board shall mail a certified copy of such action of the Board to the address of the association as it shall appear on the records of the Board. Notice of appointment of a conservator or receiver shall be filed forthwith for publication in the FEDERAL REGISTER.

§ 547.5 Action for removal of conservator or receiver.

Whenever a conservator or receiver for a Federal association is appointed pursuant to § 547.2, the association may, within 30 days thereafter, bring an action in the U.S. district court for the judicial district in which the home office of such association is located, or in the U.S. District Court for the District of Columbia, for an order requiring the Board to remove such conservator or receiver.

§ 547.6 Federal Savings and Loan Insurance Corporation as receiver.

The Board shall appoint only the Federal Savings and Loan Insurance Corporation as receiver for a Federal association and such appointment shall be for the purpose of liquidation.

§ 547.7 Possession by conservator or receiver.

A conservator or receiver shall take possession of the Federal association for which he or it has been so appointed in accordance with the terms of such appointment and, at the time he shall demand possession, notify the officer or employee of the association, if any, who shall be in the home office of the association and appears to be in charge of such office, of the action of the Board. Immediately upon taking possession of such Federal association, such conservator or receiver shall forthwith take possession of the books, records and assets of every description of such association and (a) a conservator shall have all the powers of its members, its officers and directors, or any of them, and (b) a receiver, by operation of law and without any conveyance or other instrument, act or deed shall succeed to all the rights, titles, powers and privileges of the Federal association and shall succeed to the rights, powers and privileges of its members, its officers and directors, or any of them. Such members, officers, or directors, or any of them, shall not thereafter except as hereinafter expressly provided, have or exercise any such rights, powers or privileges, or act in connection with any assets or property of any nature of the association: *Provided, however*, That any officer, director or member of such association shall have the right from time to time to communicate with the Board with respect to such conservatorship or receivership. Such conservator or receiver shall furnish bond in form and amount and with surety acceptable to the Director. The Board may, at any time, direct the conservator or receiver to return the Federal association to its previous or a newly constituted management; may provide for a meeting or meetings of the members for any purpose, including, without any limitation on the generality of the foregoing, the election of directors or an increase in the number of directors, or both, or the election of an entire new board of directors; and may provide for a meeting or meetings of the directors for any purpose, including, without any limitation on the generality of the foregoing, the filling of vacancies on the board of directors, the removal of officers, and the election of new officers, or for any of such purposes. Any such meeting of members or of directors may, as provided by the Board, be supervised or conducted by a representative of the Board. The Board may, without any requirement of notice, hearing, or other action, replace a conservator with another conservator or with a receiver. The term "Director", as used in this subchapter means the Director or any Deputy Director of the Office of Examinations and Supervision of the Board.

§ 547.8 Surrender of possession by conservator or receiver.

(a) *To the association.* In the event the Board shall restore a Federal association which is in the hands of a conservator or receiver to its management, such action, except as the Board may otherwise provide, shall restore the rights, powers and privileges of its members, officers, and directors, all as of the time of such restoration of the association to its management unless another time or times for the restoration of such powers, rights, and privileges shall be specified by the Board. The return of a Federal association to its management from the possession of a receiver shall, by operation of law and without any conveyance or other instrument, act, or deed, revest in such Federal association the title to all property held by the receiver in its capacity as receiver for such association.

(b) *To a receiver.* In the event a conservator is in possession of a Federal association at the time of appointment of a receiver for such association, such conservator shall, as may be required by the Board, surrender possession of such association to such receiver.

PART 548—POWERS OF CONSERVATOR AND CONDUCT OF CONSERVATORSHIPS

2. Amend Part 548 of Subchapter C, aforesaid by revising the introductory text and paragraphs (b) and (c) of § 548.1, the introductory text of § 548.2 and the section heading and paragraphs (b) and (c) of § 548.5 to read as follows:

§ 548.1 Procedure upon taking possession.

Upon taking possession of such Federal association, the conservator shall forthwith:

* * * * *

(b) File with the Secretary to the Board a statement (1) that he has taken possession of such Federal association and (2) of the time of such taking of possession; and such statement shall be conclusive evidence of such taking of possession and of the time of such taking of possession, and

(c) Post a notice in substantially the following form on the door of the home office of such association:

---------- Federal Savings and Loan Association ----------, ----------, ----------, is in the possession and charge of the undersigned as conservator under appointment by the Federal Home Loan Bank Board.

(Conservator)

(Date)

§ 548.2 Powers and duties of conservator.

The conservator, subject to the direction and supervision of the Director, shall, after taking possession of the association, take such action as may be necessary to conserve the assets of the association pending further disposition of its affairs. The conservator shall forthwith in his name, in the name of the association, in the name of both, or otherwise, collect all obligations and money due the association, and in his name, in the name of the association, in the name of both, or otherwise:

* * * * *

§ 548.5 Inventory; examination and audits, and cost thereof; accounting practices.

* * * * *

(b) *Examinations and audits.* Each Federal association for which a conservator has been appointed may be examined and/or audited (with appraisals when deemed advisable by the Board) by the Office of Examinations and Supervision of the Board as directed by the Board. The cost, as determined by the Board, of examinations including office analysis thereof, audits, and any appraisals made in connection therewith, shall be paid from the assets of the association unless otherwise ordered by the Board.

(c) *Accounting practices; reports.* The conservator shall follow such accounting practices as may, from time to time, be prescribed by the Director. The conservator shall make such reports as may be required by the Board or the Director.

PART 549—POWERS OF RECEIVER AND CONDUCT OF RECEIVERSHIPS

3. Amend Part 549 of Subchapter C, aforesaid, by revoking § 549.2 and by revising the introductory text and paragraph (c) of § 549.1, paragraph (a) of § 549.3 and the section heading and paragraphs (b) and (c) of § 549.6 to read as follows:

§ 549.1 Procedure upon taking possession.

Upon taking possession, the receiver shall forthwith:

* * * * *

(c) File with the Secretary to the Board a statement (1) that it has taken possession of such Federal association, and (2) of the posting and time of posting of the notice pursuant to the provisions of paragraph (a) of this section, together with a copy of such notice; and such statement shall be conclusive evidence of the posting and time of posting of such notice.

§ 549.2 [Revoked]

§ 549.3 Powers and duties of receiver.

* * * * *

(a) Do all things desirable or expedient in its discretion to carry on the business of such association to an extent consistent with its appointment and to preserve and conserve the assets and property of every nature of such association, but shall not declare, credit, pay or distribute dividends on its savings accounts except with the approval of the Board;

* * * * *

§ 549.6 Inventory; examinations and audits, and costs thereof; accounting practices.

* * * * *

(b) *Examinations and audits, and costs thereof.* Each Federal association for which a receiver has been appointed shall be examined and audited (with appraisals when deemed advisable by the Board) at least annually by the Office of Examinations and Supervision of the Board or as otherwise directed by the Board. The cost, as determined by the Board, of examinations, including office analysis thereof, audits, and any appraisals made in connection therewith, shall be paid from the assets of the association.

(c) *Accounting practices; reports.* The receiver may, from time to time, prescribe the accounting practices to be followed. The receiver shall make an annual report of its affairs as of June 30 of each year to the Board on forms prescribed by the Board or the receiver, and such other reports as may be from time to time required by the Board or the receiver and shall accompany each recommendation for the declaration and payment of a liquidating dividend with a report showing the available assets. One copy of the reports required in this section shall be filed with the Secretary to the Board, one copy shall be retained by the Federal Savings and Loan Insurance Corporation, and one copy shall be retained in the principal office for the liquidation of the association, so long as such is maintained.

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4. Amend Subchapter C, aforesaid, by adding, immediately after Part 549, a new part, Part 550, to read as follows:

PART 550—CEASE-AND-DESIST AND SUSPENSION AND REMOVAL ORDERS

Sec.
550.1 Cease-and-desist orders.
550.2 Temporary cease-and-desist orders.
550.3 Removal from office and/or prohibition from participation in conduct of affairs of a Federal association.
550.4 Temporary suspension and/or prohibition.
550.5 Suspension and removal where felony charged.
550.6 Temporary appointment of directors.
550.7 Service.

AUTHORITY: The provisions of this Part 550 issued under sec. 5, 48 Stat. 132, as amended; 12 U.S.C. 1464, Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1947 Supp.

§ 550.1 Cease-and-desist orders.

(a) *Grounds.* If, in the opinion of the Board, a Federal association is violating, or has violated, or the Board has reasonable cause to believe that the association is about to violate, a law, rule, regulation, or charter or other condition imposed in writing by the Board in connection with the granting of any application or other request by the association, or written agreement entered into with the Board, or is engaging or has engaged, or the Board has reasonable cause to believe that the association is about to engage, in an unsafe or unsound practice, the Board may issue and serve upon the association a notice of charges in respect thereof.

(b) *Notice of charges; hearing.* The notice of charges shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the association. The hearing shall be fixed for a date not earlier than 30 days nor later than 60 days after service of such notice unless an earlier or a later date is set by the Board at the request of the association. Unless the association consents to another place, such hearing shall be held in the Federal judicial district or in the territory (as defined in subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended) in which the home office of the association is located. Such hearing shall be conducted in the manner provided in Part 509 of this chapter.

(c) *Issuance of cease-and-desist order.* Unless the association appears at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of a cease-and-desist order. In the event of consent, or

if upon the record made at any such hearing the Board finds that any violation or unsafe or unsound practice specified in the notice of charges has been established, the Board may issue and serve upon the association an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the association and its directors, officers, employees, and agents to cease and desist from the same, and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

(d) *Effectiveness of order.* A cease-and-desist order shall become effective at the expiration of 30 days after the service of such order upon the association concerned (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable as provided therein, except to such extent as it is stayed, modified, terminated, or set aside by action of the Board, or by a reviewing court in proceedings under subparagraph (B) of paragraph (7) of subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended.

§ 550.2 Temporary cease-and-desist orders.

(a) *Issuance.* Whenever the Board determines that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon an association under paragraph (a) of § 550.1, or the continuation thereof, is likely to cause insolvency (as defined in subparagraph (A) of paragraph (6) of subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended) or substantial dissipation of assets or earnings of the association, or is likely to otherwise seriously prejudice the interest of its savings account holders, the Board may issue a temporary order requiring the association to cease and desist from any such violation or practice.

(b) *Effectiveness of temporary order.* A temporary order shall become effective upon service upon the association and, unless set aside, limited, or suspended by a court in proceedings authorized by subparagraph (B) of paragraph (3) of subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended, shall remain effective and enforceable pending the completion of the administrative proceedings held pursuant to the notice of charges and until such time as the Board shall dismiss the charges specified in such notice or, if a cease-and-desist order is issued against the association, until the effective date of any such order.

§ 550.3 Removal from office and/or prohibition from participation in conduct of affairs of a Federal association.

(a) *Grounds.* (1) Whenever, in the opinion of the Board, any director or officer of a Federal association has committed any violation of law, rule, or regulation, or of a cease-and-desist order which has become final (as defined in subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended), or has engaged or participated in any unsafe or unsound practice in connection with the association, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the Board determines that the association has suffered or will probably suffer substantial financial loss or other damage or that the interests of its savings account holders could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director or officer, the Board may serve upon such director or officer a written notice of its intention to remove him from office.

(2) Whenever, in the opinion of the Board—

(i) Any director or officer of a Federal association, by conduct or practice with respect to another savings and loan association or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to continue as a director or officer, or

(ii) Any other person participating in the conduct of the affairs of a Federal association, by conduct or practice with respect to such association or other savings and loan association or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to participate in the conduct of the affairs of such association,

the Board may serve upon such director, officer, or other person a written notice of its intention to remove him from office and/or to prohibit his further participation in any manner in the conduct of the affairs of such association.

(b) *Notice of intention to remove from office and/or to prohibit further participation in conduct of affairs; hearing.* The notice of intention to remove a director, officer, or other person from office and/or to prohibit his further participation in any manner in the conduct of the affairs of the association, shall contain a statement of the facts constituting grounds therefor and shall fix a time and place at which a hearing will be held thereon. The hearing shall be fixed for a date not earlier than 30 days nor later than 60 days after service of such notice, unless an earlier or a later date is set by the Board at the request of (1) such director, officer, or other person, and for good cause shown, or (2) the Attorney General of the United States. Unless such director, officer, or other person consents to another place, such hearing shall be held in the Federal judicial district or in the territory (as defined in subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended) in which the home office of the association involved is located. Such hearing shall be conducted in the manner provided in Part 509 of this chapter.

(c) *Issuance of order of removal and/or prohibition.* Unless such director, officer, or other person appears at the hearing in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of removal and/or prohibition. In the event of consent, or if upon the record made at any such hearing the Board finds that any of the grounds specified in such notice has been established, the Board may issue such orders or suspension or removal from office, and/or prohibition from participation in the conduct of the affairs of the association, as it may deem appropriate.

(d) *Effectiveness of order.* An order of suspension or removal from office, and/or prohibition from participation in the conduct of the affairs of an association, issued pursuant to paragraph (c) of this section, shall become effective at the expiration of 30 days after service upon the association and the director, officer, or other person concerned (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Board, or by a reviewing court in proceedings under subparagraph (B) of paragraph (7) of subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended.

§ 550.4 Temporary suspension and/or prohibition.

(a) *Issuance of notice.* In respect to any director or officer of a Federal association, or any other person who is served with a notice provided for in paragraph (a) of § 550.3, the Board may, if it deems it necessary for the protection of the association or the interests of its savings account holders, by written notice to such effect served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the association. Copies of any such notice shall also be served upon the association of which he is a director or officer or in the conduct of whose affairs he has participated.

(b) *Effectiveness of notice.* Any suspension from office and/or prohibition from participation in the conduct of the affairs of an association, pursuant to a notice served under paragraph (a) of this section, shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by subparagraph (E) of paragraph (4) of subsection (d) of section 5 of the Home Owners' Loan Act of 1933, as amended, shall remain in effect pending the completion of the administrative proceedings held pursuant to the notice served under paragraph (b) of § 550.3 and until such time as the Board shall dismiss the charges specified in such notice, or, if an order of removal and/or prohibition is issued against the director, officer, or other person, until the effective date of any such order.

§ 550.5 Suspension and removal where felony charged.

(a) *Suspension and/or temporary prohibition.* Whenever any director or officer of a Federal association, or other person participating in the conduct of the affairs of such association, is charged in any information, indictment, or complaint authorized by a U.S. Attorney, with the commission of or participation in a felony involving dishonesty or breach of trust, the Board may, by written notice served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the association. A copy of such notice shall also be served upon the association. Such suspension and/or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Board.

(b) *Removal and/or permanent prohibition.* In the event that a judgment of conviction with respect to such offense is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the Board may issue and serve upon such director, officer, or other person an order removing him from office and/or prohibiting him from further participation in any manner in the conduct of the affairs of the association except with the consent of the Board. A copy of such order shall also be served upon such association, whereupon such director or officer shall cease to be a director or officer of the association. A finding of not guilty or other disposition of the charge shall not preclude the Board from thereafter instituting proceedings to remove such director, officer, or other person from office and/or to prohibit further participation in the conduct of association affairs, pursuant to the provisions of § 550.3.

§ 550.6 Temporary appointment of directors.

If at any time, because of the suspension of one or more directors pursuant to the provisions of this part, there shall be on the board of directors of an association less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board and not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of an association are so suspended, the Board shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended cease to be directors of the association and their respective successors take office.

§ 550.7 Service.

Any service required or authorized to be made by the Board under the provisions of this part shall be made as provided in Part 509 of this chapter.

PART 551—SERVICE OF PROCESS UPON BOARD

5. Amend Part 551 of Subchapter C, aforesaid, by revising § 551.1 to read as follows:

§ 551.1 Service of process.

Service of process may be made upon the Board by delivering a copy of the summons and of the complaint to the U.S. Attorney for the district in which the action is brought or to an Assistant U.S. Attorney or clerical employee designated by the U.S. Attorney in a writing filed with the clerk of the court, and by sending copies of the summons and of the complaint by registered or certified mail to the Attorney General of the United States, Washington, D.C., and to the Secretary to the Federal Home Loan Bank Board, Washington, D.C.

(Sec. 5, 48 Stat. 132, as amended; 12 U.S.C. 1464. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1947 Supp.)

Resolved further that all interested persons are hereby given the opportunity to submit written data, views, or arguments on the following subjects and issues: (1) Whether said proposed amendment should be adopted as proposed; (2) whether said proposed amendment should be modified and adopted as modified; (3) whether said proposed amendment should be rejected. All such written data, views, or arguments must be received through the mail or otherwise at the Office of the Secretary, Federal Home Loan Bank Board, Federal Home Loan Bank Board Building, 101 Indiana Avenue NW., Washington, D.C. 20552, not later than March 6, 1967, to be entitled to be considered, but any received later may be considered in the discretion of the Federal Home Loan Bank Board.

By the Federal Home Loan Bank Board.

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

[F.R. Doc. 67-1468; Filed, Feb. 7, 1967; 8:45 a.m.]

[12 CFR Part 566]

[No. FSLIC-3,002]

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Proposed Amendment Relating to Cease-and-Desist and Suspension and Removal Orders

FEBRUARY 2, 1967.

Resolved that, pursuant to Part 508 of the general regulations of the Federal Home Loan Bank Board (12 CFR Part 508) and § 567.1 of the rules and regulations for Insurance of Accounts (12 CFR 567.1) it is hereby proposed that the rules and regulations for Insurance of Accounts (12 CFR, Ch. V, Subchapter D) be amended by the addition of a new part, Part 566, to read as follows:

PART 566—CEASE-AND-DESIST AND SUSPENSION AND REMOVAL ORDERS

Sec.
566.1 Cease-and-desist orders.
566.2 Temporary cease-and-desist orders.
566.3 Removal from office and/or prohibition from participation in conduct of affairs of an insured institution.
566.4 Temporary suspension and/or prohibition.
566.5 Suspension and removal where felony charged.
566.6 Notice to State authorities.
566.7 Service.

AUTHORITY: The provisions of this Part 566 issued under secs. 402, 407, 48 State. 1256, 1257, as amended; 12 U.S.C. 1725, 1730. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1947 Supp.

§ 566.1 Cease-and-desist orders.

(a) *Grounds.* If, in the opinion of the Corporation, any insured institution or any institution any of the accounts of which are insured is engaging or has engaged, or the Corporation has reasonable cause to believe that the institution is about to engage, in an unsafe or unsound practice in conducting the business of such institution, or is violating or has violated, or the Corporation has reasonable cause to believe that the institution is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Corporation in connection with the granting of any application or other request by the institution, or written agreement entered into with the Corporation, including any agreement entered into under section 403 of the National Housing Act, the Corporation may issue and serve upon the institution a notice of charges in respect thereof.

(b) *Notice of charges; hearing.* The notice of charges shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the institution. The hearing shall be fixed for a date not earlier than 30 days nor later than 60 days after service of such notice unless an earlier or a later date is set by the Corporation at the request of the institution. Unless the institution consents to another place, such hearing shall be held in the Federal judicial district or in the territory (as defined in paragraph (1) (C) of subsection (q) of 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.

(c) *Issuance of cease-and-desist order.* Unless the institution appears at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of a cease-and-desist order. 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 specified in the notice of charges has been established, the Corporation may

issue and serve upon the institution an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the institution and its directors, officers, employees, and agents to cease and desist from the same, and, further, to take affirmative action to correct the conditions resulting from any such violation or practice.

(d) *Effectiveness of order.* A cease-and-desist order shall become effective at the expiration of 30 days after the service of such order upon the institution concerned (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable as provided therein, except to such extent as it is stayed, modified, terminated, or set aside by action of the Corporation, or by a reviewing court in proceedings under paragraph (2) of subsection (j) of section 407 of the National Housing Act, as amended.

§ 566.2 Temporary cease-and-desist orders.

(a) *Issuance.* Whenever the Corporation determines that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of charges served upon an institution under paragraph (a) of § 566.1, or the continuation thereof, is likely to cause insolvency (as defined in paragraph (2) of subsection (q) of section 407 of the National Housing Act, as amended) or substantial dissipation of assets or earnings of the institution, or is likely to otherwise seriously prejudice the interest of its insured members or of the Corporation, the Corporation may issue a temporary order requiring the institution to cease and desist from any such violation or practice.

(b) *Effectiveness of temporary order.* A temporary order shall become effective upon service upon the institution and, unless set aside, limited, or suspended by a court in proceedings authorized by paragraph (2) of subsection (f) of section 407 of the National Housing Act, as amended, shall remain effective and enforceable pending the completion of the administrative proceedings held pursuant to the notice of charges and until such time as the Corporation shall dismiss the charges specified in such notice or, if a cease-and-desist order is issued against the institution, until the effective date of any such order.

§ 566.3 Removal from office and/or prohibition from participation in conduct of affairs of an insured institution.

(a) *Grounds.* (1) Whenever, in the opinion of the Corporation, any director or officer of an insured institution has committed any violation of law, rule, or regulation, or of a cease-and-desist order which has become final (as defined in section 407 of the National Housing Act, as amended), or has engaged or participated in any unsafe or unsound practice in connection with the institution, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the Corporation determines that the institution has suffered or will probably suffer substantial financial loss or other damage or that the interests of its insured members could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director or officer, the Corporation may serve upon such director or officer a written notice of its intention to remove him from office.

(2) Whenever, in the opinion of the Corporation—

(i) Any director or officer of an insured institution, by conduct or practice with respect to another insured institution or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to continue as a director or officer, or

(ii) Any other person participating in the conduct of the affairs of an insured institution, by conduct or practice with respect to such institution or other insured institution or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to participate in the conduct of the affairs of such insured institution,

the Corporation may serve upon such director, officer, or other person a written notice of its intention to remove him from office and/or to prohibit his further participation in any manner in the conduct of the affairs of such institution.

(b) *Notice of intention to remove from office and/or to prohibit further participation in conduct of affairs; hearing.* The notice of intention to remove a director, officer, or other person from office and/or to prohibit his further participation in any manner in the conduct of the affairs of the institution, shall contain a statement of the facts constituting grounds therefor and shall fix a time and place at which a hearing shall be held thereon. The hearing shall be fixed for a date not earlier than 30 days nor later than 60 days after service of such notice, unless an earlier or later date is set by the Corporation at the request of (1) such director, officer, or other person, and for good cause shown, or (2) the Attorney General of the United States. Unless such director, officer, or other person consents to another place, such hearing shall be held in the Federal judicial district or in the territory (as defined in paragraph (1)(C) of subsection (q) of section 407 of the National Housing Act, as amended) in which the principal office of the institution involved is located. Such hearing shall be conducted in the manner provided in Part 509 of this chapter.

