# FEDERAL REGISTER

VOLUME 33 • NUMBER 30

Tuesday, February 13, 1968 • Washington, D.C.

Pages 2877–2924

PART I



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- Agricultural Stabilization and Conservation Service
- Business and Defense Services Administration
- Civil Aeronautics Board
- Civil Service Commission
- Consumer and Marketing Service
- Federal Aviation Administration
- Federal Power Commission
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- Interstate Commerce Commission
- Land Management Bureau
- Maritime Administration
- National Transportation Safety Board
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- Treasury Department

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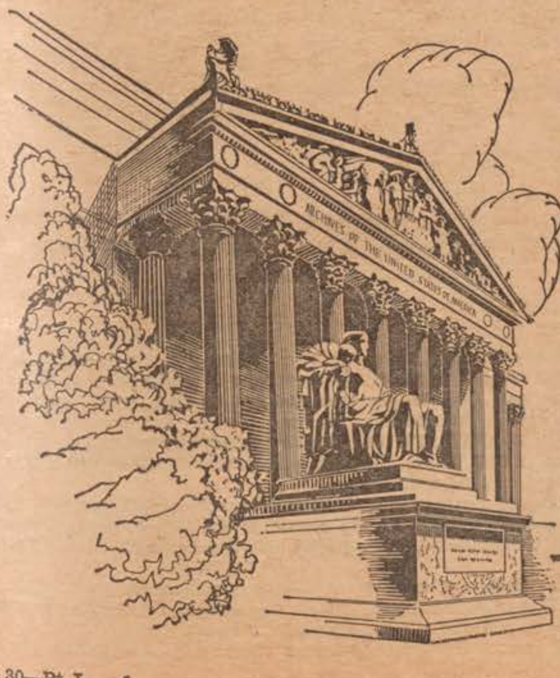

*Current White House Releases*

## WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS

The *Weekly Compilation of Presidential Documents* began with the issue dated Monday, August 2, 1965. It contains transcripts of the President's news conferences, messages to Congress, public speeches, remarks and statements, and other Presidential material released by the White House up to 5 p.m. of each Friday.

This weekly service includes an Index of Contents preceding the text and a Cumulative Index to Prior Issues at the end. Cumulation of this index terminates at the end of each quarter and begins anew with the following issue. Semiannual and annual indexes are published separately.

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**Subscription Price: $6.00 per year**

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

**Order from: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402**


**FEDERAL REGISTER**

Area Code 202 Phone 962-8626

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

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A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1968, and specifies how they are affected.

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# Presidential Documents

## Title 3—THE PRESIDENT

### Proclamation 3827

### LULAC WEEK

**By the President of the United States of America**

**A Proclamation**

February 17 will mark the thirty-ninth anniversary of the founding of the League of United Latin American Citizens, popularly known as LULAC.

LULAC is a nonprofit, nonpolitical civic organization interested in the progress and advancement of Latin Americans in this country. Its dedicated members work with young Americans of Spanish-speaking background to:

—train them to become citizens.

—provide them with educational opportunities.

—promote the highest standards of patriotism among them.

In recognition of these and other civic contributions of LULAC, the Congress, by a joint resolution approved February 10, 1968, has requested the President to issue a proclamation designating the period February 11 through 17, 1968, as LULAC Week.

NOW, THEREFORE, I, LYNDON B. JOHNSON, President of the United States of America, do hereby designate the week of February 11 through February 17, 1968, as LULAC Week, and I call upon the people of the United States to observe that week with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this tenth day of February, in the year of our Lord nineteen hundred and sixty-eight, and of the Independence of the United States of America the one hundred and ninety-second.

Lyndon B. Johnson

[F.R. Doc. 68-1846; Filed, Feb. 12, 1968; 9:46 a.m.]

# Rules and Regulations

## Title 7—AGRICULTURE

### Chapter I—Consumer and Marketing Service (Standards, Inspections, Marketing Practices), Department of Agriculture

### PART 51—FRESH FRUITS, VEGETABLES, AND OTHER PRODUCTS (INSPECTION, CERTIFICATION, AND STANDARDS)

### Florida Oranges, Tangelos, Grapefruit and Tangerines; Standards for Grades [1]

On December 28, 1967, a notice of proposed rule making was published in the FEDERAL REGISTER (32 F.R. 20864) regarding a proposed amendment of U.S. Standards for Grades of Florida Oranges and Tangelos (7 CFR 51.1140–51.1179).

On December 28, 1967, a notice of proposed rule making was published in the FEDERAL REGISTER (32 F.R. 20864) regarding a proposed amendment of U.S. Standards for Grades of Florida Grapefruit (7 CFR 51.750–51.783).

On December 28, 1967, a notice of proposed rule making was published in the FEDERAL REGISTER (32 F.R. 20864) regarding a proposed amendment of U.S. Standards for Grades of Florida Tangerines (7 CFR 51.1810–51.1834).

*Statement of considerations leading to the amendment of these grade standards.* Following publication of the proposal in the FEDERAL REGISTER on December 28, 1967, copies were distributed to industry organizations and individuals for comment. No comments were received and the text is the same as published in the proposal.

The amendments to the U.S. Standards for Grades of Florida Oranges and Tangelos, Grapefruit, and Tangerines provide tolerances for fruits affected by decay at destination more into line with the long-established limitation of 3 percent. The standards published in the FEDERAL REGISTER on September 27, 1967, and which became effective October 15, 1967, failed to adequately reflect this decay tolerance.

In converting the percent tolerance to acceptance numbers based on statistical sampling, it was not possible to hold to a constant percent, such as 3 percent, for each sample number. These amendments change the acceptance numbers for decay in Table II, "En Route or at Destination", to more nearly reflect the traditional 3 percent tolerance for the most commonly used sample numbers than do the corresponding numbers in the current standards.

Interested persons were given 30 days in which to submit written comments, suggestions, or objections regarding the proposed amendments. No objections have been received and these proposed amendments are hereby adopted without change pursuant to the Agricultural Marketing Act of 1946 (60 Stat. 1087, as amended; 7 U.S.C. 1621–1627).

It is hereby found that good cause exists for not postponing the effective date of these amendments beyond the date of publication hereof in the FEDERAL REGISTER, in that: (1) The 1968 packing season for oranges and tangelos, grapefruit, and tangerines is well under way and it is in the interest of the public and the industry that these amendments be placed in effect at the earliest possible date; and (2) no special preparation is required for compliance with these amendments on the part of members of the orange and tangelo, grapefruit, and tangerine industry or of others.

Accordingly these amendments shall become effective upon publication in the FEDERAL REGISTER.

Dated: February 7, 1968.

G. R. GRANGE,
*Deputy Administrator, Marketing Services.*

As amended, § 51.1152 *Table II*, in the U.S. Standards for Grades of Florida Oranges and Tangelos, the acceptance numbers for decay are as follows:

TABLE II—EN ROUTE OR AT DESTINATION

| Factor | Grades | AL [1] | Number of 50-count samples [2] | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| | | | | | | | Acceptance numbers [3] (maximum permitted) | | | | | | | | | | | | | | | |
| Decay | All | 4 | 3 | 4 | 6 | 7 | 9 | 10 | 11 | 13 | 14 | 15 | 16 | 18 | 19 | 20 | 21 | 23 | 24 | 25 | 26 | 27 |

As amended, § 51.761 *Table II*, in the U.S. Standards for Grades of Florida Grapefruit, the acceptance numbers for decay are as follows:

TABLE II—EN ROUTE OR AT DESTINATION

| Factor | Grades | AL [1] | Number of 33-count samples [2] | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| | | | | | | | Acceptance numbers [3] (maximum permitted) | | | | | | | | | | | | | | | |
| Decay | All | 3 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | [4]13 | 14 | 15 | 16 | 17 | 18 | [4]18 | 19 |

As amended, § 51.1818 *Table II*, in the U.S. Standards for Grades of Florida Tangerines, the acceptance numbers for decay are as follows:

TABLE II—EN ROUTE OR AT DESTINATION

| Factor | Grades | AL [1] | Number of 50-count samples [2] | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| | | | | | | | Acceptance numbers [3] (maximum permitted) | | | | | | | | | | | | | | | |
| Decay | All | 4 | 3 | 4 | 6 | 7 | 9 | 10 | 11 | 13 | 14 | 15 | 16 | 18 | 19 | 20 | 21 | 23 | 24 | 25 | 26 | 27 |

(Secs. 203, 205, 60 Stat. 1087, as amended, 1090 as amended; 7 U.S.C. 1622, 1624)

[F.R. Doc. 68-1744; Filed, Feb. 12, 1968; 8:48 a.m.]

[1] Packing of the product in conformity with the requirements of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act or with applicable State laws and regulations.

### PART 52—PROCESSED FRUITS AND VEGETABLES, PROCESSED PRODUCTS THEREOF, AND CERTAIN OTHER PROCESSED FOOD PRODUCTS

### Subpart—U.S. Standards for Grades of Frozen Asparagus [2]

SIZE

On June 9, 1967, a notice of proposed rule making was published in the FEDERAL REGISTER (32 F.R. 8301) regarding a proposed amendment to the U.S. Standards for Grades of Frozen Asparagus (7 CFR 52.381–52.393). Interested persons were given 90 days to submit views in connection with the proposed amendment.

*Statement of consideration leading to the amendment.* A first notice to amend these standards was published on March 30, 1967. Because of a minor change not contemplated in that proposal another amendment was proposed on June 9, 1967 as aforesaid. The National Association of Frozen Food Packers, representing packers of most of the frozen asparagus production in the United States, supported the last proposed amendment.

[2] Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act or with applicable state laws and regulations.

The only other view—to relax slightly a provision for one size—was submitted by a northwest processor.

The latter comment (to permit 20 percent medium-size spears in "Large" size) is not adopted because it was a condition of the first proposal which was later revised and does not represent the views of the majority of freezers.

The U.S. Standards for Grades of Frozen Asparagus which have been in effect since April 15, 1962, provide definitions for classifying a "single size" of Spears or Tips as Small, Medium, Large, or Extra Large. Under those provisions, any one size may have 10 percent spears (or tips) that are one size smaller or larger.

The amendment which is here adopted is not as restrictive for some sizes and permits undersizes or oversizes for these size classes as follows:

(a) In "Small" size—up to 20 percent may be "Medium" size.

(b) In "Medium" size—up to 20 percent may be "Large" size; or up to 20 percent may be a combination of "Small" and "Large" sizes but limited to no more than 10 percent "Small" size.

(c) In "Large" size—up to 20 percent may be "Extra Large"; or up to 20 percent may be a combination of "Medium" and "Extra Large" but limited to no more than 10 percent "Medium" size.

(d) In "Extra Large" size—up to 20 percent may be "Large" size.

Table I which specifies dimensional limits for sizes is a part of this amendment but no change is made from Table I of the current standards.

Section 52.385 is revised in its entirety to read:

**§ 52.385 Size of frozen asparagus.**

The size of frozen asparagus Spears and Tips is determined by measuring the longest dimension at right angles to the longitudinal axis of the unit after it has been restored to its original contour, at a point 5 inches from the top, except that units less than 5 inches in length are measured at the base. Spears and Tips will be considered as meeting a specific single size if:

(a) Eighty (80) percent or more of the units are of the single size;

(b) All other units are one size larger and/or one size smaller;

(c) In "Medium" size, not more than 10 percent of all the units are "Small" and;

(d) In "Large" size, not more than 10 percent of all the units are "Medium" size.

The word and number designations of the various sizes of frozen asparagus are shown in Table I.

TABLE I—SIZES OF FROZEN ASPARAGUS SPEARS AND TIPS

| Word designation | Number designation | Diameter in inches |
|---|---|---|
| Small | 1 | Less than 3/8 inch. |
| Medium | 2 | 3/8 inch or larger but less than 5/8 inch. |
| Large | 3 | 5/8 inch or larger but less than 7/8 inch. |
| Extra large | 4 | 7/8 inch or larger. |
| Mixture or blend of sizes. | ---------- | A mixture of two or more sizes or that does not meet any of the foregoing sizes. |

The amendment to the U.S. Standards for Grades of Frozen Asparagus as contained herein shall become effective thirty (30) days after date of publication hereof in the FEDERAL REGISTER.

Dated: February 7, 1968.

G. R. GRANGE,
*Deputy Administrator,*
*Marketing Services.*

[F.R. Doc. 68-1745; Filed, Feb. 12, 1968; 8:48 a.m.]

## Chapter VIII—Agricultural Stabilization and Conservation Service (Sugar), Department of Agriculture

### SUBCHAPTER B—SUGAR REQUIREMENTS AND QUOTAS

[Sugar Reg. 811, Amdt. 3]

## PART 811—CONTINENTAL SUGAR REQUIREMENTS AND AREA QUOTAS

### Requirements and Quotas for 1968

*Basis and purpose and statement of bases and considerations.* This amendment is issued pursuant to the authority vested in the Secretary of Agriculture by the Sugar Act of 1948, as amended (61 Stat. 922, as amended), hereinafter referred to as the "Act". The purpose of this amendment is to permit the importation of an additional 69,692 short tons, raw value, of raw sugar from foreign countries during the first quarter of this year.

Applications received on or before January 31, 1968, for importation of sugar in the first quarter exceeded the 100,000 tons made available for authorization at that time by 69,692 tons. Since refiners north of Hatteras are in urgent need of additional sugar for prompt arrival, the approval of the full quantity covered by applications received on or before January 31, 1968, will permit the additional sugar to be imported at the earliest possible time. This amendment permits the approval of the applications submitted on or before January 31, 1968, for the full amount applied for and is necessary to assure that northeast refiners receive adequate supplies of sugar during the first quarter of this year.

By virtue of the authority vested in the Secretary of Agriculture by the Act, Part 811 of this chapter is hereby amended as follows:

Paragraph (d) of § 811.63 is amended by amending subparagraph (1), subdivision (ii) of subparagraph (2), subdivision (i) of subparagraph (3) and adding a new subdivision (vi) to subparagraph (3) to read as follows:

**§ 811.63 Quotas for foreign countries.**

* * * * *

(d) (1) Of the total quotas and prorations for foreign countries established in paragraphs (b) and (c) of this section, an amount not to exceed 2,269,692 short tons, raw value, of raw sugar, which includes quantities imported in late 1967 under bond for refining and storage, may be charged against such 1968 quotas and authorized for importation or release from bond from all such foreign countries in accordance with Part 817 of this chapter during the first 6 months of 1968. Such charges to such 1968 quotas shall be made in the following manner: (i) The quantities imported in late 1967 under bond for refining and storage will be released from bond and charged to such quotas on January 1, 1968; (ii) in addition 994,692 short tons, raw value, of sugar will be authorized for importation and charged to such quotas during the first quarter of the year and; (iii) that part of the 2,269,692 short tons, raw value, not charged to such 1968 quotas under subdivisions (i) and (ii) of this subparagraph will be authorized for importation and charged to such quotas during the second quarter of 1968.

(2) * * *

(ii) Applications for the importation of sugar during the first quarter received on or before December 19, 1967, will be considered as having been received at the same time. Applications for the importation during the first quarter of 75,000 short tons, raw value, of sugar representing an addition to the initial limitation of 750,000 short tons, raw value, received on or before January 15, 1968, will be considered as having been received at the same time. Applications for the importation during the first quarter of 100,000 short tons, raw value, of sugar representing an addition to previous first quarter limitations of 825,000 short tons, raw value, received on or before January 31, 1968, will be considered as having been received at the same time. Applications for the importation during the first quarter of 69,692 short tons, raw value, of sugar representing an addition to previous first quarter limitations of 925,000 short tons, raw value, received on or before January 31, 1968, will be considered as having been received at the same time. Applications for the importation of sugar during the second quarter received on or before January 15, 1968, will be considered as having been received at the same time.

(3) (i) Allocations for first quarter importations among countries will be made in the following manner within the limits of applications received. Allocations among countries of the initial limitation of 750,000 short tons, raw value, shall be made as provided in subdivisions (ii), (iii), and (iv) of this subparagraph. Allocation among countries of 175,000 short tons, raw value, representing additions to the initial limitation of 750,000 short tons, raw value, shall be made as provided in subdivision (v) of this paragraph. Allocation

among countries of 69,692 short tons, raw value, representing an addition to previous limitations of 925,000 short tons, raw value, shall be made as provided in subdivision (vi) of this paragraph.

* * * * *

(vi) The 69,692 short tons, raw value, shall be allocated to the countries that supply the sugar for which applications for importation during the first quarter have been received by the Department on or before January 31, 1968, so that each such application which was submitted to fill the 100,000 tons of sugar as provided in subdivision (ii) of subparagraph (2) of this paragraph (d) may be approved for the full amount applied for.

* * * * *

(Secs. 202 and 403; 61 Stat. 924 as amended, 932 as amended; 7 U.S.C. 1112 and 1153)

*Effective date.* In order to promote orderly marketing, it is essential that all persons selling and purchasing sugar from foreign countries be able as soon as possible to make plans based on these changes in marketing opportunities. Therefore, it is hereby determined and found that compliance with the notice, procedure and effective date requirements of 5 U.S.C. 553 is unnecessary, impracticable, and contrary to the public interest and the amendment herein shall become effective when filed for public inspection in the Office of the Federal Register.

Signed at Washington, D.C., on February 7, 1968.

JOHN A. SCHNITTKER,
*Under Secretary.*

[F.R. Doc. 68-1727; Filed, Feb. 8, 1968; 9:55 a.m.]

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

[Lemon Reg. 306, Amdt. 1]

### PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

#### Limitation of Handling

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

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient, and this amendment relieves restriction on the handling of lemons grown in California and Arizona.

*Order, as amended.* The provisions in paragraph (b)(1)(ii) of § 910.606 (Lemon Reg. 306, 33 F.R. 2563) are hereby amended to read as follows:

**§ 910.606 Lemon Regulation 306.**

* * * * *

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

(ii) District 2: 116,250 cartons.

* * * * *

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

Dated: February 8, 1968.