(c) *Issuance of order of removal and/or prohibition.* Unless such director, officer, or other person appears at the hearing in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of removal and/or prohibition. In the event of consent, or if upon the record made at any such hearing the Corporation finds that any of the grounds specified in such notice has been established, the Corporation may issue such orders of suspension or removal from office, and/or prohibition from participation in the conduct of the affairs of the institution, as it may deem appropriate.

(d) *Effectiveness of order.* An order of suspension or removal from office, and/or prohibition from participation in the conduct of the affairs of an institution, issued pursuant to paragraph (c) of this section, shall become effective at the expiration of 30 days after service upon the institution and the director, officer, or other person concerned (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Corporation, or by a reviewing court in proceedings under paragraph (2) of subsection (j) of section 407 of the National Housing Act, as amended.

§ 566.4 Temporary suspension and/or prohibition.

(a) *Issuance of notice.* In respect to any director or officer of an insured institution, or any other person who is served with a notice provided for in paragraph (a) of § 566.3, the Corporation may, if it deems it necessary for the protection of the institution or the interests of its insured members or of the Corporation, by written notice to such effect served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the institution. Copies of any such notice shall also be served upon the institution of which he is a director or officer or in the conduct of whose affairs he has participated.

(b) *Effectiveness of notice.* Any suspension from office and/or prohibition from participation in the conduct of the affairs of an institution, pursuant to a notice served under paragraph (a) of this section, shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by paragraph (5) of subsection (g) of section 407 of the National Housing Act, as amended, shall remain in effect pending the completion of the administrative proceedings held pursuant to the notice served under paragraph (b) of § 566.3 and until such time as the Corporation shall dismiss the charges specified in such notice, or, if an order of removal and/or prohibition is issued against the director, officer, or other person, until the effective date of any such order.

§ 566.5 Suspension and removal where felony charged.

(a) *Suspension and/or temporary prohibition.* Whenever any director or officer of an insured institution, or other

person participating in the conduct of the affairs of an insured institution, is charged in any information, indictment, or complaint authorized by a U.S. Attorney, with the commission of or participation in a felony involving dishonesty or breach of trust, the Corporation may, by written notice served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the institution. A copy of such notice shall also be served upor the institution. Such suspension and/or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Corporation.

(b) *Removal and/or permanent prohibition.* In the event that a judgment of conviction with respect to such offense is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the Corporation may issue and serve upon such director, officer, or other person an order removing him from office and/or prohibiting him from further participation in any manner in the conduct of the affairs of the institution except with the consent of the Corporation. A copy of such order shall also be served upon such institution, whereupon such director or officer shall cease to be a director or officer of the institution. A finding of not guilty or other disposition of the charge shall not preclude the Corporation from thereafter instituting proceedings to remove such director, officer, or other persons from office and/or to prohibit further participation in the conduct of institution affairs, pursuant to the provisions of § 566.3.

§ 566.6 Notice to State authorities.

In connection with any proceeding under §§ 566.1, 566.2, 566.3, or 566.4 of this part, involving a State-chartered institution or any director, officer or other person participating in the conduct of its affairs, the Corporation shall provide the appropriate State supervisory authority with notice of its intent to institute such a proceeding and the grounds therefor. Unless within such time as the Corporation deems appropriate in the light of the circumstances of the case (which time shall be specified in such notice), satisfactory corrective action is effectuated by action of the State supervisory authority, the Corporation may proceed as provided in said sections.

§ 566.7 Service.

Any service required or authorized to be made by the Corporation under the provisions of this part shall be made as provided in Part 509 of this chapter. Copies of any notice or order served upon any State-chartered institution or any director, officer, or other person participating in the conduct of its affairs, pursuant to the provisions of this part, shall also be sent to the appropriate State supervisory authority.

Resolved further that all interested persons are hereby given the opportunity to submit written data, views, or arguments on the following subjects and issues: (1) Whether said proposed amendment should be adopted as proposed; (2) whether said proposed amendment should be modified and adopted as modified; (3) whether said proposed amendment should be rejected. All such written data, views, or arguments must be received through the mail or otherwise at the Office of the Secretary, Federal Home Loan Bank Board, Federal Home Loan Bank Board Building, 101 Indiana Avenue NW., Washington, D.C. 20552, not later than March 6, 1967, to be entitled to be considered, but any received later may be considered in the discretion of the Federal Home Loan Bank Board.

By the Federal Home Loan Bank Board.

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

[F.R. Doc. 67-1469; Filed, Feb. 7, 1967; 8:45 a.m.]

Notices

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

ORGANIZATION

Border Patrol Sectors; El Centro, Calif.

Effective upon publication in the FEDERAL REGISTER, the following amendment to the Statement of Organization of the Immigration and Naturalization Service (19 F.R. 8071, Dec. 8, 1954), as amended, is prescribed:

Sector No. 12 of paragraph (d) *Border Patrol Sectors* of section 1.51 *Field Service* is amended to read as follows:

SECTOR NO. 12—EL CENTRO, CALIF.

Calexico, Calif.	Indio, Calif.
El Centro, Calif.	Riverside, Calif.

RAYMOND F. FARRELL,
Commissioner of Immigration and Naturalization.

[F.R. Doc. 67-1450; Filed, Feb. 7, 1967; 8:45 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

FMC CORP.

Notice of Filing of Petition Regarding Pesticides

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a (d)(1)), notice is given that a petition (PP 7F0550) has been filed by FMC Corp., Niagara Chemical Division, 100 Niagara Street, Middleport, N.Y. 14105, proposing the establishment of a tolerance of 0.5 part per million for residues of a fungicide, which is a mixture of 5.2 parts by weight of ammoniates of ethylenebis(dithiocarbamato) zinc with one part by weight of ethylenebis(dithiocarbamic acid) bimolecular and trimolecular cyclic anhydrosulfides and disulfides, in or on the raw agricultural commodities: Carrots, sweet corn, cotton, peanuts, pecans, potatoes, and sugarbeets.

The analytical method proposed in the petition for determining residues of the fungicide is that of Thomas E. Cullen published in Analytical Chemistry, vol. 36 (1964), pp. 221-224.

Dated: January 27, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1503; Filed, Feb. 7, 1967; 8:48 a.m.]

UNITED STATES RUBBER CO.

Notice of Filing of Petition Regarding Pesticides

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a (d)(1)), notice is given that a petition (PP 7F0552) has been filed by the United States Rubber Co., Chemical Division, Bethany, Conn. 06525, proposing the establishment of tolerances for residues of the plant regulator succinic acid 2,2-dimethylhydrazide in or on the following raw agricultural commodities: Apples, at 30 parts per million; grapes, at 10 parts per million; and tomatoes, at 0.5 part per million.

The analytical method proposed in the petition for determining residues of the plant regulator is that of colorimetry in which the residue is hydrolized with 50 percent sodium hydroxide, distilled, and reacted with trisodium pentacyanoamine ferroate to form a specific red color at pH 5.0. The color is measured spectrophotometrically.

Dated: January 27, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-1504; Filed, Feb. 7, 1967; 8:49 a.m.]

ATOMIC ENERGY COMMISSION

STATE OF ARIZONA

Proposed Agreement for Assumption of Certain AEC Regulatory Authority

Notice is hereby given that the U.S. Atomic Energy Commission is publishing for public comment, prior to action thereon, a proposed agreement received from the Governor of the State of Arizona for the assumption of certain of the Commission's regulatory authority pursuant to section 274 of the Atomic Energy Act of 1954, as amended.

A resume, prepared by the State of Arizona and summarizing the State's proposed program, was also submitted to the Commission. With the exception of referenced Appendices A through E and Chart 1, this resume is set forth below as an appendix to this notice. A copy of the program, including proposed Arizona regulations, is available for public inspection in the Commission's Public Document Room, 1717 H Street NW., Washington, D.C., or may be obtained by writing to the Director, Division of State and Licensee Relations, U.S. Atomic Energy Commission, Washington, D.C. 20545. All interested persons desiring to submit comments and suggestions for the consideration of the Commission in connection with the proposed agreement should send them, in triplicate, to the Secretary, U.S. Atomic Energy Commission, Washington, D.C. 20545, within 30 days after initial publication in the FEDERAL REGISTER.

Exemptions from the Commission's regulatory authority which would implement this proposed agreement, as well as other agreements which may be entered into under section 274 of the Atomic Energy Act, as amended, were published as Part 150 of the Commission's regulations in FEDERAL REGISTER issuances of February 14, 1962, 27 F.R. 1351; September 22, 1965, 30 F.R. 12069; and March 19, 1966, 31 F.R. 4668. In reviewing this proposed agreement, interested persons should also consider the aforementioned exemptions.

Dated at Washington, D.C., this 6th day of February 1967.

For the Atomic Energy Commission.

W. B. MCCOOL,
Secretary.

PROPOSED AGREEMENT BETWEEN THE U.S. ATOMIC ENERGY COMMISSION AND THE STATE OF ARIZONA FOR DISCONTINUANCE OF CERTAIN COMMISSION REGULATORY AUTHORITY AND RESPONSIBILITY WITHIN THE STATE PURSUANT TO SECTION 274 OF THE ATOMIC ENERGY ACT OF 1954, AS AMENDED

Whereas, the U.S. Atomic Energy Commission (hereinafter referred to as the Commission) is authorized under section 274 of the Atomic Energy Act of 1954, as amended (hereinafter referred to as the Act) to enter into agreements with the Governor of any State providing for discontinuance of the regulatory authority of the Commission within the State under Chapters 6, 7, and 8 and section 161 of the Act with respect to byproduct materials, source materials, and special nuclear materials in quantities not sufficient to form a critical mass; and

Whereas, the Governor of the State of Arizona is authorized under Chapter 4, Title 30 of the Arizona Revised Statutes to enter into this Agreement with the Commission; and

Whereas, the Governor of the State of Arizona certified on January 20, 1967, that the State of Arizona (hereinafter referred to as the State) has a program for the control of radiation hazards adequate to protect the public health and safety with respect to the materials within the State covered by this Agreement, and that the State desires to assume regulatory responsibility for such materials; and

Whereas, the Commission found on ---------- that the program of the State for the regulation of the materials covered by this Agreement is compatible with the Commission's program for the regulation of such materials and is adequate to protect the public health and safety; and

Whereas, the State and the Commission recognize the desirability and importance of cooperation between the Commission and the State in the formulation of standards for protection against hazards of radiation and in assuring that State and Commission programs for protection against hazards of radiation will be coordinated and compatible; and

Whereas, the Commission and the State recognize the desirability of reciprocal rec-

ognition of licenses and exemption from licensing of those materials subject to this Agreement; and

Whereas, this Agreement is entered into pursuant to the provisions of the Atomic Energy Act of 1954, as amended;

Now, therefore, it is hereby agreed between the Commission and the Governor of the State, acting in behalf of the State, as follows:

ARTICLE I. Subject to the exceptions provided in Articles II, III, and IV, the Commission shall discontinue, as of the effective date of this Agreement, the regulatory authority of the Commission in the State under Chapters 6, 7, and 8, and section 161 of the Act with respect to the following materials:

A. Byproduct materials;

B. Source materials; and

C. Special nuclear materials in quantities not sufficient to form a critical mass.

ART. II. This Agreement does not provide for discontinuance of any authority and the Commission shall retain authority and responsibility with respect to regulation of:

A. The construction and operation of any production or utilization facility;

B. The export from or import into the United States of byproduct, source, or special nuclear material, or of any production or utilization facility;

C. The disposal into the ocean or sea of byproduct, source, or special nuclear waste materials as defined in regulations or orders of the Commission;

D. The disposal of such other byproduct, source, or special nuclear material as the Commission from time to time determines by regulation or order should, because of the hazards or potential hazards thereof, not be so disposed of without a license from the Commission.

ART. III. Notwithstanding this Agreement, the Commission may from time to time by rule, regulation, or order, require that the manufacturer, processor, or producer of any equipment, device, commodity, or other product containing source, byproduct, or special nuclear material shall not transfer possession or control of such product except pursuant to a license or an exemption from licensing issued by the Commission.

ART. IV. This Agreement shall not affect the authority of the Commission under subsection 161 b. or i. of the Act to issue rules, regulations, or orders to protect the common defense and security, to protect restricted data or to guard against the loss or diversion of special nuclear material.

ART. V. The Commission will use its best efforts to cooperate with the State and other agreement states in the formulation of standards and regulatory programs of the State and the Commission for protection against hazards of radiation and to assure that State and Commission programs for protection against hazards of radiation will be coordinated and compatible. The State will use its best efforts to cooperate with the Commission and other agreement states in the formulation of standards and regulatory programs of the State and the Commission for protection against hazards of radiation and to assure that the State's program will continue to be compatible with the program of the Commission for the regulation of like materials. The State and the Commission will use their best efforts to keep each other informed of proposed changes in their respective rules and regulations and licensing, inspection and enforcement policies and criteria, and to obtain the comments and assistance of the other party thereon.

ART. VI. The Commission and the State agree that it is desirable to provide for reciprocal recognition of licenses for the materials listed in Article I licensed by the other party or by any agreement state. Accordingly, the Commission and the State agree to use their best efforts to develop appropriate rules, regulations, and procedures by which such reciprocity will be accorded.

ART. VII. The Commission, upon its own initiative after reasonable notice and opportunity for hearing to the State, or upon request of the Governor of the State, may terminate or suspend this Agreement and reassert the licensing and regulatory authority vested in it under the Act if the Commission finds that such termination or suspension is required to protect the public health and safety.

ART. VIII. This Agreement shall become effective on May 15, 1967, and shall remain in effect unless, and until such time as it is terminated pursuant to Article VII.

Done at Phoenix, State of Arizona, in triplicate, this ____ day of _____ 1967.

For the United States Atomic Energy Commission.

_____,

For the State of Arizona.

JACK WILLIAMS,
Governor.

POLICIES AND PROCEDURES FOR THE CONTROL OF IONIZING RADIATION

FOREWORD

This narrative describes the policies and procedures of the State of Arizona relating to the control of ionizing radiation in the State. The radiation control program will be administered by the Arizona Atomic Energy Commission. Assistance in the administration of the program will be provided by the Arizona State Department of Health.

AUTHORITY

Section 274 of the Atomic Energy of 1954, as amended, authorizes the U.S. Atomic Energy Commission to enter into an agreement with the Governor of a State for purposes of transferring to that State certain functions of licensing and regulatory control of byproduct, source and special nuclear material. This transfer is made after the determination by the U.S. Atomic Energy Commission that the State has the competency to administer a licensing and regulatory program.

Chapter 4, Title 30 of the Arizona Revised Statutes authorizes the Governor of Arizona, on behalf of that State, to enter into an agreement with the Federal Government providing for discontinuance of certain of the Federal Government's responsibilities with respect to sources of ionizing radiation and the assumption thereof by the State of Arizona.

Chapter 4, Title 30, Arizona Revised Statutes, further authorizes the Arizona Atomic Energy Commission to adopt, administer and enforce rules and regulations for the control of ionizing radiation in Arizona.

The authority for the Arizona State Department of Health to assist in the administration of the radiation control program is contained in Chapter 1, Title 36, Arizona Revised Statutes, which gives the Health Department the general responsibility for protecting the health of the people of the State of Arizona.

HISTORY

In 1960, Governor Paul Fannin of Arizona established a Governor's Atomic Energy Committee, composed of representatives from the State's universities, industry, the medical profession, the military and the Governor's Office. As a result of the efforts of this Committee, plus many others, the legislation was enacted in 1964 which added Chapter 4 to Title 30 of the Arizona Revised Statutes. A copy of this legislative act is included as Appendix A.

The Arizona Atomic Energy Commission (AAEC) held its first formal meeting on July 23, 1964. Since that date the AAEC has been preparing for the initiation of the Arizona radiation control program, as well as performing various other functions in the areas of atomic energy development and public education.

The Arizona State Department of Health (ASDH) has been active in the field of radiological health since 1956, when an air sampling station was established in Phoenix. This station is operated by the Radiological Health Section of the ASDH under the sponsorship of the U.S. Public Health Service. The ASDH is also cooperating with the U.S. Public Health Service by sending them samples of human blood and hair for the determination of strontium-90 content and is participating in a nationwide Public Health Service study to establish a baseline of radiation contamination of foodstuffs.

In 1962 a survey program was initiated by the Radiological Health Section of the ASDH to evaluate the radiation safety of X-ray departments in all non-Federal hospitals of the State. Handbook 76 of the National Bureau of Standards, "Medical X-ray Protection up to Three Million Volts," has been used as the standard in evaluating this equipment. At least two surveys of the X-ray equipment in each of the 70 hospitals have been made to date in this continuing activity. An analysis of the findings shows the following improvements:

	In Compliance—	
	Percent 1962-63	*Percent* 1964-65
Personnel monitoring	63	83
Cooling	62	86
Adequate filtration	59	89
Structural shielding	69	90
Fluoroscopy table top dose	78	96

The Radiological Health Section has also initiated a county-by-county program for surveying all X-ray machines used in the healing arts. This program has received excellent cooperation from the professions, and essentially all of the machines in 5 of Arizona's 14 counties have been surveyed. Each visit is documented by a letter to the owner or user, indicating any defects found.

The ASDH has conducted a survey of dental X-ray machines, using a special mailed film packet (the "Surpak") supplied by the Division of Radiological Health, U.S. Public Health Service. This survey was responded to by 450 of the 500 dentists in Arizona. Over 90 percent of the machines were found to be in good condition. Personnel of the Radiological Health Section are now making physical surveys of the defective units, installing filters and collimators, and discussing radiological health with each dentist.

The Radiation Control Specialist of the AAEC, while with the ASDH, has accompanied U.S. Atomic Energy Commission inspectors on most of the compliance inspections in Arizona since 1961. The Director of the AAEC accompanied a U.S. Atomic Energy Commission inspector on his inspections in Phoenix in June of 1966.

ORGANIZATION AND STAFF RESPONSIBILITIES

An organization chart showing the lines of responsibility in the Arizona radiation control program is shown as Chart I.

There are 12 AAEC Commissioners, 10 of whom are appointed by the Governor with the advice and consent of the State Senate. The other two are the Director of the Arizona Development Board and the Commissioner of the Arizona State Department of Health. The Commissioners have the following broad responsibilities in the radiation control program:

(a) Establish policy, objectives and goals.

(b) Review, approve and audit the program.

(c) Make recommendations to the Governor.

Legal counsel is supplied to the AAEC by the Arizona Attorney General's Office.

The Director of the AAEC is appointed by the AAEC Commissioners and has general responsibility for the administration of the State's radiation control program. He will review all radioactive material licenses issued by the AAEC. The Radiation Control Specialist reports to the Director and has the direct responsibility for administering the radiation control program. He will be responsible for the technical evaluation of applications for radioactive material licenses, and for the preparation of licenses. He will also be responsible for handling the registration of radiation machines. The full-time AAEC staff will initially consist of the Director, the Radiation Control Specialist, and the Secretary to the Director.

The Arizona State Department of Health (ASDH) will provide assistance to the AAEC in the administration of the Arizona radiation control program. The Director of the Division of Environmental Health of the ASDH will maintain close liaison with the Director of the AAEC in implementing this assistance. A copy of the formal agreement between the AAEC and the ASDH for cooperation in the radiation control program is included as Appendix B.

Personnel of the Radiological Health Section of the ASDH will be responsible for conducting inspections of licensees and registrants, under the immediate direction of the Radiation Control Specialist, AAEC. The staff of the Radiological Health Section will initially consist of a health physicist, a radiological health technician, and a secretary. The ASDH expects to hire an additional health physicist later in 1967.

The present combined staffs of the AAEC and the Radiological Health Section of the ASDH are felt to be adequate for initiating the Arizona radiation control program. Appropriate job descriptions are given in Appendix C. Résumés of the personnel presently employed are given in Appendix D.

A Medical Advisory Committee has been appointed by the AAEC. This Committee, composed of physicians knowledgeable in the clinical and investigational uses of radioisotopes and other ionizing radiation, will be available to advise the AAEC on medical uses of radiation. The composition of the Medical Advisory Committee is given in Appendix E. Other advisory groups will be established as the need arises.

EQUIPMENT FOR RADIATION MONITORING

The following radiation monitoring equipment is available for use in the radiation control program:

Item	Quantity
Arizona Atomic Energy Commission:	
Geiger Counter, Eberline Model E-510	1
Dosimeter, Landsverk Model L-50, range 0-200 mR	5
Reader-charger for above dosimeter	1
Radalert, beta-gamma, Physics International Model 2000	2
Arizona State Department of Health, Radiological Health Section:	
Decontamination kit, Tracerlab "DK-Kit"	2
Geiger Counter, Eberline Model E-500B	1
X-ray safety survey kit, P.H.S., complete with survey meter, Nucor Model CS-40A, Victoreen condenser R-meter, lead apron, calibrated fluorescent screens, etc	1
Survey meter, Victoreen Thyac II, with G.M. probe and 1¼ inches x 1 inch scintillation probe	2
9-foot extension arm for above survey meters	1
Portable gas proportional alpha counter, Eberline Model PAC-4G	1
Air Sampler, Roots-Connersville blower, 1½ hp. electric motor, P.H.S. assembly, for 4-inch diameter filter	1
Continuous recording alpha-beta air monitor, Eberline Model AIM-3	1
Dosimeter, Nuclear-Chicago Model NC-402, range 0-200 mR	5
Reader-charger for above dosimeter	1

The equipment belonging to the Arizona Atomic Energy Commission is located at its offices at 40 East Thomas Road, Suite 107, Phoenix; that of the Arizona State Department of Health at the office of its Division of Environmental Health, Fifth Floor, 14 North Central Avenue, Phoenix.

LABORATORY SUPPORT

The Laboratory Division of the Arizona State Department of Health is available to assist in the State's radiation control program. This Laboratory has a proportional flow counting system for measuring alpha and beta activities.

Laboratory facilities at the University of Arizona and Arizona State University are also available when needed. These facilities include various counting systems and several multichannel analyzers.

RADIATION PROTECTION STANDARDS

In the preparation of the Arizona Atomic Energy Commission (AAEC) Regulations for the Control of Ionizing Radiation, care has been taken to insure uniformity with regulations of the U.S. Atomic Energy Commission and other States having regulatory agreements with the U.S. Atomic Energy Commission. Standards to be followed in Arizona conform to those adopted by other agreement States. The limits of exposure to radiation are consistent with those recommended by the Federal Radiation Council. Regulations on shielding and other protective features of X-ray installations conform to those recommended in the National Bureau of Standards Handbook No. 76.

LICENSING AND REGISTRATION

A general or specific license will be required for the use of all radioactive materials except those which are exempt by law or regulations. The procedures and regulations for licensing will be similar to those employed by the U.S. Atomic Energy Commission. The principal difference will be the requirement for licensing the use of naturally occurring radioisotopes and other radioisotopes not produced in nuclear reactors. Licenses will be issued on a routine basis by the AAEC, provided the applicant meets the requirements outlined in sections B.25 and B.26 of the AAEC Regulations. In the review of nonroutine or unusual human uses, the Medical Advisory Committee will be called upon for its advice prior to issuance of a license. Other consultants at the local or national level will be employed if needed.

Provisions are made for reciprocal recognition of licenses issued by the U.S. Atomic Energy Commission and other agreement States.

Licensing of radiation machines will not be required. However, the owner or person having possession of any radiation machine will be required to register such machine with the AAEC.

INSPECTIONS

Periodic inspections of licensees and registrants will be conducted. Most inspections will be announced, but some will be made on an unannounced basis. The normal frequency of inspection is listed below:

Broad licenses	Once each 12 months.
Specific licenses:	
Waste disposal services	Once each 6 months.
Industrial radiography	Once each 12 months.
Other industrial	Once each 24 months.
Medical	Do.
Academic	Do.
Other	Based on hazards associated with licensee's program.
Registered facilities	Based on hazards associated with registrant's program.

Inspection visits will usually include a comprehensive review by the inspector of the following: (1) The licensee's or registrant's equipment and facilities; (2) the licensee's handling and storage of radioactive material; (3) personnel safety procedures; (4) survey methods and results; (5) personnel monitoring practices and results; (6) posting and labeling used; (7) training of personnel; and (8) records and recordkeeping procedures.

The inspector may make measurements of radiation levels. Before the termination of each inspection, the inspector will meet with the management to discuss the results of his inspection. At this time he will present tentative oral recommendations or suggestions, and will answer questions concerning the regulatory program.

A comprehensive written inspection report will be made to the Director of the AAEC. The report will mention violation, if any, and will include both the oral recommendations which have been made to the licensee or registrant, and any additional recommendations considered appropriate.

Arizona law provides for steps which may be taken when users refuse access for inspection purposes.

COMPLIANCE AND ENFORCEMENT

Reports of inspections of licensees' and registrants' activities will be evaluated to determine radiation safety and compliance with the AAEC's regulatory requirements. If no items of noncompliance are observed, the person will be so informed in writing. For minor items of noncompliance which the licensee or registrant has agreed to correct at the time of the inspection, a letter of notification will be sent informing the licensee or registrant of the items of noncompliance and stating that corrective action will be reviewed during the next inspection.

If the inspection reveals items of noncompliance of a more serious nature, the licensee or registrant will be informed by letter of the items of noncompliance and directed to reply within a specified time as to the corrective action taken and the date completed. A followup inspection may be made to determine compliance, or the matter may be reviewed during the next regular inspection to ensure that the corrective action has in fact been accomplished.

The AAEC will use its best efforts to attain compliance through cooperation and education. However, the AAEC may amend, suspend or revoke a license in the event of continuing refusal of the licensee to comply with terms and conditions of the license or the AAEC Regulations, or failure to take adequate corrective action concerning items of

noncompliance. In the event that any of these actions are taken, the licensee will be afforded the opportunity for a hearing before the Commissioners of the AAEC.

If the AAEC finds that an emergency exists requiring immediate action to protect public health and safety, it may issue an order or regulation to meet the emergency situation. Any person to whom such order or regulation is directed is required to comply therewith immediately, but on application to the AAEC shall be afforded a hearing within 5 days. On the basis of such hearing, the emergency order or regulation shall be continued, modified or revoked within 30 days after such hearing. Any orders of the AAEC shall be subject to judicial review as provided by Arizona Statutes.

Upon the request of the AAEC, a court order directing a person to comply with Chapter 4, Title 30 of the Arizona Revised Statutes or the AAEC Regulations, or enjoining a practice in violation of these Statutes or Regulations, may be sought by the Attorney General in an appropriate court.

[F.R. Doc. 67-1550; Filed, Feb. 7, 1967; 8:50 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 16236; Order No. E-24712]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Relating to Specific Commodity Rates

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 1st day of February 1967.

An agreement has been filed with the Board, pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations, between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of the joint conferences of the International Air Transport Association (IATA), and adopted at the fourth meeting of the Joint Specific Commodity Rates Committee held in Montreal, November 8 through November 16, 1966. The agreement has been assigned the above-designated CAB agreement number.

Basically, the agreement, as it applies to air transportation as defined by the Act, amends certain presently effective commodity descriptions and extends for a further period of effectiveness specific commodity rates established since the third meeting of the Joint Specific Commodity Rates Committee held in London, May 3 through May 13, 1966. Additionally, the agreement, as set forth in the attachment,[1] (1) names rates under new commodity descriptions, (2) names additional rates under existing commodity descriptions, (3) reduces existing commodity rates, and (4) increases a few rates under an existing commodity description. For information, the attachment also indicates those rates that will expire with January 31, 1967, in accordance with the provisions of Resolution 590.

[1] Attachment filed as part of the original document.

Further, the agreement cancels all rates under Commodity Items 3009 and 3076 and transfers such rates to Commodity Item 3075. Additionally, the description for Commodity Item 3075 has been amended so as to encompass those items presently moving under Commodity Items 3009 and 3076. A similar procedure was used with the merger of those rates under Item 2700 with Item 9090 and Item 4171 with Item 4072.

The agreement, as a whole, would afford significant reductions from the otherwise applicable rates for numerous commodities and does not otherwise appear to be adverse to the public interest. Accordingly, we are herein approving the Agreement.

The Board, acting pursuant to sections 102, 204(a), and 412 of the Act, does not find the subject Agreement to be adverse to the public interest or in violation of the Act, provided that approval thereof is conditioned as hereinafter ordered.

Accordingly, it is ordered,

That Agreement CAB 19276 be approved, provided that such approval shall not constitute approval of the specific commodity descriptions contained therein for purposes of tariff publication.

Any air carrier party to the agreement, or any interested person, may, within 15 days from the date of service of this order, submit statements in writing containing reasons deemed appropriate, together with supporting data, in support of or in opposition to the Board's action herein. An original and nineteen copies of the statements should be filed with the Board's Docket Section. The Board may, upon consideration of any such statements filed, modify or rescind its action herein by subsequent order.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON, *Secretary.*

[F.R. Doc. 67-1487; Filed, Feb. 7, 1967; 8:47 a.m.]

[Docket No. 17828; Order No. E-24719]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Relating to Fares

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 3d day of February 1967.

Agreements have been filed with the Board, pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations, between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of the Traffic Conferences of the International Air Transport Association (IATA), and adopted at meetings in Honolulu, September–October 1966, Docket No. 17828; Agreement CAB 19190,[1] Agreement CAB 19200,[2] Agreement CAB 19201,[3] Agreement CAB 19234.[4] The agreements carry various intended effectiveness dates through April 1, 1967, and are intended to be effective through March 31, 1969.[5] The agreements have been assigned the above-designated CAB agreement numbers.

The agreements encompass resolutions adopted at the Honolulu Conference relating to fares and fare matters. Insofar as air transportation as defined by the Act is concerned, the agreements include only those fares to apply in the Western Hemisphere between the United States and Mexico/Caribbean points/Northern South America and via the South Pacific and the Mid-Atlantic. In general, the agreements will maintain normal first and economy-class fares previously approved by the Board for travel in these areas as well as excursion fares within the Western Hemisphere.

The South Pacific promotional fares include a wide selection of special fares at substantial reductions, and we view the adoption of these fares as a forward step in developing new traffic. The agreements will retain the current round trip affinity group fares which provide a reduction of 30 percent from round trip economy-class fares for 15 or more persons and the 23-day excursion fares for economy-class travel between U.S. west coast points/Honolulu and Bora Bora/Papeete. The latter fares will be reduced so as to achieve a 30-percent reduction from round trip economy-class fares. (The West Coast-Papeete fare will be $520 as compared with the fare of $557.30 now offered.) New promotional fares proposed for application between U.S. west coast points/Honolulu and points in the South Pacific include the following:

(a) The introduction of round trip 14–28-day excursion fares which would provide a reduction of about 25 percent from normal round trip economy-class fares (West Coast-Sydney, $756 as compared with $1,008). Travel under these

[1] R-15 and R-16.

[2] R-15 except insofar as it would apply in air transportation as defined by the Act via the North/Central Pacific and North Atlantic, and R-16.

[3] R-6.

[4] R-1 through R-7, R-9, R-16, R-17, R-20, R-21 through R-24, R-29 through R-37, R-39, R-41 through R-50, R-52, R-53, R-55, R-56, R-58, R-69, R-72 through R-75, R-78, R-84, R-85, R-89, and R-111.

R-10, R-11, R-12, R-14, R-62 excluding those portions acted upon in Orders E-24463 and E-24628.

R-13 and R-15 exclusive of application in air transportation as defined by the Act via the North Atlantic or North/Central Pacific and exclusive of those portions acted upon in Orders E-24463 and E-24628.

R-8, R-18, R-25, R-26, R-28, R-38, R-40, R-97 through R-102, 105 through R-109, R-112 exclusive of application in air transportation as defined by the Act via the North Atlantic and/or the North/Central Pacific.

[5] Except South Pacific fare resolutions which are limited to a 1-year period through March 31, 1968.

fares will be precluded during two periods of about 2 months each.[6]

(b) The introduction of 21–45-day inclusive-tour fares which would provide a reduction of about 30 percent from round trip economy-class fares (West Coast-Sydney, $705.60 as compared with $1,008). These fares, however, are restricted to preclude travel in the same periods as the 14–28-day excursion fares and the agreement requires a total tour price for the duration of the trip at not less than 110 percent of the round or circle trip economy-class fare.

(c) The introduction of special southbound fares to Papeete. These include 10–23-day inclusive-tour fares of $470 and $321 from U.S. west coast points and Honolulu, respectively, and the addition of new outbound round trip affinity group fares for 50 or more persons of $420 and $287 from west coast points and Honolulu, respectively. The inclusive-tour fares will be subject to a minimum tour price of 120 percent of the tour air fare. The group fares will be available only part of the year [7] and will be subject to minimum/maximum-stay requirements of 6/15 days, respectively.

The Mid-Atlantic fare agreements propose a reduction in the 14–21-day excursion fares of about 5 percent producing a Miami-Lisbon fare, for example, of $421.10 as compared with the present fare of $446.10. Additionally, an amendment to the student fare resolution, applicable on this route, would extend the 25-percent discount from economy-class fares to travel to/from Puerto Rico which has heretofore been excluded.

We are herein approving the fare resolutions, except the proposed amendment which would extend the application of the Mid-Atlantic student-fare discount to Puerto Rico. The Board has long held that special fares held to narrow segments of the traveling public, based on the characteristics or status of the user, i.e., teachers, former pilots, etc., are unjustly discriminatory and it has maintained a condition on the student fare resolution to preclude its application in air transportation. The carriers have submitted no justification in support of the fares in air transportation and it would not appear that the proposal meets the usual test for a departure from the rule of equality, namely that the fares would serve an extraordinary or serious business interest of the carriers.

We are also herein approving for application in the areas where the fares are to apply certain other collateral resolutions which were readopted or revalidated generally for worldwide application. These include such matters as baggage rules and seating standards.

[6] Outbound travel originating in U.S. points may not be commenced during the periods Mar. 10 to May 17, inclusive, and Sept. 1 to Oct. 31, inclusive. Outbound travel originating at South Pacific points may not be commenced during the periods Apr. 1 to May 31, inclusive, and Aug. 10 to Oct. 17, inclusive.

[7] During the periods Mar. 16 to June 14, inclusive, and from Oct. 16 to Dec. 31, inclusive.

We also note that resolutions relating to the form of interline agreements among members and with non-IATA carriers have been redrafted. The revisions, in many respects, appear to be editorial in character. In any event, the resolutions are subject to the objections commented on by the Board in its Order E–21433 dated October 23, 1964. In that order the Board noted that many of the provisions requiring adherence to IATA rules and practices lacked clarity, and that the enforcement provisions with respect to inspection of non-IATA carrier records and sanctions which would be imposed appeared unduly harsh and punitive. Accordingly, we are maintaining a condition to render the application of these rules inapplicable in air transportation.

The Board, acting pursuant to sections 102, 204(a), and 412 of the Act, makes the following findings:

1. The Board does not find the resolutions set forth in Appendix A [8] and contained in Agreement CAB 19234, which do not directly relate to air transportation as defined by the Act, to be adverse to the public interest or in violation of the Act.

2. The Board does not find those resolutions set forth in Appendix B [8] and contained in Agreements CAB 19200, CAB 19201, and CAB 19234, to be adverse to the public interest or in violation of the Act, provided that approval shall be subject to the same conditions as may have been previously imposed with respect to resolutions readopted or revalidated.

3. The Board does not find resolutions set forth in Appendix C [8] and contained in agreements CAB 19200 and CAB 19234, exclusive of application in air transportation as defined by the Act via the North Atlantic and/or North and Central Pacific, to be adverse to the public interest or in violation of the Act, provided that approval shall be subject to the same conditions as may have been previously imposed with respect to resolutions readopted or revalidated.

4. The Board does not find those resolutions set forth in Appendix D [8] and contained in Agreements CAB 19190 and CAB 19234 to be adverse to the public interest or in violation of the Act, provided that approval shall be subject to the conditions stated.

Accordingly, it is ordered, That:

1. That portion of Agreement CAB 19234, described in finding paragraph 1, is approved.

2. Those portions of Agreements CAB 19200, CAB 19201, and CAB 19234, described in finding paragraph 2, are approved subject to the condition stated therein.

3. Those portions of Agreements CAB 19200 and CAB 19234, described in finding paragraph 3, are approved subject to the conditions stated therein.

4. Those portions of Agreements CAB 19190 and CAB 19234, described in finding paragraph 4, are approved subject to the conditions stated therein.

[8] Appendices A, B, C, and D filed as part of the original document.

Any air carrier party to the agreement, or any interested person, may, within 15 days from the date of service of this order, submit statements in writing containing reasons deemed appropriate, together with supporting data, in support of or in opposition to the Board's action herein. An original and 19 copies of the statements should be filed with the Board's Docket Section. The Board may, upon consideration of any such statements filed, modify or rescind its action herein by subsequent order.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 67-1488; Filed, Feb. 7, 1967; 8:47 a.m.]

[Docket No. 18156]

ORILLIA AIR SERVICES LTD.

Notice of Hearing

Application for a foreign air carrier permit, issued pursuant to section 402 of the Federal Aviation Act of 1958, as amended, to perform operations of a casual, occasional or infrequent nature in common carriage from Canada into the United States.

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that hearing on the above-entitled application is assigned to be held on February 13, 1967, at 10 a.m., e.s.t., in Room 701, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before Examiner Joseph L. Fitzmaurice.

Dated at Washington, D.C., February 2, 1967.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 67-1489; Filed, Feb. 7, 1967; 8:47 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 16928 etc.; FCC 67M-169]

CALIFORNIA WATER & TELEPHONE CO. ET AL.

Order Scheduling Hearing

In the matter of California Water & Telephone Co., Docket No. 16928; Tariff FCC No. 1 and Tariff FCC No. 2 applicable to channel service for use by community antenna television systems; in the matter of The Associated Bell System Cos., Docket No. 16943; tariffs for channel service for use by community antenna television systems; in the matter of The General Telephone System, and United Utilities, Inc. Cos., Docket No. 17098; tariffs for channel service for use by community antenna television systems.

It is ordered, This 2d day of February 1967, that Charles J. Frederick shall serve

as Presiding Officer in the proceeding in Docket No. 17098 which, by order of the Commission released January 24, 1967 (FCC 67-60), has been consolidated for hearing with Docket Nos. 16928 and 16943.

Released: February 2, 1967.

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

[F.R. Doc. 67-1471; Filed, Feb. 7, 1967; 8:45 a.m.]

[Docket Nos. 16928; FCC 67M-176]

CALIFORNIA WATER & TELEPHONE CO. ET AL.

Order Regarding Procedural Dates

In the matter of California Water & Telephone Co., Docket No. 16928; Tariff FCC No. 1 and Tariff FCC No. 2 applicable to channel service for use by community antenna television systems; in the matter of The Associated Bell System Cos., Docket No. 16943; tariffs for channel service for use by community antenna television systems; in the matter of The General Telephone System, and United Utilities, Inc., Cos., Docket No. 17098; tariffs for channel service for use by community antenna television systems.

The Hearing Examiner having under consideration a "Motion for Continuance of Prehearing Conference" filed in the above matter by National Community Television Association, Inc., on January 30, 1967, and

It appearing, that the parties to the proceeding require additional time because of the consideration of three dockets herein,

It is ordered, This 3d day of February 1967, that the aforesaid motion is granted and that, accordingly, the prehearing conference now scheduled for February 9, 1967, is hereby rescheduled to commence at 2 p.m., March 13, 1967, in the Commission's offices in Washington, D.C., and

It is further ordered, That the hearing now scheduled for February 27, 1967, is postponed to a date to be set at a further prehearing conference, and

It is further ordered, That the "Motion for Deferment of Hearing Schedule" filed January 26, 1967, by the Associated Bell System Co., Docket No. 16943 (before its consolidation with the other parties), is dismissed as moot.

Released: February 3, 1967.

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

[F.R. Doc. 67-1472; Filed, Feb. 7, 1967; 8:45 a.m.]

[Docket Nos. 15461, etc.; FCC 67M-172]

CHAPMAN RADIO & TELEVISION CO. ET AL.

Order Rescheduling Hearing

In re applications of William A. Chapman and George K. Chapman, doing business as Chapman Radio & Television Co., Homewood, Ala., Docket No. 15461, File No. BPCT-3282; Alabama Television, Inc., Birmingham, Ala., Docket No. 16760, File No. BPCT-3706; Birmingham Broadcasting Co., Birmingham, Ala., Docket No. 16761, File No. BPCT-3707; for construction permit for new television broadcast station; Birmingham Television Corp. (WBMG), Birmingham, Ala., Docket No. 16758, File No. BPCT-3663; for modification of construction permit.

On the motion of Alabama Television, Inc., to which all parties have consented:

It is ordered, This 3d day of February 1967, that the "preliminary" hearing in the above-entitled proceeding, previously scheduled to convene on February 8, 1967, is hereby rescheduled to convene at 10 a.m., Monday, February 13, 1967, at the Commission's offices, Washington, D.C.

Released: February 3, 1967.

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

[F.R. Doc. 67-1473; Filed, Feb. 7, 1967; 8:45 a.m.]

[Docket Nos. 17144, 17155; FCC 67-110]

FULTON COMMUNITY ANTENNA TELEVISION SYSTEM, INC., ET AL.

Memorandum Opinion and Order Designating a Hearing

In re petitions by Fulton Community Antenna Television System, Inc., Canton, Ill., File No. CATV 100-9; General Electric Cablevision Corp., Peoria, Ill., Docket No. 17144, File No. CATV 100-25; General Electric Cablevision Corp., Peoria Heights and Bartonville, Ill., Docket No. 17155, File No. CATV 100-59; for authority pursuant to § 74.1107 of the rules to operate CATV systems in the Peoria television market.

1. The following are before us for consideration:

(a) Fulton proposes to operate a CATV system in Canton, in the Peoria television market, ranked 97th furnishing the local signals of the three Peoria UHF stations, the two VHF operations from the Quad City television market (Channels 8, ABC, Moline, Ill., and 4, CBS, Rock Island, Ill.), and distant signals from Davenport, Iowa (Channel 6, NBC, the third Quad City station), Springfield, Ill. (Channel 20, NBC), and Urbana-Champaign, Ill. (Channel 12, ETV).

(b) GE proposes to operate systems in Peoria, Peoria Heights, and Bartonville, Ill., all in the Peoria market, carrying signals as follows: The three local Peoria stations, the two Grade B Quad City signals (8, Moline and 4, Rock Island), and the distant network signals from Davenport (6, NBC, the third Quad City station), Champaign (3, CBS), Decatur (17, ABC), Springfield (20, NBC), the distant educational stations from Urbana-Champaign (12) and Chicago (11) and the distant independent signals from Chicago (9, 26, and 32), Bloomington-Indianapolis, Ind. (4), and St. Louis, Mo. (11).

Fulton's petition (filed March 31, 1966) requests waiver of the hearing requirement of the rule to permit immediate implementation of its proposal. It is opposed by the three Peoria stations on contention that Fulton's system would result in VHF invasion of this all UHF market, and two of the three Peoria stations (Channels 25 and 31) oppose GE's proposals.

2. The total net weekly circulation of the Peoria market is 190,000; assigned to the city are Channels 19 (ABC), 25 (NBC), 31 (CBS), 47 and *59. Bloomington, Ill. (38 miles southeast of Peoria, but in the Peoria market), is assigned Channel 43 for which a construction permit has been issued. No applications pend for the remaining two Peoria assignments.

3. Canton (population 13,588) is approximately 29 miles southwest and beyond the census areas of Peoria. Fulton urges approval of its proposal, pointing to the attractions of a first educational service and a wider choice of programing, especially programing not now available, from the State capital.

4. The circumstances of this proposal lead to the judgment that a waiver of hearing would serve the public interest. Two of the three Quad City stations (4, CBS, Rock Island and 8, ABC, Moline) serve Canton with predicted Grade B signals and under our rules are required to be carried upon request. Competition in the Quad City would be maintained—without any discernible damage to the remaining Peoria assignments—by action permitting carriage of the third Quad City station, Channel 6, NBC, Davenport. The public interest in wider dissemination of educational programing would be served by permitting carriage of educational Channel 12 from Urbana-Champaign until activation of Peoria educational Channel *59. Finally, carriage of Springfield Channel 20 will be permitted in view of the proximity of its Grade B contour to Canton and the fact that there will be made available a program service from the State capital: *Accordingly, it is ordered*, That the provisions of § 74.1107 of the rules are waived in order to permit Fulton's Canton CATV system to carry, as proposed, the distant signals from the Quad City, Springfield, and Urbana-Champaign. The waiver to permit carriage of educational Channel 12, Urbana-Champaign, will terminate upon activation of the Peoria educational assignment.

5. GE proposes to operate in three communities in the heart of the market—Peoria, Peoria Heights, and Bartonville (combined population, 203,635)—carrying a number of distant network, educational, and independent signals. Since Peoria is the heart of the market and in view of the UHF availabilities, a hearing on GE's proposal seems required: *Accordingly, it is further ordered,* This 25th day of January 1967, pursuant to sections 4(i), 303, and 307(b) of the Communications Act and § 74.1107 of the Commission's rules, that with respect to the petitions filed by General Electric Cablevision hearing is ordered on the following issues:

1. To determine the present and proposed penetration and extent of CATV service in the Peoria market.

2. To determine the effects of current and proposed CATV service in the Peoria market upon existing, proposed, and potential television broadcast stations in the market.

3. To determine (1) the present policy and proposed future plans of respondents with respect to the furnishing of any service other than the relay of the signals of broadcast stations; (2) the potential for such services; and (3) the impact of such services upon television broadcast stations in the market.