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

[F.R. Doc. 68-1746; Filed, Feb. 12, 1968; 8:48 a.m.]

# Title 12—BANKS AND BANKING

## Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

### PART 211—CORPORATIONS ENGAGED IN FOREIGN BANKING AND FINANCING UNDER THE FEDERAL RESERVE ACT

#### Foreign Equity Investments

1. Effective immediately, § 211.8 is amended to read as follows:

**§ 211.8 Investments in shares of other corporations.**

(a) *Specific consent.* Prior specific consent of the Board is required with respect to the acquisition of any shares by a Corporation, except as provided in the ninth paragraph of section 25(a) of the Act (relating to purchases of stock to prevent loss on debts previously contracted).

(b) *Conditions.* (1) Shares of stock in a corporation shall be disposed of as promptly as practicable if (i) such corporation should engage in the business of underwriting, selling, or distributing securities in the United States or (ii) the Corporation is advised by the Board that their holding is inappropriate under section 25(a) of the Act or this part.

(2) In computing the amount which may be invested in the shares of any corporation under section 25(a) of the Act, there shall be included any such investments in other corporations controlled by such corporation. Unless otherwise specified, "shares" in this section include any rights to acquire shares, except that prior Board consent is not required for the acquisition and exercise of stock rights in lieu of dividends which are declared on shares already held by a Corporation and which do not result in an increase in percentage ownership of the corporation.

(c) *Reports.* A Corporation shall inform the Board through the Federal Reserve Bank of its district within 30 days after the close of each quarter with respect to any acquisition or disposition of shares during that quarter, including the following information concerning any corporation whose shares it acquired for the first time (unless previously furnished): (1) Recent balance sheet and income statement, (2) brief descriptions of the corporation's business (including full information concerning any such business transacted in the United States), the shares acquired, and any related credit transaction, (3) lists of directors and principal officers (with address and principal business affiliation of each) and of all shareholders (known to the issuing corporation) holding 10 percent or more of any class of the corporation's shares (and the amount held by each), and (4) information concerning the rights and privileges of the various classes of shares outstanding.

2a. This amendment is issued pursuant to the authority granted to the Board of Governors by section 25(a) of the Federal Reserve Act (12 U.S.C. 615) to prescribe rules and regulations governing equity investments by corporations chartered under the provisions of such section. The change is to require such a corporation to obtain the Board's specific approval before making any equity investment in a foreign business. Formerly, certain investments could be made without specific approval by the Board.

b. There was no notice and public participation with respect to this amendment, nor is the effective date deferred. In view of the purposes of Presidential Executive Order 11387 of January 1, 1968, "Governing Certain Capital Transfers Abroad", the Board found that such actions would result in delays that would be contrary to the public interest.

Dated at Washington, D.C., this 7th day of February 1968.

By order of the Board of Governors.

[SEAL] ROBERT P. FORRESTAL,
*Assistant Secretary.*

[F.R. Doc. 68-1758; Filed, Feb. 12, 1968; 8:49 a.m.]

# Title 14—AERONAUTICS AND SPACE

## Chapter I—Federal Aviation Administration, Department of Transportation

[Airworthiness Docket No. 67-SW-68; Amdt. 39-546]

### PART 39—AIRWORTHINESS DIRECTIVES

#### Bell Model 47 Series Helicopters

Amendment 39-308 (31 F.R. 14545), AD 66-28-2, published under Docket No.

7473, requires a daily inspection for cracks and permanent deformation in tail rotor blades, with attendant necessary replacement, on both skid-equipped and float-equipped Bell Model 47 series helicopters having metal tail rotor blades, P/N 47-642-102. Installation of tabs, P/N 47-642-114, or equivalent strike-detection device was required on float-equipped helicopters only, and tail rotor blade replacement required where inspection revealed bent tabs or other strike indication. After issuing Amendment 39-308, additional inflight failures and cracks occurred in the tail rotor blades that were not attributable to water strike, a specific type of operation, or detected by the current daily visual inspection. In addition, it was determined that helicopters used in the restricted category should be included in the AD requirements. Therefore, the AD is being superseded by a new AD that includes restricted category operations using Model 47 series helicopters, that requires a preflight visual inspection using a three-power or higher magnifying glass of all metal tail rotor blades, that requires the removal of paint and the name tag, as necessary, to provide a clear external view of the critical areas of the blade, and that recognizes a strike-detection device for float equipped helicopters as a valid inspection provision. In addition, a visual inspection of the critical internal areas of the tail rotor blade grip must be conducted periodically after 300 hours' time in service and the metal tail rotor blades must be replaced after 600 hours' time in service or within 100 hours after the effective date of this AD if the blades have attained more than 500 hours' time in service. Liberalization of the blade removal schedule will be considered only after a careful analysis of inspection results and evaluation of available exhibits.

Since a situation exists that requires immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable and good cause exists for making this amendment effective in less than 30 days.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (31 F.R. 13697), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

BELL. Applies to Model 47 series helicopters, including restricted category, equipped with metal tail rotor blades, P/N 47-642-102.

Compliance required as indicated.

To prevent failure of tail rotor blades due to fatigue cracks, accomplish the following:

(a) Before the first flight of each day and before the first flight after refueling the helicopter after the effective date of this AD, visually check for cracks and permanent deformation in the tail rotor grips in the area between Blade Station 2.7 and 3.7, in the tail rotor blade trailing edge between Blade Station 5 and 8, and at the area surrounding the rivets that attach the blade skin to the grip, using a three-power or higher magnifying glass. (Station 0 is center of tail rotor yoke.)

(b) Before the first flight of each day and before the first flight after refueling the helicopter after the effective date of this AD, visually check blades equipped with tabs, P/N 47-642-114, for deformation of the tabs or check the equivalent strike-detection device in a manner approved by the Chief, Engineering and Manufacturing Branch, Flight Standards Division, Southwest Region, FAA.

(c) Replace tail rotor blades having cracks or permanent deformation on skid-equipped helicopters before further flight.

(d) Replace tail rotor blades having cracks, permanent deformation, bent tabs, or strike indication from equivalent strike-detection device on float-equipped helicopters before further flight, except that blades with bent tabs or a strike-indication from the equivalent strike-detection device only may be flown for a period not to exceed 1.5 hours in accordance with FAR 21.197 to a base where the blade may be replaced.

(e) Within the next 300 blade hours' time in service after November 25, 1966, install tabs, P/N 47-642-114, on metal tail rotor blades, P/N 47-642-102, of float-equipped helicopters in accordance with Bell Service Letter No. 125 dated June 21, 1965, or an equivalent strike-detection device approved by the Chief, Engineering and Manufacturing Branch, Flight Standards Division, Southwest Region, FAA.

(f) Within 10 hours after the effective date of this AD, provide a clear view of the tail rotor blade external critical areas in the manner prescribed in paragraph 2 of Bell Service Bulletin 143 SB, Revision D,[1] or later FAA approved revision.

(g) The checks in (a) and (b) above may be performed by the pilot.

NOTE: For the requirements regarding the listing of compliance and method of compliance with this AD in the aircraft permanent maintenance record, see FAR 91.173.

(h) Inspect within the next 10 hours' time in service those tail rotor blades having 300 or more hours' time in service on the effective date of this AD in accordance with the procedures listed below. Inspect those tail rotor blades having less than 300 hours' time in service after reaching 300 hours in accordance with the procedures listed below. Accomplish repetitive inspections at intervals of not more than 150 hours' time in service from the last inspection.

(1) Remove the tail rotor blade from the helicopter in accordance with the appropriate model maintenance and overhaul instruction manual.

(2) Remove the metal grease plug in the blade grip in the manner prescribed in Bell Service Bulletin 143, SB, Revision D, or later FAA approved revision.

(3) Visually inspect internal surfaces of the blade grip for cracks in the rivet area using a dental mirror and light or an equivalent inspection method approved by the Chief, Engineering and Manufacturing Branch, Flight Standards Division, Southwest Region, FAA.

(4) Visually inspect internal surface of the grip for cracks and tool marks in the bearing relief under cut radius using a dye penetrant or an equivalent inspection method approved by the Chief, Engineering and Manufacturing Branch, Flight Standards Division, Southwest Region, FAA.

(5) Reinstall a new metal grease plug, P/N 47-642-112, in the blade grip in the manner described in Bell Service Bulletin 143 SB, Revision D, or later FAA approved revision.

(6) Reassemble, reinstall, balance, and track tail rotor blades in accordance with the appropriate model maintenance and overhaul instruction manual.

(i) Remove and replace metal tail rotor blades with 600 or more hours time in service on the effective date of this AD, within the next 100 hours time in service.

(j) Remove and replace metal tail rotor blades with 500 to 599 hours time in service on the effective date of this AD, within the next 100 hours time in service. Blades with less than 500 hours time in service on the effective date of this AD must be removed and replaced at 600 hours time in service.

This supersedes Amendment 39-308 (31 F.R. 14545), AD 66-28-2.

This amendment becomes effective immediately upon receipt to all known U.S. operators of Bell Model 47 series helicopters and to all persons on the date of publication in the FEDERAL REGISTER.