4. To determine whether the CATV proposals are consistent with the public interest.

West Central Broadcasting Co., Midwest Television, Inc., and General Electric Cablevision Corp. are parties to this proceeding and, to participate, must comply with the applicable provisions of § 1.221 of the Commission's rules. The burden of proof is upon petitioner. A time and place for the hearing will be specified in another order.

Released: February 2, 1967.

FEDERAL COMMUNICATIONS COMMISSION,[1]
[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 67-1474; Filed, Feb. 7, 1967; 8:45 a.m.]

[Docket Nos. 17144, 17155; FCC 67M-180]

GENERAL ELECTRIC CABLEVISION CORP.

Order Scheduling Hearing

In re petitions by General Electric Cablevision Corp., Peoria, Ill., Docket No. 17144, File No. CATV 100-25; General Electric Cablevision Corp., Peoria Heights and Bartonville, Ill., Docket No. 17155, File No. CATV 100-59; for authority pursuant to § 74.1107 of the rules to operate CATV systems in the Peoria television market.

It is ordered, This 3d day of February 1967, that Herbert Sharfman shall serve as Presiding Officer in the above-entitled proceeding; that the hearings therein shall be convened on March 15, 1967, at 10 a.m.; and that a prehearing conference shall be held on February 17, 1967, commencing at 9 a.m.: *And it is further ordered,* That all proceedings shall be held in the offices of the Commission, Washington, D.C.

Released: February 3, 1967.

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

[F.R. Doc. 67-1475; Filed, Feb. 7, 1967; 8:45 a.m.]

[Docket Nos. 17148-17150; FCC 67-125]

L & S BROADCASTING CO. ET AL.

Memorandum Opinion and Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of L & S Broadcasting Co., Jacksonville, N.C., Docket No. 17148, File No. BP-16329; Requests: 1070 kc, 1 kw, Day, Class II-D; Roy H. Park Radio, Inc. (WNCT), Greenville, N.C., Docket No. 17149, File No. BP-16563; Has: 1590 kc, 1 kw, 5 kw-LS, DA-N, U, Class III, Requests: 1070 kc, 10 kw, DA-2, U, Class II-B; John C. Hall, Ayden, N.C., Docket No. 17150, File No. BP-16604; Requests: 1070 kc, 1 kw, Day, Class II-D, for construction permits.

1. The Commission has before it for consideration (a) the above-captioned and described mutually exclusive applications; (b) a petition for dismissal by Seaboard Broadcasting Corp., licensee of Station WLAS, Jacksonville, N.C., filed on February 15, 1965, directed against the L & S Broadcasting Co. application; and (c) other related pleadings.[1]

2. Seaboard bases its claim of standing as a "party in interest" on the fact that the station proposed by L & S would directly compete with WLAS for audience, advertising revenues and programing. The Commission finds that Seaboard has standing as a "party in interest" within the meaning of section 309 (d)(1) of the Communications Act of 1934, as amended, and § 1.580(i) of the Commission's rules. FCC v. Sanders Bros. Radio Station, 309 U.S. 470, 9 R.R. 2008 (1940).

3. The L & S application was filed on August 25, 1964. At that time Samuel Leder was listed as a director and 25.25 percent stockholder of the applicant. In its petition for dismissal, Seaboard notes that Leder is also vice president and 50 percent stockholder of the licensee of Station WLSE, Wallace, N.C. WLSE's site and the proposed L & S site are approximately 31 miles apart and an engineering exhibit attached to the Seaboard petition clearly shows that the proposed 1 mv/m contour of L & S would overlap the existing 1 mv/m contour of WLSE in contravention of § 73.35(a) of the rules. Seaboard also alleges that, in addition to Samuel Leder's direct ownership interests, there are existing family interests which result in indirect ownership and control within the meaning of the rule. At the time Seaboard's petition was filed, Morris and Leon Leder, brothers of Samuel Leder, each owned 24.75 percent of L & S and Julius J. Segerman, Samuel Leder's brother-in-law, owned 25.25 percent.

4. On March 2, 1965, L & S amended its application to delete all reference to Samuel Leder. In its opposition filed the same day, L & S denied that the family relationship contravened § 73.35 and stated that it was unaware of the overlap at the time the application was filed. In conclusion, L & S requested that the Commission dismiss the Seaboard petition as moot.

5. On March 10, 1965, Seaboard replied to the L & S opposition, pointing out that the Commission, in adopting the new § 73.35, required nonconforming applicants to amend their applications to comply with the new rule by July 16, 1964, or face dismissal.[2] This deadline was subsequently extended to October 12, 1964.[3] Seaboard contends that the L & S application should have been dismissed because it was not amended by the date specified.

6. By letter dated March 31, 1965, the Commission gave L & S the opportunity of submitting comments on the question of whether, in light of the family and business relationships involved, a grant of the application would be barred by § 73.35.

7. On April 20, 1965, L & S filed an amendment stating unequivocally that "there are no extant family or business relationships between Mr. Samuel Leder and the principals of the L & S Broadcasting Co. which would in any way tend to diminish open, arms-length competition between WLSE, Wallace, N.C., and the * * * station proposed." L & S also stated that Samuel Leder is paid no salary as vice president of WLSE, other than a monthly director's fee and has no direct responsibility for the operation or control of the station other than being a shareholder and director. L & S maintained that Samuel Leder and each of its principals have independent financial interests except for certain real estate investments and minority stockholdings in the First National Bank of Eastern North Carolina, of which Samuel Leder is a director; that Samuel Leder owns three retail stores in Jacksonville, N.C. that are in competition with a department store wholly owned by Julius Segerman; that Morris and Leon Leder own a total of four stores individually in four different

[1] Statement in which Commissioner Bartley concurs in part and dissents in part and in which Commissioner Loevinger joins, filed as part of the original document; Commissioner Lee absent.

[1] Before the Commission are (a) amendments to the L & S application filed Mar. 2, 1965, Apr. 20, 1965, June 7, 1965, and Oct. 26, 1965; (b) "Opposition to Petition for Dismissal" filed by L & S on Mar. 2, 1965; (c) "Reply to Opposition to Petition for Dismissal" filed by Seaboard on Mar. 10, 1965; (d) "Reply Comments of Seaboard Broadcasting Corp." filed on June 1, 1965; (e) "Supplemental Comments of L & S Broadcasting Co." filed on July 6, 1965; (f) "Motion to Strike" filed by Seaboard on July 19, 1965; (g) "Opposition to Motion to Strike" filed by L & S on July 23, 1965.

[2] In re Amendment of Multiple Ownership Rules (Docket 14711) FCC 64-445, 2 R.R. 2d 1588, at 1603.

[3] In re Amendment of Multiple Ownership Rules, FCC 64-904, 3 R.R. 2d 1554, at 1564.

towns in North Carolina; and that there is nothing which would prevent the same type of open competition between the proposal and WLSE as presently exists between the various merchandising enterprises operated by the principals of L & S and Samuel Leder.

8. In its reply comments filed June 1, 1965, Seaboard recited briefly the history of the Leder Brothers Enterprises in an attempt to show that from 1925 until 1960, all the Leder stores were operated as a family business and that to this day Morris, Leon, and Samuel, together with J. Herman and Joseph Leder are partners in a department store in Fayetteville, N.C. Seaboard concludes that there is a continuing pattern of aid, advice and assistance between members of the family which would preclude arms-length competition between the proposal and WLSE.

9. Although L & S failed to amend its application prior to the effective date of the new multiple ownership rule and was thus subject to dismissal at that time, the applicant did eliminate this patent defect as soon as the matter was raised by Seaboard. In view of this prompt action taken as soon as the applicant became aware of the defect, the application will not be dismissed.

10. The Commission finds that Seaboard has neither contended nor shown that the principals of L & S Broadcasting Co. are financially dependent upon Samuel Leder. The application, in fact, shows that each of its principals has a net worth in excess of $150,000. Similarly, Seaboard has made no showing that the amendment deleting the name of Samuel Leder was merely a sham, and that notwithstanding the amendment, Samuel Leder still retains an interest in L & S. Further, no contention or showing is made that Morris, Leon, and/or Julius Leder, because of their common property interests or relationship to Samuel Leder, had any influence in the operation of WLSE. The Commission has consistently held that family relationship standing alone is insufficient to create the presumption of common control. See WPTF Radio Co., 23 FCC 12 R.R. 609, 669, Sheffield Broadcasting Co., FCC 62-339, 21 R.R. 507, 514a, East Arkansas Broadcasting, Inc., FCC 60-1283, 20 R.R. 934; and Southern Indiana Broadcasters, FCC 56-732, 14 R.R. 117. Furthermore, the facts developed by Seaboard with respect to the L & S proposal do not support a denial of the L & S application as inconsistent with the multiple ownership rule. The petition does not meet the requirements of §1.580(i) of the rules, which states that a petition to deny "shall contain specific allegations of fact sufficient to show * * * that a grant of the application would be prima facie inconsistent with the public interest, convenience, and necessity". Accordingly, the petition for dismissal of the L & S application filed by Seaboard Broadcasting Corp. will be denied. In view of the fact that the supplementary comments filed by L & S and the motion to strike those comments add nothing to alter the foregoing, the motion to strike will be dismissed as moot.

11. The applicant, John C. Hall, has submitted an incomplete financial statement and therefore his true net worth cannot be determined. Neither his liabilities nor his assets have been sufficiently detailed to enable the Commission to evaluate them. In addition, his application shows that he has only $26,612 available to defray what he has estimated to be approximately $51,000 in expenses in constructing and operating the proposed station for 1 year. Since by the applicant's own showing, he requires additional funds to construct and operate his proposed station, an appropriate financial issue will be included.

12. Further, the tower height and location proposed by John C. Hall has not received approval from the Federal Aviation Agency. Therefore, an issue will be included to determine if it would constitute a menace to air navigation.

13. The application of Roy H. Park Radio, Inc., proposes a nighttime operating power of 10 kilowatts utilizing a directional antenna to suppress the radiation in pertinent directions. The proposed radiation pattern indicates a calculated value of radiation as low as 2.7 mv/m in a null area and maximum expected operating values of radiation as low as 12.5 mv/m. In view of the high degree of suppression proposed, a substantial question obtains as to whether the proposed directional antenna system can be adjusted and maintained within the maximum expected operating values of radiation proposed. Accordingly, an issue with respect thereto will be included.

14. Except as indicated by the issues below, the applicants are legally, technically, financially, and otherwise qualified to construct, own and operate as proposed, but in view of the fact that the proposals are mutually exclusive, they must be designated for hearing in a consolidated proceeding on the issues specified below.

Accordingly, it is ordered, That pursuant to section 309(e) of the Communications Act of 1934, as amended, the above-captioned applications are designated for hearing in a consolidated proceeding, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which would receive primary service from the proposed operations of John C. Hall and L & S Broadcasting Co. and the availability of other primary service to such areas and populations.

2. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operation of Station WNCT and the availability of other primary service to such areas and populations.

3. To detemine with respect to the application of John C. Hall:

(a) The applicant's true net worth, and the amount of liquid assets available to finance the proposed station.

(b) In view of the evidence adduced in 3(a), whether the applicant has sufficient additional funds available to him to construct and operate the proposed station without revenue for the period of 1 year.

4. To detemine whether there is a reasonable possibility that the tower height and location proposed by John C. Hall could constitute a menace to air navigation.

5. To determine whether the directional antenna system proposed by Roy H. Park Radio, Inc., can be adjusted and maintained within the maximum expected operating values of radiation, as proposed.

6. To determine in the light of section 307(b) of the Communications Act of 1934, as amended, which of the proposals would best provide a fair, efficient, and equitable distribution of radio service.

7. To determine in the light of the evidence adduced pursuant to the foregoing issues, which, if any, of the applications should be granted.

It is further ordered, That the petition for dismissal filed by Seaboard Broadcasting Corp. is denied.

It is further ordered, That the Federal Aviation Agency is made a party to the proceeding.

It is further ordered, That in the event of a grant of any of the applications, the construction permit shall contain the following condition:

Pending a final decision in Docket No. 14419 with respect to presunrise operation with daytime facilities, the present provisions of § 73.87 of the Commission's rules are not extended to this authorization, and such operation in precluded.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicants and party 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 applicants 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, either individually or, if feasible and consistent with the rules, jointly, 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: January 25, 1967.

Released: February 3, 1967.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] BEN F. WAPLE, *Secretary.*

[F.R. Doc. 67-1476; Filed, Feb. 7, 1967; 8:46 a.m.]

[1] Statement in which Commissioner Bartley concurs in part and dissents in part and in which Commissioner Johnson concurs filed as part of the original document; Commissioner Lee absent.

[Docket Nos. 17148-17150; FCC 67M-177]

L & S BROADCASTING CO. ET AL.

Order Scheduling Hearing

In re applications of L & S Broadcasting Co., Jacksonville, N.C., Docket No. 17148, File No. BP-16329; Roy H. Park Radio, Inc. (WNCT), Greenville, N.C., Docket No. 17149, File No. BP-16563; John C. Hall, Ayden, N.C., Docket No. 17150, File No. BP-16604; for construction permits.

It is ordered, This 30th day of January 1967, that Forest L. McClenning shall serve as Presiding Officer in the above-entitled proceeding; that the hearings therein shall be convened on March 21, 1967, at 10 a.m.; and that a prehearing conference shall be held on February 15, 1967, commencing at 9 a.m.; *And, it is further ordered*, That all proceedings shall be held in the offices of the Commission, Washington, D.C.

Released: February 3, 1967.

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

[F.R. Doc. 67-1477; Filed, Feb. 7, 1967; 8:46 a.m.]

[Docket No 16766; FCC 67M-166]

MOUNT-ED-LYNN, INC.

Order Rescheduling Hearing

In re application of Mount-Ed-Lynn, Inc., Mountlake Terrace, Wash., Docket No. 16766, File No. BP-16882; for construction permit.

Pursuant to agreement of counsel arrived at during the further prehearing conference held on this date: *It is ordered*, This 30th day of January 1967, that the hearing in the above-entitled proceeding will be held at 10 a.m. on March 27, 1967, in the offices of the Commission, Washington, D.C.

Released: February 1, 1967.

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

[F.R. Doc. 67-1478; Filed, Feb. 7, 1967; 8:46 a.m.]

[Docket No. 17143; FCC 67M-178]

STOKES COUNTY BROADCASTING CO. (WKTE)

Order Scheduling Hearing

In re application of Stokes County Broadcasting Co. (WKTE), King, N.C., Docket No. 17143, File No. BP-16610; for construction permit.

It is ordered, This 30th day of January 1967, that Jay A. Kyle shall serve as Presiding Officer in the above-entitled proceeding; that the hearings therein shall be convened on March 20, 1967, at 10 a.m.; and that a prehearing conference shall be held on February 10, 1967, commencing at 9 a.m.: *And, it is further ordered*, That all proceedings shall be held in the offices of the Commission, Washington, D.C.

Released: February 3, 1967.

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

[F.R. Doc. 67-1479; Filed, Feb. 7, 1967; 8:46 a.m.]

[Docket No. 17143; FCC 67-108]

STOKES COUNTY BROADCASTING CO. (WKTE)

Memorandum Opinion and Order Designating Application for Hearing on Stated Issues

In re application of Stokes County Broadcasting Co. (WKTE), King, N.C., Docket No. 17143, File No. BP-16610; has: 1090 kc, 500 w, Day, Class II, requests: 1090 kc, 5 kw, DA-Day, Class II; for construction permit.

1. The Commission has before it (a) the above-captioned application of Stokes County Broadcasting Co. (WKTE), for a construction permit to modify existing facilities in King, N.C.; (b) an "Objection of Piedmont Publishing Company,"[1] the licensee of Station WSJS, Winston-Salem, N.C.; and (c) pleadings in opposition and reply thereto.

2. The applicant's proposed 5 mv/m contour would penetrate a small portion of Winston-Salem, N.C., a city with a population exceeding 50,000 and containing more than twice the population of King. (The 1960 population of Winston-Salem was 111,135. The population of King was unlisted in the census reports.)

3. Piedmont asserts that the community of King, N.C., is an unincorporated town of less than 1,000 persons, that WKTE's proposed 5 mv/m contour would penetrate the city limits of Winston-Salem[2] and that the applicant has not demonstrated why an increase in power from 500 watts to 5 kilowatts is required. In response, WKTE states that its present application is an amended proposal specifying directional operation, that it was amended to avoid a conflict with two Kingsport, Tenn., applications for the same frequency, and that its directional pattern was necessary to avoid interference with the Kingsport proposals and with existing stations on the frequency. Additionally, the applicant argues that its proposed revenues are based "largely" on advertising sources in the King area, and states that "it is not expected that much, if any, revenue will be derived from the city of Winston-Salem." Finally, WKTE points out that its penetration of Winston-Salem is minimal and that it involves only areas that have been added to the city within the past few years.

4. WKTE cites the case of West Central Ohio Broadcasters, Inc., 3 FCC 2d 223 (Review Board, 1966) for the proposition that engineering changes made to avoid conflicts with other stations may refute the presumption that service to a larger city is intended. For several reasons, West Central cannot be controlling here. First, the proposal in that case was for Xenia, Ohio, a city of 20,495, and the application was for a new 250-watt facility. WKTE, serving a considerably smaller community, already has 500 watts power and is seeking 5 kilowatts. Further, the proposal in West Central resulted in 5 mv/m penetration of Dayton, Ohio, only after it had been amended to avoid conflict with a proposed new station elsewhere. In the instant case, WKTE's proposal penetrated Winston-Salem's boundaries even prior to the amendment to avoid conflict with the Kingsport proposals. It is true that WKTE's directional proposal was engineered to avoid interference problems with other facilities as well as those in Kingsport, but the West Central case does not stand for the proposition that any engineering arrangements made to permit a power increase while avoiding overlap from other stations will serve to rebut the policy statement presumption.

5. WKTE emphasizes the fact that its 5 mv/m penetration of Winston-Salem is minimal and only involves the marginal boundaries of the city—areas added to the city limits in recent years. Although the Commission has taken the factor of degree of penetration into account in the past, this has been done only where the proposal was for a low-power facility in a substantial-sized suburban city not currently being served by a standard broadcast station. See, e.g., Du Page County Broadcasting, Inc., 5 FCC 2d (1966).[3]

6. We are of the opinion that WKTE has not succeeded in overcoming the presumption of intention to serve Winston-Salem and that an evidentiary hearing must be held to explore the matter further.

7. Except as indicated by the specified issues below, the applicant is qualified to construct and operate as proposed; however, in view of the foregoing, the Commission is unable to find that a grant of the application would serve the public interest, convenience and necessity, and is of the opinion that it must be designated for hearing on the issues set forth below.

Accordingly, it is ordered, That, pursuant to section 309(e) of the Communications Act of 1934, as amended, the application is designated for hearing, at a

[1] The Piedmont objection is in the nature of a petition to deny, and was filed after the published cutoff date for WKTE's proposal. However, the objection was filed pursuant to sec. 1.587 of the Commission's rules, and will be treated as an informal objection.

[2] Policy statement on Sec. 307(b); Considerations for Standard Broadcast Facilities Involving Suburban Communities, 2 FCC 2d 190 adopted Dec. 22, 1965.

[3] The policy statement recognized that penetration of a city with a 5 mv/m signal "generally results in the propagation of a competitive signal over a heavily populated area of substantial size * * *." Thus it is clear that degree of penetration, however small, is not an argument against application of the presumption, unless other compelling arguments in rebuttal are also present.

time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operation of Station WKTE and the availability of other primary service to such areas and populations.

2. To determine whether the proposal of Stokes County Broadcasting Co. (WKTE) will realistically provide a local transmission facility for its specified station location or for another larger community, in light of all the relevant evidence, including, but not necessarily limited to, the showing with respect to:

(a) The extent to which the specified station location has been ascertained by the applicant to have separate and distinct programing needs;

(b) The extent to which the needs of the specified station location are being met by existing standard broadcast stations;

(c) The extent to which the applicant's program proposal will meet the specific unsatisfied programing needs of its specified station location; and

(d) The extent to which the projected sources of the applicant's advertising revenues within its specified station location are adequate to support its proposal, as compared with its projected sources from all other areas.

3. To determine, in the event that it is concluded pursuant to the foregoing issue (a) that the proposal of the applicant will not realistically provide a local transmission service for its specified station location, whether such proposal meets all of the technical provisions of the rules, including §§ 73.30, 73.31 and 73.188(b) (1) and (2), for standard broadcast stations assigned to the most populous community for which it is determined that the proposal will realistically provide a local transmission service; namely, Winston-Salem, N.C.

4. To determine, in the light of the evidence adduced pursuant to the foregoing isues, whether a grant of the application would serve the public interest, convenience and necessity.

It is further ordered, That the objection of Piedmont Publishing Co. is granted.

It is further ordered, That, to avail itself of the opportunity to be heard, the applicant, 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 § 1.594 of the Commission rules, and section 311(a) (2) of the Communications Act of 1934, as amended, 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 Commission rules.

It is further ordered, That in the event of a grant of the application the construction permit shall include the following conditions:

Pending a final decision in Docket No. 14419 with respect to presunrise operation with daytime facilities, the present provisions of § 73.87 of the Commission rules are not extended to this authorization, and such operation is precluded.

Permittee shall accept any overlap that may result from a grant of the application of William R. Livesay, File No. BP-16859, Kingport, Tenn.

Adopted: January 25, 1967.

Released: February 2, 1967.

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

[F.R. Doc. 67-1480; Filed, Feb. 7, 1967; 8:46 a.m.]

[Docket No. 16921; FCC 67M-173]

ULTRAVISION BROADCASTING CO. AND COURIER CABLE CO., INC.

Memorandum Opinion and Order Continuing Hearing

In the matter of the petition of Florian R. Burczynaski, Stanley J. Jasinski and Roger K. Lund, doing business as Ultravision Broadcasting Co., Buffalo, N.Y.; to stay construction and prevent extension of CATV system operated in Buffalo by Courier Cable Co., Inc., Docket No. 16921.

By Herbert Sharfman, Hearing Examiner:

1. On February 1, 1967, counsel for Courier Cable Co., Inc., filed a consent motion for further revision of hearing schedule to permit the negotiation and possible execution of an agreement which, it is asserted, may shorten or obviate hearing. If the agreement is "finalized" (whether this means finally executed or only that its "final terms * * * will have been established" is uncertain) by February 27, as now expected, a further prehearing conference would be requested "so that the remaining procedural steps to be taken in this case can be agreed upon." From this the Hearing Examiner gathers that discussions may continue beyond February 27. By that date, according to the proposed revised schedule, Courier Cable would have "to furnish exhibits under issues on which it has the burden of going forward." If the hearing is eventually "obviated"—that is, not held at all—there would be no sense in prescribing that Courier Cable furnish exhibits which later negotiations would make unnecessary. The only reasonable course is to cancel the procedural schedule, and rule that the setting of a new schedule should await developments.

2. *Accordingly, it is ordered,* This 2d day of February 1967, that the consent motion for further revision of hearing schedule, filed for Courier Cable on February 1, 1967, is granted to the extent that the entire procedural schedule (see FCC 67M-56, released January 12, 1967) is canceled. The hearing is in indefinite continuance, pending developments: *Provided,* That if the Hearing Examiner is not notified by March 1, 1967, that the agreement is near execution he will in any event set a complete new schedule. In other respects the motion is denied.

Released: February 3, 1967.

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

[F.R. Doc. 67-1481; Filed, Feb. 7, 1967; 8:46 a.m.]

FEDERAL MARITIME COMMISSION

FOREIGN FORWARDING OF MILWAUKEE ET AL.

Notice of Agreements Filed for Approval

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

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

Unless otherwise indicated, these agreements are nonexclusive, cooperative working agreements under which the parties may perform freight forwarding services for each other. Forwarding and service fees are to be agreed upon on each transaction. Ocean freight compensation is to be divided as agreed between the parties.

Foreign Forwarding of Milwaukee, Milwaukee, Wis. and J. R. Michels, Inc., Houston, Tex.	FF-3240
Dever, Inc., Philadelphia, and Charleston Overseas Forwarders, Charleston, S.C.	FF-3241
Seaport Shipping Co., Portland, Oreg., and Common Market Forwarders, Inc., New York, N.Y.	FF-3242
Wehrli Shipping Co., Inc., New York, N.Y., and J. H. Russell Forwarding Co., Inc., New Orleans, La.	FF-3244
W. G. Carroll & Co., Inc., Atlanta, Ga., and American Union Transport Forwarding, Inc., New York, N.Y.	FF-3245
Marion International, Inc., New York, N.Y., and T. D. Downing Co., Boston, Mass.	FF-3246
John S. James, Savannah, Ga., and Godwin Shipping Co., Inc., Mobile, Ala.	FF-3247
Herb B. Meyer & Co., Inglewood, Calif., and Enterprise Shipping Corp., San Francisco, Calif.	FF-3248

L. E. Coppersmith, Inc., Los Angeles, Calif., and Imperial Household Shipping Co., Inc., Torrance, Calif ---------- FF-3249
Block Overseas Shipping Co., New York, N.Y., and Oceanic Forwarding Co., San Francisco, Calif ---------- FF-3250
Allen Forwarding Co., Philadelphia, Pa., and Common Market Forwarders, Houston, Tex ---------- FF-3251
Advance Shipping Co., New York, N.Y., and Transoceanic Shipping Co., Houston, Tex ---------- FF-3252
John S. James, Savannah, Ga., and C. A. Hartnett, Boston, Mass ---------- FF-3255
Heemsoth-Kerner Corp., New York, N.Y., and Heide Co., Inc., Wilmington, N.C. (Branch) ---------- FF-3257

Agreement No. FF-3253 between Penson Forwarding Corp., New York, N.Y. (Branches), and Air-Sea Forwarders, Inc., Los Angeles, Calif., is a cooperative working agreement whereunder the fee for forwarding services rendered by either party shall be agreed upon by the parties upon the basis of the services performed on each shipment. Compensation received from ocean carriers shall be divided by the parties in the following manner: 50 percent to Air-Sea Forwarders, Inc., and 50 percent to Penson Forwarding Corp. The aforementioned agreement between the parties indicated is augmented by the following provisions: Any domestic/overseas ocean freight traffic which has originated by PFC will be handled by Air-Sea in the name of PFC. At the option of Air-Sea it may use the name of PFC, N.Y. or PFC, Chicago.

Agreement No. FF-3254 between Morris & Co., Lake Charles, La., and Wehrli Shipping Co., Inc., New York, N.Y., is a cooperative working agreement, whereunder all forwarding work accomplished by Party (a), Morris & Co. for Party (b), Wehrli Shipping Co., Inc., will be on the basis of earning 100 percent of the fee. Ocean freight brokerage will be on the basis of 100 percent for Party (b).

Agreement No. FF-3256 between George M. Leininger Co., Inc., New Orleans, La., and Wehrli Shipping Co., New York, N.Y., is a cooperative working agreement whereunder the fee for forwarding services rendered by either party shall be agreed upon by the parties upon the services performed on each shipment. Compensation received from ocean carriers shall be divided by the parties in the following manner: 50 percent to Wehrli Shipping Co. and 50 percent to George M. Leininger Co., Inc.

Universal Transcontinental Corp., New York, N.Y., and Smith & Kelly Co., Savannah, Ga ---------- FF-3258
John H. Faunce, Inc., New York, N.Y., and Paul A. Boulo & Co., Mobile, Ala ---------- FF-3259
H. B. Thomas & Co., Los Angeles Calif. (Branches,) and Marion International, Inc., New York, N.Y ---------- FF-3260
John H. Faunce, Inc., New York, N.Y., and A. R. Savage & Son, Tampa, Fla ---------- FF-3261
Seaway Forwarding Co., Cleveland, Ohio, and Admiral Shipping Corp., Houston, Tex ---------- FF-3262
Chas. Kurz Co., Philadelphia, Pa., and H. D. Ardinger & Co., New York, N.Y ---------- FF-3263
Smith & Kelly Co., Savannah, Ga., and 7 Brothers International, Inc., Miami, Fla ---------- FF-3264

Agreement No. FF-3243 between (a) Major Forwarding Co., Inc., New York, N.Y., and (b) H. S. Thielen, Inc., Lake Charles, La., is a cooperative working agreement whereunder on shipments of paper, paper products or woodpulp, party (a) agrees to share brokerage with party (b) on the basis of 33⅓ percent for party (b) and 66⅔ percent for party (a). In no case would this remuneration to party (b) be less than $5 per shipment. For shipment of all other commodities, party (a) agrees to party (b) a minimum charge of $5 forwarding fee, plus $1 for passing export declaration, plus 33⅓ percent of the steamship brokerage. As heretofore, party (a) would arrange for shipping space, preparation of documents and pay for all telegraph expense or collect telephone calls. Party (b) would be expected to complete all the necessary documents and present them to the carriers, or customs house, or consulates for certification and have them returned to party (a) promptly.

NOTICE OF AGREEMENTS SUBJECT TO CANCELLATION

Notice is hereby given that the following independent ocean freight forwarder cooperative working agreement approved by the Commission pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814) is scheduled for cancellation inasmuch as in accordance with the terms therein the parties to the agreement have requested in writing that the agreement be terminated.

Sunshine Forwarders, Inc., Jacksonville, Fla., and Meyer Shipping Co., New York, N.Y ---------- FF-2843

Dated: February 3, 1967.

THOMAS LISI,
Secretary.

[F.R. Doc. 67-1482; Filed, Feb. 7, 1967; 8:46 a.m.]

MADISON SHIPPING CO., INC., ET AL.

Independent Ocean Freight Forwarder Licenses and Applications Therefor

Notice is hereby given of the cancellation of the following independent ocean freight forwarder licenses.

Madison Shipping Co., Inc., 401 Broadway, New York, N.Y., License No. 427, canceled Dec. 28, 1966.

Fairview Forwarders, Inc., 513 Napoleon Avenue, New Orleans, La. 70115, License No. 985, canceled Jan. 6, 1967.

Seabird Forwarders, Inc., 1271 Sixth Avenue, New York, N.Y. 10020, License No. 1054, canceled Jan. 6, 1967.

Broad Street Forwarders, Inc., 1212 Avenue of the Americas, New York, N.Y. 10036, License No. 261, canceled Jan. 10, 1967.

Acosta Shipping Corp., 38 Pearl Street, New York, N.Y. 10004, License No. 352, canceled Jan. 10, 1967.

J. W. Hampton, Jr. & Co. of Philadelphia, (Dorothea E. Leake, d.b.a.), 1308 Mall Building, Philadelphia, Pa. 19106, License No. 396, canceled Jan. 10, 1967.

Henry Vila, Inc., 80 Wall Street, New York, N.Y., License No. 372, canceled Jan. 23, 1967.

Notice is hereby given that the following applicants have filed with the Federal Maritime Commission, applications for licenses as independent ocean freight forwarders, pursuant to section 44(a) of the Shipping Act, 1916 (75 Stat. 522 and 46 U.S.C. 841(b)).

Persons knowing of any reason why any of the following applicants should not receive a license are requested to communicate with the Director, Bureau of Domestic Regulation, Federal Maritime Commission, Washington, D.C. 20573.

P & O Lines (North America), Inc., 155 Post Street, San Francisco, Calif. 94108, Warren S. Titus, president-director, Chalmers Graham, director, William Pflueger, director, George M. Turner, vice president, Henry R. Rolph, secretary.

Agapito Torres Maldonado, 39 A First Street, Urbanizacion Constancia, Post Office Box 1763, Ponce, P.R. 00731, Agapito Torres Maldonado, owner.

Notice is hereby given of changes in the following independent ocean freight forwarder licenses and applications.

ADDRESS CHANGES

Mittelstaedt, Galaviz & Mylin, 214 Front Street, San Francisco, Calif. 94111, License No. 953.

Mattoon & Co., Inc., 244 Jackson Street, San Francisco, Calif. 94111, License No. 275.

Arthur J. Fritz & Co., 244 Jackson Street, San Francisco, Calif. 94111, License No. 275.

Worlex Corp., 25 Broadway, New York, N.Y., License No. 1114.

D. Hauser, Inc., 16 Beaver Street, New York, N.Y. 10004, License No. 378.

Jet Forwarding, Inc., 2945 Columbia Street, Torrance, Calif. 90503, License No. 1069.

C. H. Powell Co., Inc., 25 Broadway, Room 1056, New York, N.Y. 10004, License No. 176.

L. V. De Mallo, 15 Park Row, New York, N.Y. 10038, License No. 1125.

Rohner, Gehrig & Co., Inc. (Branch), 5428 West 104th Street, Los Angeles, Calif. 90045, License No. 375.

Mattoon & Co., Inc. (Branch), 204 Decatur Street, New Orleans, La., License No. 275.

Buchholz & Kuttruff, Inc., 508 Cigali Building, New Orleans, La. 70130, License No. 602.

Consolidated Forwarding Co., 299 Broadway, Room 410, New York, N.Y. 10007, License No. 696.

Cohen-Plaat Co., Inc., 26 Beaver Street, New York, N.Y. 10004, License No. 132.

D. Lee Kraus & Co., 303 East Fayette Street, Baltimore, Md. 21202, License No. 1072.

John E. Coleman & Co., 615 Montgomery Street, Room 417, San Francisco, Calif. 94111, License No. 1040.

Edmond Loeliger, Inc., 1318 International Trade Mart Tower, New Orleans, La. 70130, License No. 930.

R. G. Hobelmann & Co. of Pa., Inc. (Branch), 320 Board of Trade Building, Toledo, Ohio, License No. 1029.

Horizon Forwarders, Inc., 95 Broad Street, New York, N.Y. 10004, License No. 1062.

San Francisco Freight Forwarders, Inc., 465 California Street, San Francisco, Calif. 94104, Application.

CHANGE OF OFFICERS

Coastal Forwarders, 24 Vendue Range, Post Office Box 690, Charleston, S.C.; License No. 959, Neil McCaskill, Jr., partner, Edgar E. McCaskill, partner.

American Express, 65 Broadway, New York, N.Y.; License No. 289, Glenn F. Call, assistant comptroller.

W. J. Byrnes & Co., 95 Broad Street, New York, N.Y.; License No. 39, Frank G. Barreca, president, Joseph A. Gunther, executive vice president, E. J. Sheridan, vice president, A. Firriola, vice president, J. J. Gerard, vice president, J. J. Dooley, vice president, F. J. DeLucca, treasurer, J. A. Sivenson, secretary.

Dumont Shipping Co., Inc., 11 Broadway, New York, N.Y.; License No. 887, Charles J. Mueller, Jr., president/director, Eugene Schramm, vice president, Charles J. Mueller, Jr., treasurer, John P. McQuade, secretary, Sol Abraham, assistant secretary, Albert E. Bowen, Jr., director.

Worlex Corp., 25 Broadway, New York, N.Y.; License No. 1114 (Branch), Marcello Guillen, secretary/treasurer, Ramon Gonzalez, vice president.

Wm. A. Hausman Co., Inc., 1008 Western Avenue, Seattle, Wash. 98104; License No. 592, Austen D. Hemion, president/director, Wm. A. Hausman, vice president/director, John M. Molsherry, secretary/treasurer/director.

Trans Atlantic Shipping Co., Ltd., 52 Broadway, New York, N.Y. 10004; License No. 1010, William P. Mulry, president, William G. Sikora, secretary/treasurer.

Rohner, Gehrig & Co., Inc., 1 Whitehall Street, New York, N.Y. 10004; License No. 375, J. A. Rohner, chairman, H. H. Babcock, director, J. J. Jacoby, director, Dr. N. Jaquet, director/vice president, E. E. Zurcher, president, Louis Francis, executive vice president, Ed. Blattner, vice president, Joseph Setariano, secretary, Pasq. Ascione, assistant secretary, K. Baumann, treasurer.

Palmetto Shipping Co., Inc., Prioleau and Cordes Streets, Charleston, S.C.; License No. 241, James P. Lamb, president/director, Cecile M. Vincent, secretary/treasurer/director, Robert Lilienthal, assistant secretary/treasurer, John G. Bratton, vice president, Edward A. Inabinett, vice president, J. Vernon Whitaker, chairman, Theodore D. Maybank, director.

Castelazo & Associates, 408 South Spring Street, Los Angeles, Calif.; License No. 412, Leonard Q. Webster, president, Crispin J. Ruiz, vice president, Allen R. Susdell, treasurer, Richard G. Croft, secretary.

Metro Shipping Corp., 50 Doncaster Road, Malverne, N.Y. 11565; License No. 368, Walter Siegler, president/treasurer, Gerda Siegler, secretary.

Nordisk Transport, Inc., 79 Wall Street, Room 503, New York, N.Y.; License No. 929, Lars Hannell, president/director, Staffan Kuylenstierna, vice president/general manager, Aarian N. Conte, vice president/director, Donald Cerasoli, treasurer, John F. Ryan, secretary/director, Louis Brickmeier, vice president.

R. B. Comar, Inc., 194 East Bay Street, Charleston, S.C. 29402; License No. 273, John E. Bevon, president/treasurer/director, Michael P. Conlon, vice president/director, John H. Qualey, vice president, Falcon B. Hawkins, secretary, James E. Utsey, assistant secretary, Sarah H. Schmonsees, assistant treasurer.

Geo. S. Bush & Co., Inc., 255-262 Colman Building, Seattle, Wash. 98104; License No. 308, Joseph W. Hansford, president, Jack R. Tuben, vice president, M. J. Hoffman, vice president, S. M. Jones, secretary, Wilbur W. Easter, chairman, H. I. Hoskins, special consultant.

Karr, Ellis & Co., Inc., 17 Battery Place, New York, N.Y. 10004; License No. 230, Benedict A. Fiducia, vice president, John Dailey, vice president.

CHANGE OF NAME

The Bartel Co., to The Bartel Shipping Co., Inc., 95 Broad Street, New York, N.Y., License No. 108.

William R. Rowe Co., to William R. Rowe Corp., 311 California Street, San Francisco, Calif., License No. 1049.

Leading Export Service Corp., Venezolana De Transportes, Inc., to Leading Export Service Corp., 11 Stone Street, New York, N.Y. 10004, License No. 1027.

Joseph C. Murray & Co., to Joseph C. Murray & Co., Inc., 44 Whitehall Street, New York, N.Y. 10004, License No. 379.

NEW APPLICANTS LICENSED

McCandless, Inc., 535 Gravier Street, New Orleans, La. 70130, License No. 1138, issued Dec. 22, 1966.

Engel Brothers, Inc., 901 Julia Street, Elizabeth, N.J. 07201, License No. 1139, issued Jan. 10, 1967.

Transport Services International, Post Office Box 467, San Pedro, Calif. 90732, License No. 1140, issued Jan. 25, 1967.

San Francisco Freight Forwarders, Inc., 268 Market Street, San Francisco, Calif. 94111, License No. 1141, issued Jan. 25, 1967.

Dated: February 3, 1967.

THOMAS LISI,
Secretary.

[F.R. Doc. 67-1483; Filed, Feb. 7, 1967; 8:46 a.m.]

MEDITERRANEAN-USA GREAT LAKES WESTBOUND FREIGHT CONFERENCE

Notice of Agreement Filed for Approval

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

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

Notice of agreement filed for approval by:

Mr. Eric G. Brown, Secretary, Mediterranean-USA Great Lakes Westbound Freight Conference, 10 Place de la Joliette, Marseilles, France.

Agreement 9020-1, between the members of the Mediterranean-USA Great Lakes Westbound Freight Conference, modifies the basic agreement to provide for (1) the insertion of the words "in standard barrels, in standard casks, in standard demicasks" between the words "olives" and "loaded" which appear in the proviso to the loading ports listed in Category 4 of Article 3, and (2) the addition to the first paragraph of Article 11 of a final sentence to read, as follows: "For each of the subsequent periods, the basic quotas will be adjusted on basis of actual carryings (not considering penalties) in the last preceding period, according to the following formulas:"

Dated: February 3, 1967.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 67-1484; Filed, Feb. 7, 1967; 8:47 a.m.]

[Independent Ocean Freight Forwarder License No. 1038]

H. C. MINER & CO.

Revocation of License

Whereas, by order to show cause served January 17, 1967, the Federal Maritime Commission ordered that H. C. Miner & Co., Port Laudania Building 2, Dania, Fla. 33004, on or before January 30, 1967, either (1) submit a valid bond effective on or before February 7, 1967, or (2) show cause in writing or request a hearing to show cause why its license should not be suspended or revoked pursuant to section 44(d), Shipping Act, 1916 (46 U.S.C. 841b); and

Whereas, H. C. Miner & Co. has failed within the time allotted to comply with the Commission's order to show cause.

Now, therefore, by virtue of authority vested in me by the Federal Maritime Commission as set forth in its order to show cause served January 17, 1967.

It is ordered, That the independent ocean freight forwarder license of H. C. Miner & Co. be and is hereby revoked, effective 12:01 a.m., February 7, 1967.

It is further ordered, That H. C. Miner & Co. return Independent Ocean Freight Forwarder License No. 1038 to the Commission for cancellation.

It is further ordered, That a copy of this order be published in the FEDERAL REGISTER and served on licensee.

JAMES E. MAZURE,
Director,
Bureau of Domestic Regulation.

[F.R. Doc. 67-1485; Filed, Feb. 7, 1967; 8:47 a.m.]

SOUTH ATLANTIC STEAMSHIP CONFERENCE

Notice of Agreement Filed for Approval

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

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Mari-

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

Notice of agreement filed for approval by:

Mr. E. J. Middleton, Secretary, South Atlantic Steamship Conference, Post Office Box 96, Savannah Bank & Trust Building, Savannah, Ga. 31402.

Agreement 8310-5, between the member lines of the South Atlantic Steamship Conference, modifies the basic agreement to provide for the deletion of the present provisions of Articles (9) and (10) which relate to the examination of any books, records, accounts and documents of any member of the Conference charged with a breach of the agreement and arbitration of disputes arising thereunder, and for the renumbering of Articles (11), (12), (13), (14), (15), (16), (17), and (18) as (9), (10), (11), (12), (13), (14), (15), and (16).

It also proposes the amendment of the basic agreement by the addition of new articles which (1) provide that each member of the Conference shall be responsible and liable for the acts and omissions in violation of the agreement of its officers, employees, agents, or subagents and of related entities subject to the control of the member, directly or indirectly; (2) spell out certain matters which constitute violations of the agreement; (3) provide for arbitration of those violations of the agreement in the event that the members found guilty are dissatisfied with the determinations, and outline the procedure for requesting arbitration. Savannah, Ga., is designated as the site of arbitration proceedings unless the parties agree upon a different site; (4) stipulate the penalties to be assessed for such violations and the disposition which will be made thereof; (5) outline the procedure for the investigation of complaints of alleged violations; (6) provide that each member within 30 days of the effective date of the agreement or upon admission to membership shall furnish a financial guarantee in the amount of $25,000 of its compliance with the terms and conditions of the agreement and with its rules and regulations. Provision is also made for the refund of this guarantee to the depositing member after termination of membership under certain conditions.

Dated: February 3, 1967.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 67-1486; Filed, Feb. 7, 1967; 8:47 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[70-4435]

VERMONT YANKEE NUCLEAR POWER CORP. ET AL.

Notice of Filing Regarding Issue of Common Stock by Public Utility Company and Its Acquisition by Subsidiary Companies of Registered Holding Companies and by Affiliates of Other Public Utility Companies

FEBRUARY 1, 1967.

In the matter of Vermont Yankee Nuclear Power Corp., 77 Grove Street, Rutland, Vt. 05701; Central Vermont Public Service Corp.; Green Mountain Power Corp.; New England Power Co. the Connecticut Light & Power Co.; Montaup Electric Co.; the Hartford Electric Light Co.; Western Massachusetts Electric Co.

Notice is hereby given that a joint application has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act") for authorization of the issuance by Vermont Yankee Nuclear Power Corp. ("Vermont Yankee") of shares of its common stock to finance, in part, a proposed nuclear-powered electric generating plant and for approval of the acquisition of shares of Vermont Yankee common stock by the other seven companies named above. The application designates sections 6(b), 9(a), and 10 of the Act as applicable to the proposed transactions. All interested persons are referred to the joint application, which is summarized below, for a complete statement of the proposed transactions.

Vermont Yankee was incorporated under the laws of Vermont on August 4, 1966, to construct, own, and operate a nuclear-powered electric generating plant to supply electric energy to the following 10 New England electric utility companies ("sponsor-companies"), including the 7 applicant-companies named above. New England Power Co. ("NEPCO"), an exempt holding company, is also a subsidiary company of New England Electric System ("NEES"), a registered holding company. The Connecticut Light & Power Co. ("CL&P"), the Hartford Electric Light Co. ("Hartford"), and Western Massachusetts Electric Co. ("WMECO") are subsidiary companies of Northeast Utilities, a registered holding company. Montaup Electric Co. ("Montaup") is a subsidiary company of Eastern Utilities Associates, a registered holding company. Central Vermont Public Service Corp. ("Central Vermont") is an exempt holding company. Green Mountain Power Corp. ("Green Mountain") is an affiliate of another public-utility company. The other three sponsor-companies are Cambridge Electric Light Co. ("Cambridge"), a subsidiary company of an exempt holding company; Public Service Co. of New Hampshire ("PSNH"), and Central Maine Power Co. ("Central Maine"), the latter two being affiliates of other public utility companies. These other three sponsor-companies propose to acquire shares of the Vermont Yankee common stock, but such acquisitions are not subject to Commission approval under the Act.