Issued in Fort Worth, Tex., on January 19, 1968.

HENRY L. NEWMAN,
*Director, Southwest Region.*

[F.R. Doc. 68-1740; Filed, Feb. 12, 1968; 8:48 a.m.]

[1] Copies of Bell Service Bulletin 143 SB, Revision D may be obtained without cost from the Bell Helicopter Co., Post Office Box 482, Fort Worth, Tex. 76101, or the Chief, Engineering and Manufacturing Branch, Flight Standards Division, Southwest Region, FAA, Post Office Box 1689, Fort Worth, Tex. 76101.

[Docket No. 8720; Amdt. 39-553]

## PART 39—AIRWORTHINESS DIRECTIVES

### Hawker Siddeley Model Series DH.125-1A, -1A/R-522, -1A/522, -3A, -3A/R

There have been failures of the fuel filter deicing system nonreturn valves on Hawker Siddeley Model Series DH. 125-1A, -1A/R-522, -1A/522, -3A, -3A/R which have resulted in fuel from the main system entering the deicing systems and contaminating the methanol tank. Also there have been instances of leakage in the deicing systems line which could permit depletion of the methanol tank. In many cases these failures have been caused by corrosion and occur with the passage of time rather than usage. Since this condition is likely to exist or develop in other airplanes of the same type design, an AD is being issued to require that the above equipment be inspected and tested, and that defective parts be replaced on the Hawker Siddeley DH.125's specified above.

Since a situation exists that requires immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable and good cause exists for making this amendment effective in less than 30 days.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (14 CFR 11.89), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

HAWKER SIDDELEY. Applies to Model Series DH.125-1A, -1A/R-522, -1A/522, -3A, -3A/R.

Compliance required as indicated, unless already accomplished.

To detect fuel leakage past the fuel filter deicing system nonreturn valves, P/N A.W.E. 124-25, -26, or -27, and fuel or methanol leakage from the fuel filter and windshield deicing systems, accomplish the following:

(a) Immediately prior to each flight after the effective date of this AD, check for signs of fuel leakage past the nonreturn valves, P/N A.W.E. 124-25, -26, or -27, and inspect for fuel or methanol leakage from the fuel filter and windshield deicing systems in accordance with Hawker Siddeley Aviation, Ltd., Service Bulletin No. 28-A23, Revision 1, dated November 20, 1967, or later ARB-approved revision, or FAA-approved equivalent.

(b) Within the next 7 days after the effective date of this AD and thereafter at intervals not to exceed 7 days from the last serviceability test, accompish a serviceability test of the fuel filter and windshield deicing systems, in accordance with Hawker Siddeley Aviation, Ltd., Service Bulletin No. 28-A23, Revision 1, dated November 20, 1967, or later ARB-approved revision, or FAA-approved equivalent. However, whenever an airplane has not been operated for a period in excess of 7 days, the serviceability test required during that period may be postponed until immediately prior to the first flight after such period.

(c) If unserviceable nonreturn valves or leaks in the deicing systems are found during the checks, inspections, or tests required by paragraphs (a) and (b) of this AD, before further flight, replace defective parts with serviceable parts of the same or approved equivalent part numbers, and continue the checks, inspections and tests required by paragraphs (a) and (b) of this AD.

This amendment becomes effective February 13, 1968.

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

Issued in Washington, D.C., on February 6, 1968.

EDWARD C. HODSON,
*Acting Director,*
*Flight Standards Service.*

[F.R. Doc. 68-1757; Filed, Feb. 12, 1968; 8:49 a.m.]

# Title 16—COMMERCIAL PRACTICES

## Chapter I—Federal Trade Commission

### PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

#### Premerger Clearance: No Anticompetitive Effects Foreseeable

**§ 15.164 Premerger clearance: No anticompetitive effects foreseeable.**

(a) The Commission issued an advisory opinion on May 14, 1964, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was approved permitting acquisition of a distributor by the manufacturer of products distributed.

(b) A franchised distributor of electrical equipment sought clearance of its acquisition by the manufacturer of products he distributed. The relationship between the firms had existed for many years, was cancellable on 90 days notice, the trend in the line of business involved was to direct sales from manufacturer to purchaser and no substantial adverse competitive effects were foreseeable.

(c) The Commission advised the requesting party that the acquisition would not violate Commission administered law; however, he was advised that the opinion was predicated on the understanding (1) that competing distributors would not be foreclosed from supplies he distributed and (2) that preexisting relationships between him and said supplier would not be altered without prior Commission approval.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1475; Filed, Feb. 12, 1968; 8:45 a.m.]

### PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

#### Premerger Clearance: Deteriorating Financial Condition

**§ 15.165 Premerger clearance: Deteriorating financial condition.**

(a) The Commission issued an advisory opinion on July 30, 1964, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was approved permitting acquisition of a deteriorating competitor.

(b) A national manufacturer and distributor of consumer goods sought clearance of its proposed acquisition of a smaller manufacturer and distributor of the same products. Most of the business of the smaller firm was in a limited geographical area. The industry involved could be entered with a relatively modest sum of money. The firm to be acquired had experienced declining sales, a deteriorating, nonviable financial situation, personnel problems and had made reasonable but unsuccessful efforts to sell to others.

(c) The Commission advised that basing its belief on the information currently available to it that the proposed transaction, if consummated, probably would not violate any of the laws which the Commission administers.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1476; Filed, Feb. 12, 1968; 8:45 a.m.]

### PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

#### Premerger Clearance: Declining Industry

**§ 15.166 Premerger clearance: Declining industry.**

(a) The Commission issued an advisory opinion July 30, 1964, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was approved permitting acquisition of a failing company in a declining industry.

(b) A single-line manufacturer of a byproduct of the cotton industry desiring to be acquired by a multiproduct company in the chemical industry sought clearance of its proposed acquisition. The firms were competitors but demand for the product was declining due largely to wide fluctuations in price. There was also increasing production of competitive products made from wood pulp which could be used for the same purposes, and reasonable, but unsuccessful attempts had been made to sell to others.

(c) The Commission, basing its belief on the information then before it, advised that the proposed sale probably would not violate any of the laws it administers.

(d) The Commission added that the opinion should not be construed as in any way affecting any other matter involving the requesting party or the the purchaser which the Commission was then or might thereafter investigate.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1477; Filed, Feb. 12, 1968; 8:45 a.m.]

### PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

#### Premerger Clearance: Deteriorating Industry

**§ 15.167 Premerger clearance: Deteriorating industry.**

(a) The Commission issued an advisory opinion on August 18, 1964, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was approved permitting acquisition of a failing competitor.

(b) One of the larger manufacturers of industrial clay products sought clearance to acquire a smaller manufacturer of the same product. The smaller manufacturer did not have as extensive a product line as the larger company. The companies partially competed in a limited geographical area; however the smaller firm had been unable to replace key personnel and the trend in its financial condition was downward. Further, its employees, comprising about 20 percent of the work force in a small community, faced loss of jobs if the smaller company went out of business. Lastly, the other party was the only available purchaser.

(c) Basing its belief on the information then before it, the Commission advised the proposed sale probably would not violate any of the laws which it administers.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1478; Filed, Feb. 12, 1968; 8:45 a.m.]

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## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Premerger Clearance: Imminent Insolvency

**§ 15.168 Premerger clearance: Imminent insolvency.**

(a) The Commission issued an advisory opinion on October 27, 1964, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was approved permitting acquisition of a failing competitor in financial distress.

(b) A firm in a local service business requested clearance to merge with a competitor, with whom it was aligned in its activities, and to form a new corporation. The service firm had experienced declining earnings for the past 8 years and there was strong competition from other service businesses in the area in which both did business. The requesting party had experienced an increase in operating costs and expenses in relation to sales, was in a critical financial condition and apparently could not long continue to operate as a solvent and going concern. A national chain was the only other possible purchaser.

(c) The Commission basing its belief on the information then available to it advised that the transaction would not violate any of the laws which it administers.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1479; Filed, Feb. 12, 1968; 8:45 a.m.]

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## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Premerger Clearance: Financial Distress

**§ 15.169 Premerger clearance: Financial distress.**

(a) The Commission issued an advisory opinion on May 26, 1965, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was approved permitting acquisition of an integrated competitor in poor financial condition.

(b) A large diversified manufacturer of closures with less than 3 percent of its total sales accounted for by a speciality closure product, sought to acquire the second largest integrated manufacturer of such products, in an industry dominated by another fully integrated company. The first four firms in the industry accounted for about 55 percent of the market. The company to be acquired was in poor financial condition, and it was doubtful whether its credit standing could support the new financing necessary for plant improvement and extension of product lines which were needed to improve its competitive position.

(c) The Commission basing its opinion on the information available to it advised (1) that it would not challenge the acquisition if consummated, but (2) that such advice was given without prejudice to the right to reconsider in the event anticompetitive effects causally connected to the acquisition were manifested in the future.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1480; Filed, Feb. 12, 1968; 8:45 a.m.]

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## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Premerger Clearance: De Minimus Competitive Effect

**§ 15.170 Premerger clearance: De minimus competitive effect.**

(a) The Commission issued an advisory opinion on June 8, 1965, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was approved permitting acquisition of a competitor's unprofitable operating division.

(b) A large manufacturer of a diverse line of aeronautical supplies sought Commission approval for the disposition of one of its operating divisions which was an unprofitable part of its total business. The proposed purchaser was another diversified corporation also engaged to a small degree in the same line of commerce. It was evident that although these two companies ranked high in market shares, there were many others in the business, and that restrictive licenses were often used by customers to exercise an effective consumer-control of the survey market. The total dollar value of the business being sold was small and it appeared there would be a liquidation of the assets if the sale was not made.

(c) The applicant was advised that based on the available information a proceeding would not be initiated by the Commission to challenge the acquisition. The Commission added that the advice was being given without prejudice to its right to reconsider the questions involved in the event substantial anticompetitive effects attributable to the acquisition were manifested in the future.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1481; Filed, Feb. 12, 1968; 8:45 a.m.]

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## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Premerger Clearance Denied: Adverse Competitive Effects Probable

**§ 15.171 Premerger clearance denied: Adverse competitive effects probable.**

(a) The Commission issued an advisory opinion on June 10, 1965, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was denied because of the existence of probable adverse competitive effects.

(b) A manufacturer/retailer of consumer leather goods requested clearance for its proposed acquisition of a major regional retailer of products produced by the manufacturer. The horizontal and vertical implications of this proposed merger were similar to those which were declared unlawful in the case of United States v. Brown Shoe, 370 U.S. 294 (1962). However, the market shares were smaller and probable adverse competitive effects somewhat less than were present in the Brown Shoe case.

(c) The Commission advised there existed a substantial probability that the proposed acquisition would be a violation of the Clayton and Federal Trade Commission Acts. The application for premerger clearance was denied.

(d) Thereafter, the acquisition was consummated. A complaint issued and a consent settlement effected whereby the acquiring company agreed to make no further acquisitions of retailers or manufacturers of the product involved for a period of several years without prior Commission approval.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1482; Filed, Feb. 12, 1968; 8:45 a.m.]

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## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Premerger Clearance: Adverse Competitive Effects Not Discernible

**§ 15.172 Premerger clearance: Adverse competitive effects not discernible.**

(a) The Commission issued an advisory opinion on July 23, 1965, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was given limited approval because it did not appear that the acquisition would result in the requisite adverse competitive effects.

(b) A diversified processor, wholesaler, and retailer sought clearance for its proposed acquisition of an independent food supplier which sold a major portion of its products to a subsidiary of the acquiring company. The isolated transaction did not appear to have the requisite substantial adverse competitive effects called for by the statute, but in view of pending investigations of additional acquisitions by the acquiring company, an unrestricted clearance could not be approved by the Commission.

(c) The Commission advised that it would take no action solely as to the proposed transaction if it was consummated. The Commission added that it conditioned its advice on assurances that by accepting and acting upon the opinion, the acquiring company would not use the opinion as precedent or argument in the investigation, or in the formal or informal hearings, of any matter involving the acquiring company then pending or which might come before the Commission or any other court or agency.

(d) The Commission added that if at some future date the acquiring company was required to divest the subsidiary which was actually taking over the independent company, the parent company would not object to divestiture of the independent food supplier on terms set by the Commission or other court or agency.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68–1483; Filed, Feb. 12, 1968; 8:45 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Premerger Clearance Denied: Lack of Competitive Information

**§ 15.173 Premerger clearance denied: Lack of competitive information.**

(a) The Commission issued an advisory opinion on October 29, 1965, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was denied for lack of competitive information concerning competition in the line of commerce involved.

(b) A leading manufacturer of dispensing machines sought approval of its proposed purchase of a smaller, family held manufacturer of dispensing machines which were complementary to the product line of the acquiring company.

(c) The Commission declined to render an opinion because of (1) the paucity of competitive information concerning competition in the line of commerce with which the acquired company's machine was identified, and (2) the short time period available between the date of the request and the closing date agreed upon between the parties. This short time precluded a more complete investigation and analysis.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68–1484; Filed, Feb. 12, 1968; 8:45 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Premerger Clearance Denied: Vertical Merger Would Raise Questions

**§ 15.174 Premerger clearance denied: Vertical merger would raise questions.**

(a) The Commission issued an advisory opinion September 8, 1966, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was denied because the competitive implications of the acquisition would raise economic questions resolvable only by investigation.

(b) A leading construction material producer applied for clearance of its proposed acquisition of a diversified company having a large share of a regional market in the sale of raw materials such as sand, gravel, and stone, which were complementary to its principal product line. The requesting party offered to dispose of certain producing plants now operated by the company, and to continue appropriate leases of other such plants as the company owned.

(c) The Commission advised the requesting party that the competitive implications of the integration of construction material distributors with sources of raw materials were such that an investigation to assess the economic effects of the acquisition, if it was consummated, would be necessary.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68–1485; Filed, Feb. 12, 1968; 8:45 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Interpretation of Request for Premerger Clearance: Declining Industry

**§ 15.175 Interpretation of request for premerger clearance: Declining industry.**

(a) The Commission issued an opinion October 8, 1965, in connection with a request for advice by two respondents as to whether a proposed merger, if consummated, would be in violation of an outstanding order prohibiting them from, among other matters, uniting facilities so as to eliminate competition.

(b) One respondent, a small company in the coin operated machine business, desiring to be acquired by the other, a larger company in the same industry, applied for clearance of the proposed acquisition under Commission established procedures. It was reported that the smaller respondent was in financial difficulties to the point where it was approaching failure. Further reasons advanced to support the proposed merger were that demand for the product was on the decline, the industry easy to enter, and reasonable efforts to locate another purchaser had been unsuccessful.

(c) On the basis of available information, the Commission advised that if the smaller respondent sold its business to any company, the Commission did not intend to initiate proceedings with regard to such sale.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68–1486; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Premerger Clearance: De Minimis Competitive Effects

**§ 15.176 Premerger clearance: De minimis competitive effects.**

(a) The Commission issued an advisory opinion on November 29, 1966, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was approved permitting acquisition of a company in financial distress.

(b) A dairy products processing company in financial difficulty desiring to be acquired by a larger company in the same field applied for clearance of the proposed acquisition. The companies competed to a limited extent; however, the applicant had losses for a number of years, could not obtain long-term financing and had made numerous unsuccessful attempts to sell to others.

(c) The requesting party was advised that, relying on his representations as to the hopeless financial condition and unsuccessful efforts to sell, the Commission would not challenge the proposed acquisition if it were consummated.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68–1487; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Request for Premerger Clearance: Imminent Insolvency

**§ 15.177 Compliance interpretation of request for premerger clearance: Imminent insolvency.**

(a) The Commission issued an opinion February 14, 1964, in connection with a request for advice as to whether a proposed merger, if consummated, would be in violation of an outstanding order prohibiting the acquiring company from making certain acquisitions.

(b) A small company manufacturing food products applied for clearance of its acquisition by a larger producer engaged in operations in the same product line. The larger producer was subject to a Commission order prohibiting certain acquisitions for a designated period of time without prior Commission approval.

(c) Both producers competed in the same general trading area. It was presented that the smaller company was in imminent danger of insolvency and that it had exhausted every possibility of locating another purchaser without success.

(d) On the basis of available information, but primarily because of the equities affecting the smaller company's position in the industry, the Commission gave its approval to the proposed acquisition.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1488; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Request for Premerger Clearance: Denied, Other Purchasers Available

**§ 15.178 Compliance interpretation of request for premerger clearance: Denied, other purchasers available.**

(a) The Commission issued an opinion April 2, 1964, in connection with a request for advice as to whether a proposed merger, if consummated, would be in violation of an outstanding order prohibiting the acquiring company from making certain acquisitions.

(b) A large company in the food products field applied for clearance of its proposed acquisition of a smaller company engaged in operations in the same product line. The larger company was subject to a Commission order prohibiting certain acquisitions for a designated period of time without prior Commission approval.

(c) Both companies were in substantial competition in the same general trading area. It was determined that other prospective purchasers were available and that the smaller company was of considerable size when compared with other regional producers.

(d) The Commission advised that the proposed merger could not be approved under the circumstances.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1489; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Request for Premerger Clearance: Imminent Bankruptcy

**§ 15.179 Compliance interpretation of request for premerger clearance: Imminent bankruptcy.**

(a) The Commission issued an opinion October 28, 1964, in connection with a request for advice from a small company as to whether its proposal to merge with any other company in the same field would, if consummated, be in violation of section 7, amended Clayton Act.

(b) A small food products manufacturer applied for advice from the Commission regarding the possibility of selling out to any other company operating in the same field, particularly to a large processor in the same products line. The larger producer was subject to a Commission order prohibiting such acquisitions for a designated period of time without prior Commission approval.

(c) It was presented that the requesting company had made reasonable but unsuccessful attempts to locate a purchaser other than the larger company, and moreover was on the verge of bankruptcy.

(d) On the basis of available information, but primarily because of the equities affecting the requesting company's position in the industry, the Commission advised that an acquisition by another producer in the same field would not be in violation of section 7, amended Clayton Act, and in the event a sale is made to a company which is under Commission order requiring approval of such acquisition, said approval would be granted.