Vermont Yankee's plant, to be located in Vernon, Vt., is expected to be in operation in 1970. It is to have an initial capacity of about 540 megawatts and is expected to produce electric energy at an estimated generating cost of approximately 4 mills per KWH, which is stated to be about one-half to three-fourths of a mill less than might be expected from a comparable fossil-fuel plant. Power sold by Vermont Yankee will be delivered at its plant for transmission over the coordinated New England Transmission Grid interconnecting the electric systems of all of the sponsor-companies, thus assuring that each sponsor-company will receive energy equivalent to its share of the output of the Vermont Yankee plant.

Each of the sponsor-companies has entered into a written commitment with Vermont Yankee to purchase the percentage, set forth below, of Vermont Yankee's common stock, not exceeding $50 million in the aggregate for all sponsor-companies, and to purchase from Vermont Yankee, for a period of at least 25 years, the same percentage of the total capacity and output of the plant at a price based on Vermont Yankee's cost of service, including provision for an appropriate return on its net investment in the plant. The terms and conditions of such arrangements are to be mutually agreed upon. The sponsor-companies and their respective applicable percentages of stock and power entitlement are as follows:

	Percent
Central Vermont	35.0
Green Mountain	20.0
NEPCO	20.0
CL&P	6.0
Central Maine	4.0
PSNH	4.0
Hartford	3.5
Cambridge	2.5
Montaup	2.5
WMECO	2.5
Total	100.0

In accordance with the commitments set forth above, it is proposed that Vermont Yankee will issue, from time to time, 100,000 shares of its common stock, par value $100 per share, and each sponsor-company will acquire its applicable percentage of such shares. The 100,000 shares will be sold for cash, at their aggregate par value of $10 million, as funds may be needed to acquire and prepare the site on which the plant is to be located, and for necessary engineering, design and preliminary construction.

Vermont Yankee expects to obtain its capital requirements, now estimated at a total of from $100 to $110 million, by the issuance of additional shares of common stock to the sponsor-companies and by the issuance of bonds and other senior securities, all of which will be the subject of further filings with this Commis-

sion by Vermont Yankee as a subsidiary company of NEES and of Northeast Utilities.

The Board of Directors of Vermont Yankee will be composed of three representatives of Central Vermont; two representatives of NEPCO and Green Mountain; and one representative of Central Maine, Montaup, Cambridge, and PSNH. CL&P, Hartford and WMECO will have together two representatives. Each of Vermont Yankee's principal officers will be an officer of one of the sponsor-companies. Certain purchasing, financial, accounting, engineering, and similar services will be performed, at cost, for Vermont Yankee by one or more of the sponsor-companies or their affiliates.

The Vermont Public Service Board has jurisdiction over the issue of common stock by Vermont Yankee. The Massachusetts Department of Public Utilities has jurisdiction over the acquisition of the common stock of Vermont Yankee by NEPCO, Cambridge, Montaup, and WMECO. The orders of these agencies will be filed herein by amendment. No other State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions. The rates at which Vermont Yankee's electric output is to be sold to the sponsor-companies will be subject to the jurisdiction of the Federal Power Commission.

Expenses of Vermont Yankee in connection with the issue and sale of common stock, including legal fees and expenses aggregating $24,500, are estimated at $27,875. Aggregate expenses of the sponsor-companies are estimated at a total of $12,700 ranging from $200 to $3,000 in individual cases.

Applicants request exemption, pursuant to the provisions of paragraph (a)(5)(B) of Rule 50 promulgated under the Act, from the competitive bidding requirements of that rule for the proposed issuance and sale by Vermont Yankee of its common stock.

The sponsor-companies of Vermont Yankee, with the exception of Green Mountain, are among the sponsor-companies of two other New England nuclear-powered generating companies, under arrangements which, except for the respective percentages of stock ownership and power entitlement, are substantially similar to those involved in this proceeding. See Yankee Atomic Electric Company, 36 S.E.C. 552 (1955); Connecticut Yankee Atomic Power Company, Holding Company Act Release No. 14968 (Nov. 15, 1963).

Notice is further given that any interested person may, not later than February 20, 1967, request in writing that a hearing be held in respect of such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said joint application which he desires to controvert; or he may request that he be notified should the Commission order a hearing in respect thereof. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicants at the above-stated address, and proof of service thereof (by affidavit or, in case of an attorney at law, by certificate) should be filed contemporaneously with the request. At any time after said date, the joint application, as filed or as it may be amended, may be granted as provided in Rule 23 of the general rules and 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. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

By the Commission.

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

[F.R. Doc. 67-1447; Filed, Feb. 7, 1967; 8:45 a.m.]

SMALL BUSINESS ADMINISTRATION

[Delegation of Authority No. 30-6 (Rev. 2)]

ECONOMIC DEVELOPMENT COORDINATOR, ET AL., SOUTHWESTERN AREA

Delegation of Authority To Conduct Program Activities

Pursuant to the authority delegated to the Area Administrators by Delegation of Authority No. 30 (Revision 12), 32 F.R. 179, dated January 7, 1967, the following authority is hereby redelegated to the positions as indicated herein:

I. Area coordinators:

A. *Economic Development Coordinator.* **1. To approve or decline section 501, State Development Company loans without dollar limitation and section 502, Local Development Company loans up to $350,000 (SBA share).

2. To close and disburse sections 501 and 502 loans.

3. To extend the disbursement period on sections 501 and 502 loan authorizations or undisbursed portions of sections 501 and 502 loans.

4. To cancel wholly or in part undisbursed balances of partially disbursed sections 501 and 502 loans.

5. To take all necessary actions in connection with the administration, servicing, and collection; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing.

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privilege under the loan guaranty plan.

d. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; and (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

B. *Supervisory Loan Officer (Economic Development).* 1. To close and disburse sections 501 and 502 loans.

2. To extend the disbursement period on sections 501 and 502 loan authorizations or undisbursed portions of sections 501 and 502 loans.

3. To cancel wholly or in part undisbursed balances of partially disbursed sections 501 and 502 loans.

4. To take all necessary actions in connection with the administration, servicing, and collection; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing.

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privilege under the loan guaranty plan.

d. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; and (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under

any alleged violation of a participation or guaranty agreement.

C. *Liquidation and Disposal Coordinator.* 1. To take all necessary actions in connection with the liquidation and disposal of all loans and other obligations or assets, including collateral purchased; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. To take all necessary action in liquidating Economic Development Administration loans and acquired collateral when and as authorized by Economic Development Administration.

d. To advertise regarding the public sale of (a) collateral in connection with the liquidation of loans, and (b) acquired property.

e. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

D. *Supervisory Liquidation and Disposal Officer.* 1. To take all necessary actions in connection with the liquidation and disposal of all loans and other obligations or assets, including collateral purchased; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. To take all necessary action in liquidating Economic Development Administration loans and acquired collateral when and as authorized by Economic Development Administration.

d. To advertise regarding the public sale of (a) collateral in connection with the liquidation of loans and (b) acquired property.

e. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement; and (c) the cancellation of authority to liquidate.

E. *Financial Assistance Coordinator.* 1. *Eligibility Determinations (for Financial Assistance Only).* To determine eligibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

2. *Size Determinations (for Financial Assistance Only).* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

F. *Procurement and Management Assistance Coordinator.* 1. *Eligibility Determinations (for PMA activities only).* To determine eligibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

2. *Size Determinations (for PMA activities only).* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

G. *Area Administrative Officer.* 1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. Attorneys in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of Disaster Loan Offices, to obligate Small Business Administration to reimburse General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

II. Regional directors:

A. *Financial assistance.* 1. To approve business and disaster loans not exceeding $350,000 (SBA share) and economic opportunity loans not exceeding $25,000 (SBA share).

2. To decline business, economic opportunity and disaster loans of any amount.

3. To close and disburse approved loans.

4. To enter into business, economic opportunity and disaster loan participation agreements with banks.

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

(Name), Administrator,

By _____
(Name)
Regional Director,
(City)

6. To cancel, reinstate, modify and amend authorizations for business, economic opportunity and disaster loans.

7. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

8. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

9. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding principal balance of construction loans and loans involving accounts receivable and inventory financing.

**10. To establish disaster field offices upon receipt of advice of the designation of a disaster area; to advise on the making of disaster loans; to appoint as a processing representative any bank in the disaster area; and to close disaster field offices when no longer advisable to maintain such offices.

11. To take all necessary actions in connection with the administration, servicing and collections, other than those accounts classified as "in liquidation"; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer, and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of de-

posit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator;

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privilege under the loan guaranty plan.

d. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; and (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

B. *Size determinations.* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

C. *Eligibility determinations.* To determine eligibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

D. *Administration.* 1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. Attorneys in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of Disaster Loan Offices, to obligate Small Business Administration to reimburse the General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

E. *Chiefs, Financial Assistance Divisions (and Assistant Chiefs, if assigned).* 1. *Size Determinations for Financial Assistance Only.* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

2. *Eligibility Determinations for Financial Assistance Only.* To determine eligibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

3. To approve business and disaster loans not exceeding $350,000 (SBA share), and economic opportunity loans not exceeding $25,000 (SBA share).

4. To close and disburse approved business, economic opportunity and disaster loans.

5. To decline business, economic opportunity and disaster loans of any amount.

6. To enter into business, economic opportunity and disaster loan participation agreements with banks.

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

(Name), Administrator,
By ----------
(Name)
Title of person signing.

8. To cancel, reinstate, modify and amend authorizations for business, economic opportunity and disaster loans.

9. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

10. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

11. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding balance on construction loans and loans involving accounts receivable and inventory financing.

12. To take all necessary actions in connection with the administration, servicing and collection, other than those accounts classified as "in liquidation"; and to do and to perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator;

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or in part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privileges under the loan guaranty plan.

d. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; and (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

F. *Supervisory Loan Officer.* 1. To approve or decline direct loans not in excess of $50,000 and participation loans not in excess of $50,000 (SBA share).

2. To approve or decline economic opportunity loans not in excess of $25,000 (SBA share).

3. To close and disburse approved business, economic opportunity and disaster loans.

4. To enter into business loan participation agreements with banks.

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

(Name), Administrator,
By ----------
(Name)
Title of person signing.

6. To cancel, reinstate, modify and amend authorizations for business, economic opportunity and disaster loans.

7. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

8. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

9. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding balance on construction loans and loans involving accounts receivable and inventory financing.

10. To take all necessary actions in connection with the administration, servicing, and collection, other than those accounts classified as "in liquidation"; and to do and to perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any

kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quit-claim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or in part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privileges under the loan guaranty plan.

d. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; and (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

11. *Size Determinations for Financial Assistance Only.* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

12. *Eligibility Determinations for Financial Assistance Only.* To determine eligibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

G. *Loan Officer.* 1. To approve final actions concerning current direct or participation loans:

a. Use of the cash surrender value of life insurance to pay the premium on the policy.

b. Release of dividends of life insurance or consent to application against premiums.

c. Minor modifications in the authorization.

d. Extension of disbursement period.

e. Extension of initial principal payments.

f. Adjustment of interest payment dates.

g. Release of hazard insurance checks not in excess of $200 and endorse such checks on behalf of the Agency where SBA is named as joint loss payee.

h. Release of equipment with or without consideration where the value of equipment being released does not exceed $200.

2. To close and disburse approved business, economic opportunity and disaster loans.

H. *Regional Counsel (Reserved).*

I. *Chief, Accounting, Clerical and Training Division.* 1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. Attorney in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of Disaster Loan Offices, to obligate Small Business Administration to reimburse General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

J. *Assistant Chief, Accounting, Clerical and Training Division.* 1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. Attorney in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of Disaster Loan Offices, to obligate Small Business Administration to reimburse General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

III. Branch Managers (Reserved).

IV. The specific authority delegated herein, indicated by double asterisk (**) cannot be redelegated.

V. The authority delegated herein to a specific position may be exercised by any SBA employee designated as acting in that position.

VI. All previously delegated authority is hereby rescinded without prejudice to actions taken under such Delegations of Authority prior to the date hereof.

Effective Date: September 1, 1966.

ROBERT E. WEST,
Area Administrator,
Southwestern Area.

[F.R. Doc. 67-1448; Filed, Feb. 7, 1967; 8:45 a.m.]

[Delegation of Authority No. 30 (Rev. 12)]

ECONOMIC DEVELOPMENT COORDINATOR ET AL., MIDDLE ATLANTIC AREA

Delegation of Authority to Conduct Program Activities

Pursuant to the authority delegated to the Area Administrators by Delegation of Authority No. 30 (Revision 12), 32 F.R. 179, the following authority is hereby redelegated to the positions as indicated herein:

I. Area coordinators:

A. *Economic Development Coordinator.*

**1. To approve or decline section 501, State Development Company loans without dollar limitation and section 502, Local Development Company loans up to $350,000 (SBA share).

2. To close and disburse sections 501 and 502 loans.

3. To extend the disbursement period on sections 501 and 502 loan authorizations or undisbursed portions of sections 501 and 502 loans.

4. To cancel wholly or in part undisbursed balances of partially disbursed sections 501 and 502 loans.

5. To take all necessary actions in connection with the administration, servicing, and collection; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing.

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of assignments, subordinations, releases (in whole or in part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privilege under the loan guaranty plan.

d. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; and (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

B. *Supervisory Loan Officer (Economic Development).* 1. To close and disburse sections 501 and 502 loans.

2. To extend the disbursement period on sections 501 and 502 loan authorizations or undisbursed portions of sections 501 and 502 loans.

3. To cancel wholly or in part undisbursed balances of partially disbursed sections 501 and 502 loans.

4. To take all necessary actions in connection with the administration, servicing, and collection; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing.

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or war-

ranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other lien, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privilege under the loan guaranty plan.

d. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; and (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

C. *Liquidation and Disposal Coordinator.* 1. To take all necessary actions in connection with the liquidation and disposal of all loans and other obligations or assets, including collateral purchased; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. To take all necessary action in liquidating Economic Development Administration loans and acquired collateral when and as authorized by Economic Development Administration.

d. To advertise regarding the public sale of (a) collateral in connection with the liquidation of loans, and (b) acquired property.

e. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

D. *Supervisory Liquidation and Disposal Officer.* 1. To take all necessary actions in connection with the liquidation and disposal of all loans and other obligations or assets, including collateral purchased; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or in part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. To take all necessary action in liquidating Economic Development Administration loans and acquired collateral when and as authorized by Economic Development Administration.

d. To advertise regarding the public sale of (a) collateral in connection with the liquidation of loans and (b) acquired property.

e. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement; and (c) the cancellation of authority to liquidate.

E. *Financial Assistance Coordinator.* 1. *Eligibility determinations (for financial assistance only).* To determine elegibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

2. *Size determinations (for financial assistance only).* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

F. *Procurement and Management Assistance Coordinator.* 1. *Eligibility determinations (for PMA activities only).* To determine eligibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

2. *Size determination (for PMA activities only).* Item I.E. 2 above.

G. *Area Administrative Officer.* 1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. Attorneys in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of Disaster Loan Offices, to obligate Small Business Administration to reimburse General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

II. Regional directors:

A. *Financial Assistance.* 1. To approve business and disaster loans not exceeding $350,000 (SBA share) and economic opportunity loans not exceeding $25,000 (SBA share).

2. To decline business, economic opportunity and disaster loans of any amount.

3. To close and disburse approved loans.

4. To enter into business, economic opportunity and disaster loan participation agreements with banks.

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

(Name), Administrator,
By ----------
(Name)
Regional Director.

(City)

6. To cancel, reinstate, modify and amend authorizations for business, economic opportunity and disaster loans.

7. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

8. To approve, when requested in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

9. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding principal balance of construction loans and loans involving accounts receivable and inventory financing.

**10. To establish disaster field offices upon receipt of advice of the designa-

tion of a disaster area; to advise on the making of disaster loans; to appoint as a processing representative any bank in the disaster area; and to close disaster field offices when no longer advisable to maintain such offices.

11. To take all necessary actions in connection with the administration, servicing and collection, other than those accounts classified as "in liquidation"; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator;

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privilege under the loan guaranty plan.

d. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; and (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

B. *Size determinations.* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

C. *Eligibility determinations.* To determine eligibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

D. *Administration.* 1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. Attorneys in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of Disaster Loan Offices, to obligate Small Business Administration to reimburse the General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

E. *Chiefs, Financial Assistance Divisions (and Assistant Chiefs, if assigned).* 1. Size determinations for financial assistance only. To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

2. Eligibility determinations for financial assistance only. To determine eligibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

3. To approve business and disaster loans not exceeding $350,000 (SBA share), and economic opportunity loans not exceeding $25,000 (SBA share).

4. To close and disburse approved business, economic opportunity and disaster loans.

5. To decline business, economic opportunity and disaster loans of any amount.

6. To enter into business, economic opportunity and disaster loan participation agreements with banks.

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

(Name), Administrator,

By ----------
(Name)
Title of person signing.

8. To cancel, reinstate, modify and amend authorizations for business, economic opportunity and disaster loans.

9. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

10. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

11. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding balance on construction loans and loans involving accounts receivable and inventory financing.

12. To take all necessary actions in connection with the administration, servicing and collection, other than those accounts classified as "in liquidation"; and to do and to perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease; quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or in part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates, and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privileges under the loan guaranty plan.

d. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; and (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

F. *Supervisory Loan Officer.* 1. To approve or decline direct loans not in excess of $50,000 and participation loans not in excess of $50,000 (SBA share).

2. To approve or decline economic opportunity loans not in excess of $25,000 (SBA share).

3. To close and disburse approved business, economic opportunity, and disaster loans.

4. To enter into business loan participation agreements with banks.

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

(Name), Administrator,

By ----------
(Name)
Title of person signing.

6. To cancel, reinstate, modify and amend authorizations for business, economic opportunity and disaster loans.

7. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

8. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

9. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding balance on construction loans and loans involv-

ing accounts receivable and inventory financing.

10. To take all necessary actions in connection with the administration, servicing, and collection, other than those accounts classified as "in liquidation"; and to do and to perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or in part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privileges under the loan guaranty plan.

d. Except: (a) To compromise or sell any primary obligation or other evidence of indebtedness owed to the Agency for a sum less than the total amount due thereon; and (b) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

11. Size determinations for financial assistance only. To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

12. Eligibility determinations for financial assistance only. To determine eligibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

G. *Loan Officer.* 1. To approve final actions concerning current direct or participation loans:

a. Use of the cash surrender value of life insurance to pay the premium on the policy.

b. Release of dividends of life insurance or consent to application against premiums.

c. Minor modifications in the authorization.

d. Extension of disbursement period.

e. Extension of initial principal payments.

f. Adjustment of interest payment dates.

g. Release of hazard insurance checks not in excess of $200 and endorse such checks on behalf of the Agency where SBA is named as joint loss payee.

h. Release of equipment with or without consideration where the value of equipment being released does not exceed $200.

2. To close and disburse approved business, economic opportunity and disaster loans.

H. *Regional Counsel (Reserved).*

I. *Chief, Accounting, Clerical and Training Division.* 1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. Attorneys in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of Disaster Loan Offices, to obligate Small Business Administration to reimburse General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

J. *Assistant Chief, Accounting, Clerical, and Training Division.* 1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. Attorney in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of Disaster Loan Offices, to obligate Small Business Administration to reimburse General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

III. Branch Managers (Reserved).

IV. The specific authority delegated herein, indicated by double asterisks (**) cannot be redelegated.

V. The authority delegated herein to a specific position may be exercised by any SBA employee designated as acting in that position.

VI. All previously delegated authority is hereby rescinded without prejudice to actions taken under such Delegations of Authority prior to the date hereof.

Effective date: September 1, 1966.

EDWARD N. ROSA,
Area Administrator,
Middle Atlantic Area.

[F.R. Doc. 67-1449; Filed, Feb. 7, 1967; 8:45 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATION FOR RELIEF

FEBRUARY 3, 1967.

Protests to the granting of an application must be prepared in accordance with § 1.40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 40884—*Sal soda or bicarbonate of soda from Alchem and Westvaco, Wyo.* Filed by Western Trunk Line Committee, agent (No. A-2484), for interested rail carriers. Rates on sal soda or sodium (soda), bicarbonate of, in carloads, from Alchem and Westvaco, Wyo., to points in southwestern and western trunkline territories.

Grounds for relief—Market competition, modified short-line distance formula and grouping.

Tariffs—Supplement 33 to Western Trunk Line Committee, agent, tariff ICC A-4530, and supplement 114 to Southwestern Freight Bureau, agent, tariff ICC 4526.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 67-1510; Filed, Feb. 7, 1967; 8:49 a.m.]

[Notice 333]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

FEBRUARY 3, 1967.

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 112750 (Sub-No. 238 TA), filed January 31, 1967. Applicant: AMERICAN COURIER CORPORATION, 222-17 Northern Boulevard, Bayside, N.Y. 11361. Applicant's representative: J. K. Murphy (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, as follows: *Commercial papers, documents and written instruments* (except coin, currency, bullion, and negotiable securities) and *audit and accounting media of all kinds* as are used in the business of banks and banking institutions, between points in Cumberland County, Pa., on the one hand, and, on the other, points in Anne Arundel, Caroline, Kent, Prince Georges, and Talbot Counties, Md.; Broome, Chemung, Tioga, and Steuben Counties, N.Y.; Augusta, Fauquier, Loudoun, Prince William, Rockingham, Shenandoah, and Warren Counties, Va.; and Hampshire and Morgan Counties, W. Va., for 180 days. Supporting shipper: The Philadelphia National Bank, Philadelphia, Pa. 19101. Send protests to: E. N. Carignan, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 346 Broadway, New York, N.Y.

No. MC 117823 (Sub-No. 31 TA), filed January 31, 1967. Applicant: DUNKLEY REFRIGERATED TRANSPORT, INC., 240 West California Avenue, Salt Lake City, Utah 84115. Applicant's representative: Lon Rodney Kump, 720 Newhouse Building, Salt Lake City, Utah 84111. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, as follows: *Dairy Products*, as described in section B of appendix I to the report in *Descriptions in Motor Carrier's Certificates*, 61 M.C.C. 209, from points in Idaho to Logan, Utah, and from Logan, Utah, to points in Nevada and California, for 180 days. Supporting shipper: Dairy Distributors, Inc., doing business as Gossner's Cheese Factory, 10th North 10th West, Logan, Utah 84321. Send protests to: John T. Vaughan, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 2224 Federal Building, Salt Lake City, Utah 84111.

No. MC 127834 (Sub-No. 6 TA), filed January 31, 1967. Applicant: CHEROKEE HAULING & RIGGING, INC., 540-42 Merritt Avenue, Nashville, Tenn. 37203. Applicant's representative: M. Bryan Stanley (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, as follows: *Iron or steel rods, angles and reinforcing bars*, from the plantsite of Tennessee Forging Steel Corp., near Harriman, Tenn., to points in Virginia, for 180 days. Supporting shipper: Tennessee Forging Steel Corp., Highway 61, Harriman, Tenn. 37748. Send protests to: J. E. Gamble, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 706 U.S. Courthouse, Nashville, Tenn. 37203.