(e) In clearing the proposed sale the Commission pointed out that the approval might be reconsidered, revoked or rescinded if it subsequently appeared the facts submitted were inaccurate, incomplete or that they had changed at the time a sale was made.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1490; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Request for Premerger Clearance: Imminent Insolvency

**§ 15.180 Compliance interpretation of request for premerger clearance: Imminent insolvency.**

(a) The Commission issued an opinion September 24, 1965, in connection with a request for advice as to whether a proposed merger, if consummated, would be in violation of an outstanding Commission order prohibiting the acquiring company from making certain acquisitions for a designated period of time without prior Commission approval.

(b) A small food products manufacturer applied for clearance of its proposed acquisition by a larger company under Commission order and which was much more extensively engaged in the same product line. The requesting company was experiencing a decline in annual profits to the point of insolvency. It was reported that refinancing was not available and the smaller company was not, for a number of reasons, a viable concern in the context of the particular market. Exhaustive efforts to locate another purchaser had been unsuccessful.

(c) On the basis of available information the Commission gave its approval to the proposed acquisition.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1491; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Requests for Premerger Clearance: De Minimis Competitive Effects; One Request Denied

**§ 15.181 Compliance interpretation of requests for premerger clearance: De minimis competitive effects; one request denied.**

(a) The Commission issued opinions on February 9, 1966 and January 26, 1967, in connection with requests for advice as to whether several proposed mergers, if consummated, would be in violation of an outstanding Commission order prohibiting future acquisitions by respondent for a designated period of time without prior Commission approval.

(b) A large automatic machine company under Commission order sought approval for the proposed acquisition of two smaller, local companies engaged in the same line of business. In one metropolitan area respondent and the first smaller company were in competition, and in the other trading area respondent and the second smaller company did not compete to any significant degree. In the first area there were a substantial number of local and national competitors involved, and in the other area a substantial number of local competitors and one national competitor were involved.

(c) In these two instances the Commission approved the proposed acquisitions.

(d) In a third request for advice involving a different trading area, the respondent sought clearance for the proposed acquisition of a smaller, local company engaged in the same line of business in direct competition with the larger company. There was a concentration in the line of commerce involved. The Commission denied the request for clearance because it was incompatible with the objectives of the order prohibiting such acquisitions.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1492; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Request for Premerger Clearance: Liquidation Probable

**§ 15.182 Compliance interpretation of request for premerger clearance: Liquidation probable.**

(a) The Commission issued an opinion May 24, 1966, in connection with a request for advice as to whether a proposed acquisition, if consummated, would be in violation of an outstanding order prohibiting respondent from making certain acquisitions for a designated period of time without prior Commission approval.

(b) A large manufacturer of food products sought clearance of its proposal to acquire a smaller manufacturer engaged in the same general line of commerce. The requesting manufacturer was, and is now, subject to a Commission order prohibiting, among other things, the making of certain acquisitions for a designated period of time without prior Commission approval. The two manufacturers were not in competition in the same geographical trading area, but to a very limited extent the requesting manufacturer was a supplier to the smaller company.

(c) The smaller manufacturer had made reasonable but unsuccessful attempts to sell to others in the industry and in the circumstances liquidation apparently was the only alternative to the proposed sale.

(d) The Commission advised that, in reliance on the information submitted by the parties, if the proposed acquisition was made, the Commission would not proceed against the acquiring company.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1493; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Request for Premerger Clearance: Denied, Competitive Considerations

**§ 15.183 Compliance interpretation of request for premerger clearance: Denied, competitive considerations.**

(a) The Commission issued an opinion July 20, 1966, in connection with a request for advice as to whether a proposed merger, if consummated, would be in violation of an outstanding order prohibiting the acquiring company from making certain acquisitions.

(b) A large manufacturer of industrial products sought clearance for its proposed acquisition of a smaller company in the same as well as in a complementary product line. The requesting manufacturer was, and is now, subject to a Commission order prohibiting, among other things, the making of certain acquisitions for a designated period of time without prior Commission approval.

(c) Both manufacturers were competitors and the smaller was quite capable of growing and developing in the industry. Further, no efforts had been made to locate other possible purchasers.

(d) The Commission advised that approval for the proposed acquisition would not be in the public interest because it would entail the acquisition of a competitor and further increase concentration in the industry.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1494; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Request for Premerger Clearance: Bankruptcy Imminent

**§ 15.184 Compliance interpretation of request for premerger clearance: Bankruptcy imminent.**

(a) The Commission issued an opinion September 1, 1966, in connection with a request for advice as to whether a proposed merger, if consummated, would be in violation of an outstanding order prohibiting the acquiring company from making certain acquisitions.

(b) A small processor of food products applied for clearance of its proposed acquisition by a larger processor engaged in operations in the same general product line. The larger processor was, and is now, subject to a Commission order prohibiting, among other matters, the making of certain acquisitions for a designated period of time without prior Commission approval.

(c) The requesting processor was on the verge of bankruptcy and had made reasonable but unsuccessful attempts to locate another purchaser within the industry.

(d) The Commission advised that, in reliance on the information and data supplied, it would approve the request for clearance of the proposed acquisition.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1495; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Request for Premerger Clearance: De Minimis Competitive Effect

**§ 15.185 Compliance interpretation of request for premerger clearance: De minimis competitive effect.**

(a) The Commission issued opinions September 29, 1966, and January 26, 1967, in connection with requests for advice from a small company as to whether a proposal to merge, if consummated, would violate an outstanding order prohibiting either purchasing company from making certain acquisitions.

(b) A small processor of food products which was tightly held, having declining profits, increasing expenses, a loss of key personnel, a plant too small to compete efficiently, and an owner-manager who was determined to sell, applied for clearance for its proposed acquisition by either of two larger processors in the same general line of commerce. Both of the larger processors were subject to a Commission order prohibiting certain acquisitions for a designated period of time without prior Commission approval.

(c) On the basis of supplied information, the Commission cleared the request for acquisition by either of the two larger processors. Subsequently, however, partial acquisition by a third processor was approved, as was a partial acquisition by one of the larger concerns.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1496; Filed, Feb. 12, 1968; 8:46 a.m.]

## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Request for Premerger Clearance: De Minimis Competitive Effect

**§ 15.186 Compliance interpretation of request for premerger clearance: De minimis competitive effect.**

(a) The Commission issued an opinion December 23, 1966, in connection with a request for advice as to whether a proposed merger, if consummated, would violate an outstanding order prohibiting the purchasing company from making certain acquisitions.

(b) The estate of a very small retailer of food products applied for clearance of its proposed acquisition by a larger processor engaged in operations in the same general product line. The larger company was, and is now, subject to a Commission order prohibiting certain acquisitions for a designated period of time without prior Commission approval. The retailer, a negligible factor in the industry and in the relevant geographical market, was not capable of development in the estate status.

(c) The Commission cleared the proposed acquisition.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1497; Filed, Feb. 12, 1968; 8:47 a.m.]

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## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Compliance Interpretation of Request for Premerger Clearance: Imminent Insolvency

**§ 15.187 Compliance interpretation of request for premerger clearance: Imminent insolvency.**

(a) The Commission issued an opinion September 25, 1964, in connection with a request for advice as to whether a proposed merger, if consummated, would be in violation of an outstanding Commission order prohibiting the purchasing company from making certain acquisitions.

(b) A large integrated company manufacturing commercial products applied for clearance to acquire a smaller company engaged in operations in the same product line in the Western States. The larger company was, and is now, subject to a Commission order prohibiting certain acquisitions for a designated period of time without prior Commission approval.

(c) Both manufacturers were in direct competition in the geographical trading area. However, each held a relatively small share of the market involved. It was represented that the small concern had exhausted all other possibilities of selling to another purchaser, save to one or more of the other integrated manufacturers in the industry. The seller, who was suffering personal hardships because of illness in his family, had to leave the business and the area which it served.

(d) On the basis of the information and data supplied, the Commission cleared the request for clearance of the proposed acquisition.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1498; Filed, Feb. 12, 1968; 8:47 a.m.]

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## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Premerger Clearance Denied: Merger of Firms in Same Industry Would Raise Questions

**§ 15.188 Premerger clearance denied: Merger of firms in same industry would raise questions.**

(a) The Commission issued advisory opinions on September 27, 1962, March 28, 1963, and September 12, 1963, in which commutual requests for premerger clearance from liability under section 7, amended Clayton Act, by a small dairy in financial difficulty were denied as to acquisition by a larger company in the same industry, but were finally approved permitting acquisition by a diversified corporation in another industry.

(b) A small dairy in financial difficulty desiring to be acquired by a larger company in the same field applied for clearance of the proposed acquisition. The larger company, an integrated processor and distributor of dairy products, was the respondent in a complaint in litigation with the Commission.