No. MC 128845 TA, filed January 31, 1967. Applicant: BOULETTE LUMBER CO., INC., Box 244, 6 Summer Street, Waterville, Maine 04902. Applicant's representative: Louis R. Marcou, 208-209 Professional Building, Waterville, Maine 04901. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, as follows: *Wood chips*, in bulk, from the U.S. port of entr. on the United States-Canada boundary line near Jackman, Maine, to Rumford, Maine, for 150 days. Supporting shipper: Rodrigue Brothers, St. Aurelie, County of Dorchester, Quebec, Canada. Send protest to: Donald G. Weiler, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Room 307, 76 Pearl Street, Portland, Maine 04112.

No. MC 128846 TA, filed January 31, 1967. Applicant: A. GUEBERT, INC., Red Bud, Ill. Applicant's representative: Delmar O. Koebel, 107 West St. Louis Street, Lebanon, Ill. 62254. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, as follows: (1) *Dex-mo-lass and feed products*, (2) *mineral supplement and feed products*, (3) *farm equipment*, (1) from Clinton, Iowa, to Sparta, Nashville, and Murphysboro, Ill.; (2) from Hannibal, Mo., to Sparta, Nashville, and Murphysboro, Ill.; (3) from Goshen, Ind., to Sparta, Nashville, and Murphysboro, Ill., for 180 days. Supporting shippers: Twin County Service Co., 501 North Monroe, Marion, Ill.; Randolph Service Co., Sparta, Ill. 62286; Washington County Service Co., Box 112, Nashville, Ill. 62263. Send protests to: Harold C. Jolliff, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Room 476, 325 West Adams Street, Springfield, Ill. 62704.

No. MC 128847 TA, filed January 31, 1967. Applicant: HAROLD J. McTAGGART, doing business as HAROLD J. McTAGGART TRUCKING, 4306 Third Street, Port Hope, Mich. 48468. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, as follows: *Fertilizer*, from Toledo and Findlay, Ohio, to points in Huron, Sanilac, and Montcalm Counties, Mich., for 180 days. Supporting shipper: Bad Axe Grain Co., Bad Axe, Mich. 48413. Send protests to: District Supervisor Gerald J. Davis, Bureau of Operations and Compliance, Interstate Commerce Commission, 1110 Broderick Tower, 10 Witherell, Detroit, Mich. 48226.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 67-1511; Filed, Feb. 7, 1967; 8:49 a.m.]

[Notice 432]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

FEBRUARY 3, 1967.

The following letter-notices of proposals to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission, under the Commission's Deviation Rules Revised, 1957 (49 CFR 211.1 (c)(8)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 211.1(d)(4)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 211.1(e)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Deviation Rules Revised, 1957, will be numbered consecutively for convenience in identification and protests if any should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC 1101 (Deviation No. 1), ACME TRANSFER COMPANY, INC., 6217 Gilmore Avenue, Omaha, Nebr. 68107, filed January 24, 1967. Carrier's representative: Donald E. Leonard, Box 2028, Lincoln, Nebr. 68501. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: Between Omaha, Nebr., and North Platte, Nebr., over Interstate Highway 80, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From Omaha, Nebr., over U.S. Highway 6 to Lincoln, Nebr., thence over U.S. Highway 77 to Beatrice, Nebr., thence over U.S. Highway 136 (formerly Nebraska Highway 3) to Fairbury, Nebr., (2) from Omaha, Nebr., over U.S. Highway 6 to Lincoln, Nebr., thence over U.S. Highway 34 to junction unnumbered highway (formerly U.S. Highway 281), thence over unnumbered highway to Grand Island, Nebr., (3) from Omaha, Nebr., over U.S. Highway 6 to Hastings, Nebr., thence over U.S. Highway 281 to junction unnumbered highway (formerly U.S. Highway 281), thence over unnumbered highway to Grand Island, Nebr., (4) from Omaha, Nebr., over U.S. Highway 6 (formerly portion U.S. Highway 275) to junction U.S. Highway 275, thence over U.S. Highway 275 to Fremont, Nebr., thence over U.S. Highway 30 to Grand Island, Nebr., and (5) from North Platte, Nebr., over U.S. Highway 30 to Grand Island, Nebr., and return over the same routes.

No. MC 60012 (Deviation No. 2), RIO GRANDE MOTOR WAY, INC., 1531 Stout Street, Post Office Box 5482, Denver, Colo. 80217, filed January 23, 1967. Carrier's representative: Warren D.

Braucher, 604 Rio Grande Building, Denver, Colo. 80217. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Heber, Utah, over U.S. Highway 40 to junction U.S. Highway 6 approximately 2 miles east of Empire, Colo., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From Denver, Colo., over U.S. Highway 6 to Wheeler, Colo., thence over Colorado Highway 91 to Leadville, Colo., thence over U.S. Highway 24 to Grand Junction, Colo., (2) from Wheeler, Colo., over U.S. Highway 6 to Dowds, Colo., (3) from Provo, Utah, over U.S. Highway 189 to Heber, Utah, (4) from Salt Lake City, Utah, over U.S. Highway 91 via Springville, Utah, to Spanish Fork, Utah, thence over U.S. Highway 6 to Price, Utah, and (5) from Price, Utah, over U.S. Highway 50 to Grand Junction, Colo., and return over the same routes.

No. MC 109533 (Deviation No. 4), OVERNITE TRANSPORTATION COMPANY, Post Office Box 1216, Richmond, Va. 23209, filed January 24, 1967. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Charlotte, N.C., over North Carolina Highway 16 to Conover, N.C., thence over Interstate Highway 40 (or U.S. Highway 70), to Nashville, Tenn., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From Charlotte, N.C., over U.S. Highway 74 via Monroe, N.C., to junction U.S. Highway 301, thence over U.S. Highway 301 to Lumberton, N.C., thence over North Carolina Highway 211 to Bolton, N.C., thence over U.S. Highway 74 to junction North Carolina Highway 87, and (2) from Monroe, N.C., over U.S. Highway 74 to Asheville, N.C., thence over U.S. Highway 70 to Nashville, Tenn., and return over the same routes.

MOTOR CARRIER OF PASSENGERS

No. MC 74761 (Deviation No. 4), TAMIAMI TRAIL TOURS, INC., 4305 21st Avenue, Tampa, Fla. 33610, filed January 24, 1967. Carrier's representative: James E. Wharton, 506 First National Bank Building, Post Office Box 231, Orlando, Fla. 32802. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage*, and *express and newspapers*, in the same vehicle with passengers, over deviation routes as follows: (1) From West Palm Beach, Fla., over U.S. Highway 441 to junction with the Sunshine State Parkway, approximately 7 miles west of West Palm Beach, Fla., thence over the Sunshine State Parkway to junction Interstate Highway 4, thence over Interstate Highway 4 to Orlando, Fla., (2) from Miami, Fla., over the Sunshine State Parkway to junction Interstate Highway 4, thence over Interstate Highway 4 to Orlando, Fla., and (3) from Fort Lauderdale, Fla., over Florida Highway 84 to junction with the Sunshine State Parkway, thence over the Sunshine State Parkway to junction Interstate Highway 4, thence over Interstate Highway 4 to Orlando, Fla., and return over the same routes, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over pertinent service routes as follows: (1) From West Palm Beach, Fla., over U.S. Highway 441 to junction Temporary U.S. Highway 98, thence over Temporary U.S. Highway 98 to Canal Point, Fla., thence over U.S. Highway 441 to junction Florida Highway 15, thence over Florida Highway 15 to Orlando, Fla., (2) from Miami, Fla., over U.S. Highway 27 to South Bay, Fla., thence over Florida Highway 80 to Belle Glade, Fla., thence over U.S. Highway 441 to junction Florida Highway 15 near St. Cloud, Fla., thence over Florida Highway 15 to Orlando, Fla., and (3) from Fort Lauderdale, Fla., over Florida Highway 84 to junction U.S. Highway 27, thence over U.S. Highway 27 to South Bay, Fla., and thence over the route specified in (2) to Orlando, Fla., and return over the same routes.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 67-1512; Filed, Feb. 7, 1967; 8:49 a.m.]

[Notice 1026]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

FEBRUARY 3, 1967.

The following publications are governed by Special Rule 1.247 of the Commission's rules of practice, published in the FEDERAL REGISTER issue of April 20, 1966, which became effective May 20, 1966.

The publications hereinafter set forth reflect the scope of the applications as filed by applicant, and may include descriptions, restrictions, or limitations which are not in a form acceptable to the Commission. Authority which ultimately may be granted as a result of the applications here noticed will not necessarily reflect the phraseology set forth in the application as filed, but also will eliminate any restrictions which are not acceptable to the Commission.

APPLICATIONS ASSIGNED FOR ORAL HEARING

MOTOR CARRIERS OF PROPERTY

No. MC 115311 (Sub-No. 61) (Amendment), filed September 14, 1966, published FEDERAL REGISTER issue of September 29, 1966, amended January 17, 1967, and republished as amended, this issue. Applicant: J & M TRANSPORTATION CO., INC., Post Office Box 488, Milledgeville, Ga. Applicant's representative: Paul M. Daniell, 1600 First Federal Building, Atlanta, Ga. 30303. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Plywood*, (2) *wood flooring*, (3) *wood siding*, (4) *paneling*, (5) *wallboard*, and (6) *accessories* used in the installation of items (1) through (5), from Charlotte, N.C., to points in South Carolina, Tennessee, Georgia, Florida, Louisiana, Mississippi, and Alabama. NOTE: The purpose of this republication is to broaden the application by adding the destination State of Alabama.

HEARING REMAINS ASSIGNED: March 15, 1967, at the U.S. Post Office and Courthouse, 401 West Trade Street, Charlotte, N.C., before Examiner Richard M. Hartsock.

No. MC 19311 (Sub-No. 13) (Republication) published FEDERAL REGISTER issues of April 20, 1966, and January 18, 1967, under State Docket No. C-6714, Case No. 19, and republished this issue. Applicant: CENTRAL TRANSPORT, INC., 3399 East McNichols Road, Detroit, Mich. 48212. Applicant's representative: Snyder, Loomis & Ewert, 117 West Allegan Street, Lansing, Mich. 48933. An order of the Commission, Operating Rights Board No. 2, dated December 27, 1966, and served January 9, 1967, as amended, finds that the description of the transportation service authorized to be conducted solely within the State of Michigan, in intrastate commerce, as a common carrier by motor vehicle, pursuant to Common Carrier Certificate No. C-6714, Case No. 19, dated May 19, 1966, issued by the Michigan Public Service Commission: *General commodities* serving the plantsite of Brighton N C Machine Corp., located at 3400 Swarthout Road in Hamburg Township, Livingston County, Mich. (approximately 2 miles north of Michigan Highway 36), as an off-route point in connection with applicant's otherwise authorized regular route service. Because it is possible that interested parties, who have relied upon the notice of the application as published in the FEDERAL REGISTER, may have an interest in and would be prejudiced by the lack of proper notice of the authority described in this order, a notice of the authority granted by this order will be published in the FEDERAL REGISTER and issuance of a certificate of registration in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate pleading.

NOTICE OF FILING OF PETITIONS

No. MC-35628 (Notice of filing of petition for clarification of certificate), filed January 11, 1967. Petitioner: INTERSTATE MOTOR FREIGHT SYSTEM, 134 Grandville Avenue SW., Grand Rapids, Mich. 49502. Petitioner's representative: Leonard D. Verdier, Jr. (same address as applicant). Petitioner states that in MC 35628, the following authorizations are set forth: Between Chicago, Ill., and Minneapolis and St. Paul, Minn., serving the intermediate points of Milwaukee and Madison, Wis., from Chicago over U.S. Highway 41 to Milwaukee, Wis.,

thence over U.S. Highway 18 to Madison, Wis., and thence over U.S. Highway 12 to Minneapolis and St. Paul, and return over the same route; and between Tomah, Wis., and Minneapolis and St. Paul, Minn., serving the intermediate point of La Crosse, Wis., from Tomah over U.S. Highway 16 to La Crosse, Wis., and thence over U.S. Highway 61 to Minneapolis and St. Paul, and return over the same route. Petitioner has consistently interpreted its certificate as authorizing service at Tomah for purposes of joinder only. In order to clarify its authority, petitioner believes that both of the route descriptions set forth above should be supplemented by the phrase "and serving Tomah, Wis., for purposes of joinder only". Any interested person desiring to participate may file an original and six copies of his written representations, views, or argument in support of, or against the petition within 30 days from the date of publication in the FEDERAL REGISTER.

No. MC 116497 (Notice of filing of petition to amend permit), filed January 13, 1967. Petitioner: CLANCY BROS. TRANSPORTATION CO., INC., 70 Bengal Terrace, Rochester, N.Y. 14610. Petitioner's representative: Raymond A. Richards, 23 West Main Street, Webster, N.Y. 14580. Petitioner states that it holds authority in MC 116497, to transport as follows: *Fresh meats*, in vehicles equipped with mechanical refrigeration, from Rochester, N.Y., to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New York, New Jersey, Rhode Island, Pennsylvania, Virginia, and the District of Columbia, with no transportation for compensation on return except as otherwise authorized. Restriction: The above-described operations are limited to a transportation service to be performed, under a continuing contract, or contracts, with Queen Packing Co. of Rochester, N.Y. By the instant petition, petitioner requests that its permit be amended to include Rochester Independent Packer, Inc., of Rochester, N.Y., as an additional shipper. Any interested person desiring to participate may file an original and six copies of his written representations, views, or argument in support of, or against the petition within 30 days from the date of publication in the FEDERAL REGISTER.

APPLICATIONS FOR CERTIFICATES OR PERMITS WHICH ARE TO BE PROCESSED CONCURRENTLY WITH APPLICATIONS UNDER SECTION 5 GOVERNED BY SPECIAL RULE 1.240 TO THE EXTENT APPLICABLE

No. MC 108473 (Sub-No. 28), filed January 25, 1967. Applicant: ST. JOHNSBURY TRUCKING COMPANY, INC., 38 Main Street, St. Johnsbury, Vt. 05819. Applicant's representatives: Francis E. and Francis P. Barrett, 25 Bryant Avenue, East Milton, Mass. 02186. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities*, except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring the use of special equipment between points in Rhode Island. NOTE: Applicant states that authority of St. Johnsbury Trucking Co., Inc., can be tacked at any point in Rhode Island; however, for a practical matter, the tacking point that will be most often used will be Providence and/or Pawtucket, R.I. This application is directly related to MC-F-9654, published in the FEDERAL REGISTER February 1, 1967. If a hearing is deemed necessary, applicant requests it be held at Boston, Mass.

APPLICATIONS UNDER SECTIONS 5 AND 210a(b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers under sections 5(a) and 210a(b) of the Interstate Commerce Act and certain other proceedings with respect thereto. (49 CFR 1.240)

MOTOR CARRIERS OF PROPERTY

No. MC-F-9656. Authority sought for purchase by McRAY TRUCK LINE, INC., Route No. 1, Springfield, Ky. 40069, of a portion of the operating rights of ROBERT PARRISH, ROBERT G. PARRISH, AND BUFORD PARRISH, doing business as PARRISH BROS. IMPLEMENT CO., 913 Fehr Avenue, Louisville, Ky., and for acquisition by ARTHUR B. McRAY and FLORENCE McRAY, both of Post Office Box 329, Springfield, Ky. 40069, of control of such rights through the purchase. Applicants' attorney: Ollie L. Merchant, Suite 202, 140 South Fifth Street, Louisville, Ky. 40202. Operating rights sought to be transferred: *Fertilizer, fertilizer compounds*, and *fertilizer materials*, as a *common carrier*, over irregular routes, from the plantsite of Davidson Chemical Co., at New Albany, Ind., and the plantsite of Armour Fertilizer Works, at Jeffersonville, Ind., to points in Kentucky. Restriction: The service authorized herein is subject to the following conditions: That carrier shall conduct its for-hire transportation separate from its other business activities. That carrier shall maintain separate accounts and records therefor. That carrier shall not transport property both as a for-hire carrier and a private carrier at the same time in the same vehicle. Vendee is authorized to operate as a *contract carrier* in Indiana, Alabama, Maryland, New Jersey, New York, Pennsylvania, Texas, Arkansas, Florida, Georgia, Minnesota, Kansas, Louisiana, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Illinois, Virginia, West Virginia, Kentucky, and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

No. MC-F-9657. Authority sought for purchase by LYNDEN TRANSFER, INC., Lynden, Wash., of the operating rights of COPPER VALLEY TRADING COMPANY (these rights were acquired by virtue of a Bill of Sale, dated July 26, 1966, from the District Court for the State of Alaska), Box 1672, Anchorage, Alaska 99501, and for acquisition by HENRY JANSEN, 620 West Main Street, Lynden, Wash., of control of such rights through the purchase. Applicants' attorneys: John M. Stern, Jr., Box 1672, Anchorage, Alaska 99501, and James T. Johnson, 1610 I.B.M. Building, Seattle, Wash. 98101. Operating rights sought to be transferred: (The following rights are presently in the name of CLIFFORD B. STEADMAN, doing business as INTERIOR FREIGHT LINES) *General commodities*, excepting, among others, commodities in bulk and household goods, as a *common carrier*, over regular routes, between Anchorage, Alaska, and the Tanana River on Alaska Highway 2 north of Big Delta, Alaska, serving all intermediate points except those between Anchorage, and Palmer, Alaska, including Palmer, between Gulkana Junction, Alaska, and Tok Junction, Alaska, between Glennallen, Alaska, and Valdez, Alaska, between Buffalo Center, Alaska and the United States-Canada boundary line. Restriction: The authority granted in the route next above is subject to the condition that no service may be performed at the United States-Canada boundary line, between junction Alaska Highway 4 and unnumbered Highway north of Tonsina, Alaska, and Chitina, Alaska, and between Paxson, Alaska, and Mount McKinley Park Headquarters, Alaska, serving all intermediate points. Vendee is authorized to operate as a *common carrier* in Washington, Alaska, and Idaho. Application has not been filed for temporary authority under section 210a(b). NOTE: See also MC-FC-69375 (FERMAN L. and EILEEN M. STRICKLAND, doing business as INTERIOR FREIGHT LINES, Transferee and CLIFFORD B. STEADMAN, doing business as INTERIOR FREIGHT LINES, Transferor), filed December 30, 1966.

No. MC-F-9658. Authority sought for control and merger by LOVELACE TRUCK SERVICE, INC., 425 North Second Street, Terre Haute, Ind. 47808, of the operating rights and property of CHRYSLER'S TRUCK LINE, INC., Casey, Ill. 62420, and for acquisition by M. F. NIEMEYER, Rural Route 3, West Terre Haute, Ind., of control of such rights and property through the transaction. Applicants' attorney: Ferdinand Born, 601 Chamber of Commerce Building, Indianapolis, Ind. 46204. Operating rights sought to be controlled and merged: *General commodities*, except those of unusual value, and except high explosives, household goods (when transported as a separate and distinct service in connection with so-called "household movings"), commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading, as a *common carrier*, over regular routes, between Casey, Ill., and Terre Haute, Ind., serving all intermediate points, between Casey, Ill., and Flora, Ill., serving the intermediate point of Olney, Ill., restricted to cream and cream station equipment; all other intermediate points without restriction; and the off-route points of Altamont, Ill., restricted to cream and cream station equipment, and Toledo, Eberle, Bible Grove, and Dundas, Ill., without restriction. LOVE-

LACE TRUCK SERVICE, INC. is authorized to operate as a *common carrier* in Illinois, Indiana, Iowa, Kentucky, Michigan, Missouri, Wisconsin, Ohio, Minnesota, and Wisconsin. Application has not been filed for temporary authority under section 210a(b).

No. MC-F-9659. Authority sought for purchase by ILLINOIS-CALIFORNIA EXPRESS, INC., 510 East 51st Avenue, Denver, Colo. 80216, of the operating rights and property of ARIZONA-UTAH EXPRESS, 929 South Fourth West, Salt Lake City, Utah 84101, and for acquisition by FRONTIER, INC., also of Denver, Colo., of control of such rights and property through the purchase. Applicant's attorneys and representatives: Roland Rice, 618 Perpetual Building, 1111 E Street NW., Washington, D.C. 20004, Eugene T. Liipfert, 1616 H Street NW., Washington, D.C.; Stoddard White, 510 East 51st Avenue, Denver, Colo. 80216, Robert W. Wright, Jr., 510 East 51st Avenue, Denver, Colo. 80216, Neuman Petty, 909 East 21st South, Salt Lake City, Utah 84106, and Charles Hollingworth, 929 South Fourth West, Salt Lake City, Utah 84101. Operating rights sought to be transferred: *General commodities*, except those of unusual value, livestock, liquid commodities in bulk, in tank vehicles, household goods as defined by the Commission, and commodities which because of their size or weight require the use of special equipment, other than flatbed trucks, as a *common carrier*, over regular routes, between Salt Lake City, Utah, and Phoenix, Ariz., serving all intermediate and certain off-route points, between Nephi, Utah, and Delta, Utah, in connection with the above routes, serving all intermediate points; *general commodities*, excepting, among others, household goods and commodities in bulk, between Salt Lake City, Utah, and Panguitch, Utah, serving the intermediate points of Junction and Circleville, Utah; *general commodities*, except those of unusual value, livestock, liquid commodities in bulk, in tank vehicles, household goods as defined by the Commission, and commodities which because of their size or weight require the use of special equipment, other than flatbed trucks, over irregular routes, between Fredonia, Ariz., on the one hand, and, on the other, points in Arizona within 75 miles of Fredonia, when prior or subsequent movement is over the above-specified regular routes between Salt Lake City, Utah, and Phoenix, Ariz.; and *ore*, in bulk between all points in Arizona within 25 miles of the regular routes heretofore specified, on the one hand, and, on the other, all points in Utah. Vendee is authorized to operate as a *common carrier* in California, Colorado, New Mexico, Arizona, Illinois, Iowa, Nebraska, Kansas, Wyoming, Nevada, and Texas. Application has not been filed for temporary authority under section 210a(b).

No. MC-F-9660. Authority sought for control by THE AETNA FREIGHT LINES, INCOPORATED, Post Office Box 350, 2507 Youngstown Road, Warren, Ohio 44482, of RAY CARTER, INC., 1629 Rosell Street, Memphis, Tenn. 38106, and for acquisition by J. PHIL FELBURN, 4160 West Broad Street, Columbus, Ohio, of control of RAY CARTER, INC., through the acquisition by THE AETNA FREIGHT LINES, INCORPORATED. Applicants' attorneys: Walter Harwood, 515 Nashville Bank and Trust Building, Nashville, Tenn. 37201, and A. O. Buck, 500 Court Square Building, Nashville, Tenn. 37203. Operating rights sought to be controlled: *Commodities* which, because of size or weight, require the use of special equipment, as a *common carrier*, over irregular routes, between points in Alabama, Arkansas, Louisiana, Kentucky, Mississippi, and Tennessee. Restriction: The operations authorized herein are restricted against the transportation of (1) iron and steel, and iron and steel articles, which originate at Anniston, Birmingham, Decatur, Gadsden, and Tuscaloosa, Ala., or points within 10 miles thereof, (2) stone, aircraft and missiles and parts thereof, and (3) pipe, pipeline dope, and valves used in or in connection with the construction, operation, repair, maintenance, servicing, or dismantling of pipelines, including the stringing or picking up of pipe in connection therewith. THE AETNA FREIGHT LINES, INCORPORATED, is authorized to operate as a *common carrier* in Michigan, Pennsylvania, West Virginia, Ohio, Indiana, New York, Illinois, Kentucky, Iowa, and Wisconsin. Application has been filed for temporary authority under section 210a(b).

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 67-1513; Filed, Feb. 7, 1967; 8:49 a.m.]

CUMULATIVE LIST OF PARTS AFFECTED—FEBRUARY

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published to date during February.

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FEDERAL REGISTER

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Wednesday, February 8, 1967 • Washington, D.C.

PART II

Department of Health, Education, and Welfare

Social Security Administration

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Federal Health Insurance For the Aged

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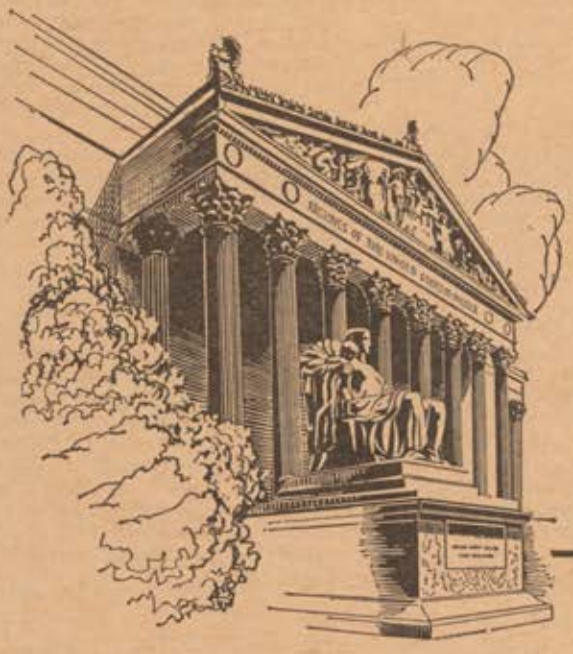
Criteria for determination of reasonable charges; reimbursement for services of hospital interns, residents, and supervising physicians



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Social Security Administration

[20 CFR Part 405]

HEALTH INSURANCE PROGRAM FOR THE AGED

Notice of Proposed Rule Making

Notice is hereby given, pursuant to the Administrative Procedure Act, as amended, that the regulations set forth below in tentative form are proposed by the Commissioner of Social Security, with the approval of the Secretary of Health, Education, and Welfare. The proposed regulations (§ 405.501 et seq.) relate to the criteria for determination of reasonable charges for services of physicians and other persons furnishing medical and other health services covered under the supplementary medical insurance program and the principles for determining whether reimbursement for the services of interns, residents, and supervising physicians rendered in connection with graduate medical education programs will be made under Part A or Part B of title XVIII of the Social Security Act.

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

The proposed Federal Health Insurance for the Aged regulations are to be issued under the authority contained in sections 1102, 1814(b), 1833(a), 1842(b), and 1871, 49 Stat. 647, as amended, 79 Stat. 296, 79 Stat. 302, 79 Stat. 310, 79 Stat. 331; 42 U.S.C. 1302, 1395 et seq.

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

Approved: January 28, 1967.

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

Subpart E—Criteria for Determination of Reasonable Charges; Reimbursement for Services of Hospital Interns, Residents, and Supervising Physicians

§ 405.501 Determination of reasonable charges.

Payment for medical and other health services (see § 405.251) furnished by physicians or other persons (except for services furnished by group practice prepayment plans electing cost reimbursement and certain services furnished by, or under arrangements made by, a provider of services) is made on the basis of the "reasonable charge" for such service which is determined by the carriers selected by the Secretary to assist in the administration of the supplementary medical insurance program.

§ 405.502 Criteria for determining reasonable charges.

(a) *Criteria.* The two criteria set out in the law which are considered in determining reasonable charges are:

(1) The customary charges for similar services generally made by the physician or other person furnishing such services; and

(2) The prevailing charges in the locality for similar services.

(b) *Comparable services limitation.* The law also specifies that the reasonable charge cannot be higher than the charge applicable for a comparable service under comparable circumstances to the carriers' own policyholders and subscribers.

(c) *Application of criteria.* In applying these criteria, the carriers are to exercise judgment based on factual data on the charges made by physicians to patients generally and by other persons to the public in general and on special factors that may exist in individual cases so that determinations of reasonable charge are realistic and equitable.

(d) *Responsibility of Administration and carriers.* Determinations by carriers of reasonable charge are not reviewed on a case-by-case basis by the Social Security Administration, although the general procedures and performance of functions by carriers are evaluated. In making determinations, carriers apply the provisions of the law under broad principles issued by the Social Security Administration. These principles are intended to assure overall consistency among carriers in their determinations of reasonable charge. The principles in §§ 405.503–405.507 establish the criteria for making such determinations in accordance with the statutory provisions.

§ 405.503 Determining customary charges.

(a) *Uniform amount.* The term "customary charges" will refer to the uniform amount which the individual physician or other person charges in the majority of cases for a specific medical procedure or service. In determining such uniform amount, token charges for charity patients and substandard charges for welfare and other low income patients are to be excluded. The reasonable charge cannot, except as provided in § 405.506, be higher than the individual physician's or other person's customary charge. The customary charge for different physicians or other persons may, of course, vary. The law does not contemplate the establishment of a general fee schedule applicable to all physicians or other persons furnishing medical and other services but calls for individual determinations which take into account the facts as to existing practice with respect to charges of the particular physician or other person as well as others in the locality. However, payment for a covered service would be based on the actual charge for the service when, in a given instance, that charge is less than the amount which the carrier would otherwise have found to be within the limits of acceptable charges for the particular service. Moreover, the income of the individual beneficiary is not to be taken into account by the carrier in determining the amount which is considered to be a reasonable charge for a service rendered to him. There is no provision in the law for a carrier to evaluate the reasonableness of charges in light of an individual beneficiary's economic status.

(b) *Variation of charges.* If the individual physician or other person varies his charges for a specific medical procedure or service, so that no one amount is charged in the majority of cases, it will be necessary for the carrier to exercise judgment in the establishment of a "customary charge" for such physician or other person. In making this judgment, an important guide, to be utilized when a sufficient volume of data on the physician's or other person's charges is available, would be the median or midpoint of his charges, excluding token and substandard charges as well as exceptional charges on the high side. A significant clustering of charges in the vicinity of the median amount might indicate that a point of such clustering should be taken as the physician's or other person's "customary" charge. Use of relative value scales will help in arriving at a decision in such instances.

(c) *Use of relative value scales.* If, for a particular medical procedure or service, the carrier is unable to determine the customary charge on the basis of reliable statistical data (for example, because the carrier does not yet have sufficient data or because the performance of the particular medical procedure or service by the physician or other person is infrequent), the carrier may use appropriate relative value scales to determine the customary charge for such procedure or service in relation to customary charges of the same physician or person for other medical procedures and services.

(d) *Revision of customary charge.* A physician's or other person's customary charge is not necessarily a static amount. Where a physician or other person alters his charges, a revised pattern of charges for his services may develop. Where on the basis of adequate evidence, the carrier finds that the physician or other person furnishing services has changed his charge to the public in general for a service, the revised charge may be recognized as the customary charge in making determinations of reasonable charges for such service when rendered thereafter to supplementary insurance beneficiaries. If the new customary charge is not above the prevailing level, it may be deemed to be reasonable by the carrier, subject to the provisions of § 405.508.

§ 405.504 Determining prevailing charges.

(a) *Ranges of charges.* The term "prevailing charges" refers to those charges which fall within the range of

charges most frequently and most widely used in a locality for particular medical procedures or services. The top of this range establishes, except as provided in § 405.506, an overall limitation on the charges which a carrier will accept as reasonable for a given medical procedure or service. Prevailing charges are derived from the overall pattern existing within a locality. For example, in a given locality the carrier may find that the charges most frequently and widely used by physicians for a particular medical procedure range from $150 to $175. If in another locality the carrier finds that the prevailing charges are different for the same procedure, then a different range of charges would be applied in making reasonable charge determinatons for that locality. An acceptable method for the carrier to objectively determine that the point at which such limitation is established would be the use of the mean (arithmetic average) of the customary charges of physicians or other persons in the locality for a given medical procedure or service, plus one standard deviation above the mean, rounded to the next highest dollar. However, the carrier will adopt an appropriate limit for each procedure or service with judgment being exercised to assure that with respect to each particular array of data the result reached is reasonable. If, for example, there is a point just above the standard deviation which represents the amount charged by a substantial number of physicians in the locality, the limitation might, in such a situation, be established so as to include this point. On the other hand, the "trailing off" of an appreciable number of charges above the mean plus one standard deviation would not justify an upward adjustment. The "standard deviation" is a basic statistical measure widely used in dealing with variations from a central tendency or norm. Its advantage over the approach that the "prevailing charge" is to include a fixed percentage of all charges lies in the fact that the standard deviation is flexible rather than rigid. It takes into account and is responsive to differences in the spread that exists in the underlying data.

(b) *Variation in range of prevailing charges.* The range of prevailing charges in a locality may be different for physicians or other persons who engage in a specialty practice or service than for others. Existing differentials in the level of charges between different kinds of practice or service could, in some localities, lead to the development of more than one range of prevailing charges for application by the carrier in its determinations of reasonable charges. Carrier decisions in this respect should be responsive to the existing patterns of charges by physicians and other persons who render covered services, and should establish differentials in the levels of charges between different kinds of practice or service only where in accord with such patterns.

(c) *Reevaluation and adjustment of prevailing charges.* Determinations of prevailing charges by the carrier are to be reevaluated and adjusted from time to time on the basis of factual information about the charges made by physicians and other persons to the public in general. This information should be obtained from all possible sources including a carrier's experience with its own programs as well as with the supplementary medical insurance program.

§ 405.505 Determination of "locality."

"Locality" is the geographical area to be determined by the carrier and used for deriving the prevailing charge for services. Usually, a locality will be a political or economic subdivision of a State. It should include a cross section of the population with respect to economic and other characteristics. Where people tend to gravitate toward certain population centers to obtain medical care or service, localities may be recognized on a basis constituting medical service areas (interstate or otherwise), comparable in concept to "trade areas." Localities may differ in population density, economic level, and other major factors affecting charges for services. Carriers therefore shall delineate "localities" on the basis of their knowledge of local conditions. However, distinctions between localities are not to be so finely made that a "locality" includes only a very limited geographic area whose population has distinctly similar income characteristics (e.g., a very rich or very poor neighborhood within a city).

§ 405.506 Charges higher than customary or prevailing charges.

A charge which exceeds either the customary charge of the physician or other person who rendered the medical or other health service, or the prevailing charge in the locality, or both, may be found to be reasonable but only where there are unusual circumstances, or medical complications requiring additional time, effort or expense which support an additional charge, and only if it is acceptable medical or medical service practice to make an extra charge in such cases. On the other hand, the mere fact that the physician's or other person's customary charge is higher than prevailing would not justify a determination of reasonable charge higher than the prevailing charge.

§ 405.507 Illustrations of the application of the criteria for determining reasonable charges.

The following examples illustrate how the general criteria on customary charges and prevailing charges might be applied in determining reasonable charges under the supplementary medical insurance program. Basically, these examples demonstrate that, except where the actual charge is less, reasonable charges will reflect current customary charges of the particular physician or other person within the ranges of the current prevailing charges in the locality for that type and level of service:

The prevailing charge for a specific medical procedure ranges from $80 to $100 in a certain locality.

Doctor A's bill is for $75 although he customarily charges $80 for the procedure.

Doctor B's bill is his customary charge of $85.

Doctor C's bill is his customary charge of $125.

Doctor D's bill is for $100, although he customarily charges $80, and there are no special circumstances in the case.

The reasonable charge for Doctor A would be limited to $75 since under the law the reasonable charge cannot exceed the actual charge, even if it is lower than his customary charge and below the prevailing charges for the locality.

The reasonable charge for Doctor B would be $85 because it is his customary charge and it falls within the range of prevailing charges for that locality.

The reasonable charge for Doctor C could not be more than $100, the top of the range of prevailing charges.

The reasonable charge for Doctor D would be $80, because that is his customary charge. Even though his actual charge of $100 falls within the range of prevailing charges, the reasonable charge cannot exceed his customary charge in the absence of special circumstances.

§ 405.508 Determination of comparable circumstances; limitation.

(a) *Application of limitation.* The carrier may not in any case make a determination of reasonable charge which would be higher than the charge upon which it would base payment to its own policyholders for a comparable service in comparable circumstances. The charge upon which it would base payment, however, does not necessarily mean the amount the carrier would be obligated to pay. Under certain circumstances, some carriers pay amounts on behalf of individuals who are their policyholders, which are below the customary charges of physicians or other persons to other individuals. Payment under the supplementary medical insurance program would not be limited to these lower amounts.

(b) *When comparability exists.* "Comparable circumstances," as used in the Act and this subpart, refers to the circumstances under which services are rendered to individuals and the nature of the carrier's health insurance programs and the method it uses to determine the amounts of payments under these programs. Generally, comparability would exist where:

(1) The carrier bases payment under its program on the usual and customary charges of physicians or other persons and on current prevailing charges in a locality, and

(2) The determination does not preclude recognition of factors such as specialty status and unusual circumstances which affect the amount charged for a service.

(c) *Responsibility for determining comparability.* Responsibility for determining whether or not a carrier's program has comparability will in the first instance fall upon the carrier in reporting pertinent information about its programs to the Social Security Administration. When the pertinent information has been reported, the Social Security Administration will advise the carrier whether any of its programs have comparability.

§ 405.520 Reimbursement for services of interns, residents and supervising physicians; general.

(a) Under the health insurance program, almost all the aged have protection against hospital expenses, and the great majority also have protection against medical expenses. This health insurance coverage is intended to provide a substantial measure of freedom to beneficiaries in selecting hospitals and physicians of their choice. Whatever the choice, beneficiaries, as insured patients, are to be accorded the same status as other insured and paying patients in regard to the hospital and medical care they are provided.

(b) Many beneficiaries will choose to receive the care they need from hospitals with approved graduate medical education programs and from other institutions where services of interns and residents are provided. Many will receive care in these hospitals as patients of physicians who, in turn, will involve interns and residents in the care of their patients. The basis for reimbursement for such services by interns and residents is different from that applicable to such physicians' services.

§ 405.521 Services of attending physicians supervising interns and residents.

(a) Attending physicians' services rendered to beneficiaries in a teaching setting are covered under the supplementary medical insurance program and the payment for such services is on the basis of reasonable charges (see pars. (b) and (c) of this section). The costs to a hospital for teaching services furnished by a physician in connection with an approved graduate medical education program are allowable in accordance with the principles of reimbursement for provider costs (see par. (d)).

(b) Payment on the basis of reasonable charges is applicable to the professional services rendered to a beneficiary by his attending physician where the attending physician provides personal and identifiable direction to interns or residents who are participating in the care of his patient. In the case of major surgical procedures and other complex and dangerous procedures or situations, such personal and identifiable direction must include supervision in person by the attending physician. A charge should be recognized under Part B for the services of an attending physician who involves residents and interns in the care of his patient only if his services to the patient are of the same character, in terms of the responsibilities to the patient that are assumed and fulfilled, as the services he renders to his other paying patients. The carrying out by the physician of these responsibilities would be demonstrated by such actions as: Reviewing the patient's history and physical examination and personally examining the patient within a reasonable period after admission; confirming or revising diagnosis; determining the course of treatment to be followed; assuring that any supervision needed by the interns and residents was furnished; and by making frequent reviews of the patient's progress.

(c) Charges for such services of the attending physician may be billed either directly by him or by the hospital under arrangements between the physician and the hospital. In either case, the amount payable under the program for such services may be determined in accordance with the same criteria for the determination of reasonable charges as are applicable to the services which the physician renders to his other patients (see §§ 405.501–405.508 of this Subpart E).

(d) It is recognized that there will necessarily be situations where a patient will receive medical services in the teaching setting for which payment on the basis of reasonable charges will not be applicable. For example, there will be instances where it will neither be necessary from the standpoint of the medical needs of the patient nor appropriate from the standpoint of the continuing development of the residents' competence for there to be an attending physician who carries out the responsibilities referred to in paragraph (b) of this section. Whether or not a physician makes a charge recognized under the supplementary medical insurance program for services to patients which involve the participation of residents or interns, the hospital can receive reimbursement on a cost basis for an appropriate share of the compensation it pays its residents and interns. If the teaching program is an approved educational activity of the hospital, reimbursement will also be available on a cost basis to the hospital for an appropriate share of the compensation it pays to physicians for teaching services (as opposed to professional services which contribute to the diagnosis or treatment of the patient) and for other costs of educational programs conducted by the hospital. These costs are allowable in accordance with the principles of reimbursement for provider costs (see § 405.421 of Subpart D).

(e) Nothing in the foregoing restricts the disposition of payments for services received either from the health insurance program or from beneficiaries, in accordance with agreements between hospital and physicians.

§ 405.522 Interns' and residents' services in approved teaching programs.

(a) Title XVIII of the Act gives recognition to hospital teaching programs which are duly approved in their respective fields by the Council on Medical Education of the American Medical Association, the Committee on Hospitals of the Bureau of Professional Education of the American Osteopathic Association, or the Council on Dental Education of the American Dental Association.

(b) Services of interns and residents in such approved programs are explicitly excluded from the definition of "physicians' services" (see Subpart R) and are covered as hospital services. This exclusion applies whether or not the intern or resident may be authorized to practice as a physician under the laws of the State in which he performs his services. In accordance with the basis for payment under the health insurance program for services provided by participating hospitals, the cost of the services of interns and residents is reimbursable to the hospital, specifically as a component of allowable costs defined by the principles of reimbursement for provider costs set forth in Subpart D of Part 405. Under the principles discussed in Subpart D of this Part 405, an appropriate share of the provider's total allowable costs is reimbursable under the health insurance program. (For purposes of including services of interns and residents as an element of allowable cost in accordance with these principles, recording and reporting by the hospital of the specific services rendered to individual beneficiaries is not necessary.)

(c) Conversely, services of interns and residents are not reimbursable under the health insurance program on the basis which applies to physicians' services; i.e., reasonable charges (see §§ 405.501–405.508 of this Subpart E). This distinction with respect to the basis for the health insurance program reimbursement applies to services of interns and residents whether covered by the hospital insurance program or the supplementary medical insurance program. The cost of outpatient diagnostic services (see § 405.145) covered under the hospital insurance program (see Subpart A of Part 405) and other outpatient services (see § 405.231) covered under the supplementary medical insurance program (see Subpart B of Part 405) which are provided by a hospital, including intern and resident services where involved, is reimbursed to the hospital under the health insurance program to the extent of 80 percent of the cost of services rendered to the beneficiaries after recognition of the deductible amount (see § 405.142 and § 405.240(d)). The beneficiary will incur the expense of the deductible and coinsurance amounts as determined on the basis of the hospital's charges to the beneficiary. Hospital charges may include a charge for the services of interns or residents as a specific item, or these services may be included in the general charges to the beneficiary made by the hospital for the covered services it provides.

§ 405.523 Interns' and residents' services not in approved teaching programs.

(a) The services of a hospital resident or intern who is not under an approved teaching program in the hospital are reimbursable to the hospital on a cost basis under the supplementary medical insurance program. For purposes of this section, such services shall be deemed to include services of a physician employed by the hospital who is authorized to practice only in a hospital setting. Even where such services are rendered to inpatients, the cost of the services is not an allowable cost under the hospital insurance program but is allowable under the supplementary medical insurance program.

(b) In this connection reimbursement under the health insurance program for

services discussed in paragraph (a) of this section will be to the hospital in an amount of 80 percent of the cost of services rendered to the beneficiaries after recognition of the deductible. The beneficiary will incur the expense of the deductible and coinsurance amounts as determined on the basis of the hospital's charges to the beneficiary for its services that are covered under the supplementary medical insurance program.

§ 405.524 Interns' and residents' services outside the hospital.

(a) Under the hospital insurance program, the allowable costs on which reimbursement to a participating extended care facility for covered services is based may include the cost of services of an intern or resident who is under an approved teaching program in a hospital with which the facility has a transfer agreement (see § 405.1133) which provides, in part, for the transfer of patients and the interchange of medical records. Likewise, a participating home health agency may be reimbursed under the hospital insurance program for the cost of the services of an intern or resident who is under an approved teaching program of a hospital with which the home health agency is affiliated or under common control, where these services are furnished as part of the posthospital home health visits for a medicare beneficiary.

(b) Medical services of a resident or intern of a hospital which are furnished by a provider of services are reimbursed under the supplementary medical insurance program on an 80 percent of allowable cost basis if reimbursement is not provided under the hospital insurance program.

§ 405.525 Basis of reimbursement under the health insurance program for services of interns and residents.

Status of patient	Status of intern or resident [1]	Reimbursement provided under [2]	Basis of payment [3]
Hospital inpatient	Under approved program	Part A	Cost.
	Other	Part B	80 percent of cost.
Receiving outpatient hospital diagnostic services.	Under approved program	Part A	Do.
	Other	Part B	Do.
Receiving therapeutic outpatient hospital services.	Under approved program	do	Do.
	Other	do	Do.
Extended care facility inpatient.	Under approved program of a hospital with which facility has a transfer agreement.	Part A	Cost.
	Other	Part B	80 percent of cost.
Home health plan patient	Posthospital services furnished under approved programs of hospital with which the Home Health Agency is affiliated or under common control.	Part A	Cost.
	Other	Part B	80 percent of cost.

[1] An "approved program" means approval by the Council on Medical Education of the AMA, by the Committee on Hospitals of the Bureau of Professional Education of the AOA, or by the Council of Dental Education of the ADA. "Other" interns and residents include, in addition to interns and residents-in-training, a physician employed by a hospital and acting in the capacity of an intern or resident.

[2] "Part A" refers to the hospital insurance program and "Part B" refers to the supplementary medical insurance program.

[3] The term "cost" refers to reimbursement on a cost basis in accordance with the principles in Subpart D of Part 405.

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