(c) The applicant was advised the proposed acquisition would raise questions similar to those involved in the proceeding and that the pendency of the proceedings made it inappropriate to express any further views. Reconsideration was requested. In response, the Commission informed the applicant of the decision in the Foremost Dairies case, Docket 6495 and again advised that the acquisition would raise serious questions under section 7 of the Clayton Act. Further, the Commission pointed out that it recognized the problems of small dairies and suggested further efforts to sell to a local or regional purchaser.

(d) Later, the small dairy requested consideration of its proposed acquisition by a large, diversified corporation in the food industry. The Commission advised it would contemplate no action if the transaction was consummated. The Commission added its advice should not be construed as affecting any position it had previously taken against the acquiring corporation nor as in any way prejudicing any pending or future action it might take against the acquiring corporation regarding other acquisitions.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1499; Filed, Feb. 12, 1968; 8:47 a.m.]

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## PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

### Premerger Clearance: Precarious Financial Condition

**§ 15.189 Premerger clearance: Precarious financial condition.**

(a) The Commission issued an advisory opinion on March 20, 1963, in which a request for premerger clearance from liability under section 7, amended Clayton Act, was approved permitting acquisition of a company on the verge of insolvency.

(b) A manufacturer of consumer goods desiring to be acquired by a larger producer in the same field requested clearance of the proposed acquisition. His company had suffered declining sales for a number of years and was in a precarious financial condition to the point of being on the verge of insolvency. Further, reasonable attempts to sell to others had been made but there was no other purchaser which could preserve the competitive force possessed by the requesting manufacturer.

(c) The requesting party was advised that if the sale were consummated, the Commission would contemplate no action based on this transaction alone. The Commission added that its decision was based on representations that the smaller firm was in such dire financial straits that it faced impending backruptcy. Further, the Commission stated it was expressing no opinion regarding prior acquisitions or on restrictive practices, if any, by the purchaser or any other company which may have contributed to the requesting party's failing condition.

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

Issued: February 12, 1968.

By direction of the Commission.

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

[F.R. Doc. 68-1500; Filed, Feb. 12, 1968; 8:47 a.m.]

# Title 26—INTERNAL REVENUE

## Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6946]

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

### Definition of "Medical Care"

In order to modify the definition of "medical care" as it relates to expenses paid for certain insurance, paragraph (e)(1)(i) of § 1.213-1 of the Income Tax Regulations (26 CFR Part 1) is amended, effective for taxable years beginning before January 1, 1967, to read as follows:

**§ 1.213-1 Medical, dental, etc., expenses.**

* * * * *

(e) *Definitions*—(1) *General.* (i) The term "medical care" includes the diagnosis, cure, mitigation, treatment, or prevention of disease. Expenses paid for "medical care" shall include those paid for the purpose of affecting any structure or function of the body, for accident or health insurance, or for transportation primarily for and essential to medical care. Amounts paid for hospitalization insurance, for membership in an association furnishing cooperative or so-called free-choice medical service, or for group hospitalization and clinical care are expenses paid for medical care.

* * * * *

Because this Treasury decision merely liberalizes the definition of "medical care" as it relates to expenses paid for certain insurance, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under 5 U.S.C. 553(b), or subject to the effective date limitation of 5 U.S.C. 553(d).

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

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

Approved: February 6, 1968.

STANLEY S. SURREY,
*Assistant Secretary of the Treasury.*

[F.R. Doc. 68-1698; Filed, Feb. 12, 1968; 8:45 a.m.]

# Title 31—MONEY AND FINANCE: TREASURY

## Chapter V—Office of Foreign Assets Control, Department of the Treasury

### PART 500—FOREIGN ASSETS CONTROL REGULATIONS

#### Quotas for Imports of Certain Commodities From Other Countries

Section 500.204, Appendix, item (101) is being amended to add to the list of commodities set forth therein, cotton manufactures from Rumania. As amended, item (101) reads as follows:

(*101*) *Quotas for imports of certain commodities from other countries.* Under certain limited circumstances, quotas have been established for the importation of certain commodities under annual limitations set by the amount determined as currently available for export.

Licenses are issued for:

Cotton manufactures from Czechoslovakia, Hungary, Poland, and Rumania.
Dried eggs from Argentina, Poland, and South Africa.
Feathers, Asiatic, from Japan and Malaysia.
Firecrackers from Macao.
Lotus seeds from Thailand.
Lychees from Mexico.
Mung beans from Peru and Thailand.
Silk, raw and waste, from Bulgaria.
Tung oil from Malawi.
Vegetables, fresh, Chinese type, from Mexico.
Walnuts from India, Pakistan, Rumania, and Yugoslavia.

[SEAL] MARGARET W. SCHWARTZ,
*Director,*
*Office of Foreign Assets Control.*

[F.R. Doc. 68-1755; Filed, Feb. 12, 1968; 8:48 a.m.]

# Title 46—SHIPPING

## Chapter II—Maritime Administration, Department of Commerce

SUBCHAPTER J—MISCELLANEOUS

[General Order 89, Amdt. 2]

### PART 355—REQUIREMENTS FOR ESTABLISHING UNITED STATES CITIZENSHIP

#### Form of Affidavit

Section 355.3 of this part is hereby amended by adding a new sentence in the parenthetical statement preceding the "Explanatory note" to read as follows:

**§ 355.3 Form of affidavit.**

* * * * *

AFFIDAVIT OF UNITED STATES CITIZENSHIP

* * * * *

(* * * Regardless of voting rights established by the instrument of incorporation, proof of U.S. citizenship ownership of the shares of stock of each class issued and outstanding, not of the aggregate of various (more than one) classes of stock existing, is required to be furnished.)

* * * * *

By order of the Acting Maritime Administrator.

Dated: February 8, 1968.

JAMES S. DAWSON, Jr.,
*Secretary.*

[F.R. Doc. 68-1823; Filed, Feb. 12, 1968; 8:51 a.m.]

# Proposed Rule Making

## DEPARTMENT OF AGRICULTURE

### Consumer and Marketing Service

[ 7 CFR Part 1005 ]

[Docket No. AO-177-A30]

### MILK IN TRI-STATE MARKETING AREA

### Decision on Proposed Amendments to Tentative Marketing Agreement and to Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Charleston, W. Va., on August 22 and 23, 1967, pursuant to notice thereof issued on July 12, 1967 (32 F.R. 10449).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Regulatory Programs, on January 3, 1968 (33 F.R. 285; F.R. Doc. 68-258) filed with the Hearing Clerk, U.S. Department of Agriculture, his recommended decision containing notice of the opportunity to file written exceptions thereto.

The material issues, findings and conclusions, rulings, and general findings of the recommended decision (33 F.R. 285; F.R. Doc. 68-258) are hereby approved and adopted and are set forth in full herein except that Issues 2 and 3 are changed.

The material issues on the record of the hearing relate to:

1. Class I price;
2. Class II price;
3. Butterfat differentials; and
4. Pooling standards.

*Findings and conclusions.* The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof:

1. *Class I price.* The Class I price differential for the Charleston-Huntington district should be $1.55 and for the Gallipolis-Scioto and Athens districts, $1.47. The latter two districts would be combined and designated the "Athens-Scioto" district.

The Tri-State Class I price is the basic formula price for the preceding month plus a fixed differential (and plus an additional 20 cents through April 1968), subject to a supply-demand adjustment. The present Class I differentials are $1.60 for the Charleston-Huntington district, $1.50 for the Gallipolis-Scioto district, and $1.40 for the Athens district.

Two cooperatives proposed a Class I differential for all districts of $1.52, the weighted average Class I differential for the entire market for January 1965 through June 1967. Their proposal would not set aside the 20-cent price increase that is now effective through April 1968. Three Charleston-Huntington district handlers also proposed a $1.52 differential for all districts.

The two producer groups, which supply milk primarily to handlers in the Charleston-Huntington district, claimed that the present pricing arrangement is causing such handlers to lose Class I sales to handlers in the lower-price districts. The cooperatives stated that if this situation continues the decreased demand by such handlers for Class I milk will require producers to move their milk to more distant outlets at a greater hauling cost. They argued that a single differential for the market would place Charleston-Huntington handlers in a more favorable competitive position for Class I sales. This position was supported by proponent handlers who testified that the present pricing scheme places them at a competitive disadvantage with competing handlers in the lower-price districts.

A third producer group proposed retaining the present differential of $1.60 for the Charleston-Huntington district and providing a $1.52 differential for the Athens and Gallipolis-Scioto districts. A handler in the latter district suggested that whatever differentials are provided for the Athens and Gallipolis-Scioto districts they be the same and at a level that is 15 cents lower than the Charleston-Huntington district Class I differential.

Handlers in the Athens and Gallipolis-Scioto districts opposed a marketwide Class I differential of $1.52. They argued that an increase in their Class I price would place them at a competitive disadvantage with handlers in nearby Federal order markets such as Columbus, Cincinnati, and Miami Valley where the Class I differentials are $1.25, $1.34, and $1.24, respectively. A cooperative in the Appalachian market (where a $1.93 differential is applicable) opposed any decrease in the Charleston-Huntington district price, claiming that it would give Tri-State handlers an additional price advantage over Appalachian handlers in the cost of milk sold in overlapping sales areas. Wheeling handlers supported a marketwide Class I differential of $1.52, contending it would provide a better price alignment between the Tri-State market and the Wheeling market, where a $1.73 differential is applicable. In this regard, it should be noted that in 1966, Class I price differences between these other markets and nearby districts in the Tri-State market were either eliminated or minimized because of supply-demand adjustments to the Class I prices. These 1966 adjustments averaged plus 10 cents for Tri-State, plus 29 cents for Columbus, plus 18 cents for Cincinnati and Miami Valley, and minus 25 cents for Wheeling. The Appalachian order does not provide for supply-demand adjustments.

There is some overlapping of distribution from pool plants in the three Tri-State districts. The sales areas of plants at Athens and Marietta, Ohio, in the Athens district and at Charleston and Beckley, W. Va., in the Charleston-Huntington district, for example, encompass much of the same territory within the marketing area. Marietta and Athens handlers make sales as far south as Beckley, a distance of over 150 miles. A Beckley handler, on the other hand, distributes milk as far north as Marietta. Sales from other pool plants, though not as extensive, cover widespread areas in one or more districts and are in competition with sales of handlers who distribute milk throughout most of the marketing area. With the continuing improvement of highways in this market, it is reasonable to expect a greater overlapping of sales areas in the future.

In this situation, the present pricing scheme under the Tri-State order is no longer appropriate. Handlers emphasized particularly the effect of Class I price differences on their bids for sales contracts with chain stores located over a relatively wide geographic area.

Class I differentials of $1.55 for the Charleston-Huntington district and $1.47 for the Athens-Scioto district would lessen the difference in prices now applicable to competing Tri-State handlers. This 8-cent spread between the differentials for the two districts, as proposed by one producer group, will provide a reasonable alignment of prices within the market. This price arrangement will lower the Class I prices for the Charleston-Huntington and Gallipolis-Scioto districts five cents and three cents, respectively, and will increase the Class I price for the Athens district 7 cents. Had the proposed differentials been in effect in 1966, they would have resulted in approximately the same returns from Class I sales of all producer milk in the market as the present differentials provided.

With this reduction from 20 cents to 8 cents in the maximum price difference between districts, there would be no need to maintain three pricing districts. Combining the present Gallipolis-Scioto and Athens districts, as proposed by a handler and a producer group associated with that area, will best effectuate a pricing arrangement that is consistent with current marketing conditions. There was no opposition to merging the two districts.

The current supply of producer milk does not justify a higher Class I price differential for the market. In recent periods, producer deliveries have become proportionately greater relative to the

Class I needs of Tri-State handlers. For the 12 months of November 1964–October 1965, 86 percent of the producer milk in the market was Class I. Class I utilization during each of the two succeeding 12-month periods was 81 percent. Milk supplies are now in reasonable balance with the Class I needs of the market, as indicated by the zero supply-demand adjustments from March through December 1967.[1]

The differentials herein proposed should not adversely affect the maintenance of adequate supplies at Charleston-Huntington district plants. Historically, producer deliveries to these plants relative to their Class I needs have been less than to plants in other districts. Charleston-Huntington handlers stated, however, that milk supplies relative to their Class I needs, currently and prospectively, are more adequate than in the past.

The higher Class I price at Charleston-Huntington plants relative to that at plants in other districts under the order has been necessary to attract adequate supplies to these plants. A Class I price at Charleston-Huntington plants the same as that in all other districts would have tended in the past to impair the maintenance of an adequate supply of milk for Charleston-Huntington handlers. Although such handlers may not have any difficulty under the present pricing arrangement in competing with Athens district handlers for milk supplies, the complete removal of the present 20-cent price difference in the market could seriously affect the maintenance of a supply for Charleston-Huntington plants.

2. *Class II price.* The milk classification system under the order should provide for two manufacturing milk classes rather than one. Class II would apply only to milk used to produce cottage cheese. Class III would include all other milk now classified as Class II.

The Class II price should be the basic formula price (Minnesota-Wisconsin price series) for the month plus 15 cents. This would increase the present order price for producer milk used in cottage cheese by 15 cents per hundredweight. The Class III price should be the basic formula price for the month, which is presently the Tri-State Class II price.

These price levels for the respective manufacturing milk categories were proposed in the recommended decision. That decision proposed, however, that milk used in cottage cheese be classified in a subclass designated as Class II–A. No other change in the Class II provisions was recommended.

This change from the recommended decision does not change the intent or practical effect of the previously recommended amendments. For purposes of uniformity among orders and the compilation of statistical data under the Federal order program, it is desirable to have a separate class for each use category that has a separate price. So that they will conform with the classification system proposed herein, a number of changes in the findings and conclusions and proposed amendments in the recommended decision have been made.

(a) Two proprietary handlers proposed that the price for milk presently classified as Class II be either the Minnesota-Wisconsin price or a butter-powder formula price plus 10 cents, whichever is lower. They stated that since this proposed price is used in some nearby Federal orders, it should be applicable under the Tri-State order. Producer groups in the market opposed the adoption of the proposal.

The average Class II price under the Tri-State order was $3.92 in 1966 and $3.99 in the first 10 months of 1967. Under the handlers' proposal, had it been in effect, the Class II price would have been 16 cents less in 1966 and 7 cents less in the January–October period in 1967. During this time, the butter-powder formula price would have been the effective Class II price in all months except one.

Producer milk not needed for Class I purposes should be priced at a level at which it may be marketed. It should not, however, be at a price so low that it would encourage handlers to associate milk with the pool solely for manufacturing purposes. Neither should it be at a price that would return to producers less than the obtainable market value for such milk.

The record does not show that Tri-State producers are encountering any difficulty in marketing their reserve supplies at the present Class II price. The two handlers proposing the lower price have extensive manufacturing operations. One uses substantial quantities of pooled milk in the manufacture of cottage cheese and ice cream; the other's principal outlets for reserve supplies are evaporating and condensing operations. Neither indicated that utilizing reserve supplies of pooled milk in his manufacturing operation is uneconomic at the present Class II price. Moreover, it was not shown that milk for manufacturing purposes was available from alternative sources at prices below the present Class II price.

Adoption of the handlers' proposal would result in a price that would return to producers less than the obtainable market value for milk not needed for Class I use. The proposal is therefore denied.

(b) Producers proposed an additional 15-cent per hundredweight charge to handlers for producer milk used in cottage cheese. Such milk is now classified as Class II and priced at the Class II (basic formula) price. Producers maintained that the present Class II price does not represent the full value of producer milk used to make cottage cheese.

Handlers in the Tri-State market rely substantially on producer milk supplies for the production of cottage cheese. In 1966, such handlers used about 30 million pounds of milk in making this product. This represented 35 percent of the total Class II use of producer milk.

As previously indicated, producer milk disposed of in manufacturing uses should be priced under the order at a level which results in the orderly marketing of such milk. Within this concept, however, the price level should be that which will provide the highest possible returns to producers. If producer milk used in cottage cheese is priced to handlers at less than the cost of alternative supplies of cottage cheese or dairy products used for making cottage cheese, producers do not receive the full market value for their milk. On the other hand, if producer milk used in cottage cheese is priced higher than the alternative product cost, handlers might be discouraged from using producer milk in cottage cheese.

The major ingredient cost of cottage cheese is that for the skim milk. For the 12-month period of November 1966 through October 1967, the present order provisions resulted in an average Class II skim milk value of $1.40 per hundredweight. This was the average cost to handlers for producer skim milk which they used in making cottage cheese. An increase of 15 cents per hundredweight for producer milk used in cottage cheese, as proposed herein, would have raised the skim milk value to handlers during this period to $1.55. Based on a yield of 15 pounds of cottage cheese curd per hundredweight of skim milk, the ingredient cost of curd would have been increased by 1 cent per pound.

Handlers choosing not to use producer milk in making cottage cheese probably would use nonfat dry milk. Imported dry cottage cheese curd or manufacturing grade milk also could be used. However, there is no indication that Tri-State handlers have a dependable source for adequate quantities of manufacturing grade milk or dry cottage cheese curd for this purpose at prices less than that proposed herein.

Nonfat dry milk may be reconstituted for use in cottage cheese production. The price per pound of spray process nonfat dry milk in the Chicago area averaged 19.49 cents in the November 1966–October 1967 period.[2] With a yield of 8.5 pounds of nonfat dry milk per hundredweight of skim milk, the cost of nonfat solids would have been about $1.66 per hundredweight of skim equivalent. When the transportation cost for the nonfat dry milk is added, the cost is in excess of the cost of producer skim milk that would have resulted under the proposed pricing scheme.

Local producers thus represent the cheapest source of cottage cheese milk for Tri-State handlers. The 15-cent differential above the present Class II price level represents a reasonable return

[1] Official notice is taken of the market administrator's official announcements issued for the months of March through December 1967 which provide production, utilization and price data not available at the time of the hearing.

[2] Official notice is taken of "Federal Milk Order Market Statistics" issued in October, November, and December 1967 by the Dairy Division, Consumer and Marketing Service, U.S. Department of Agriculture, with respect to the Chicago area prices of nonfat dry milk.

to producers for supplying on a regular basis Grade A milk for cottage cheese production.

There is no indication that the proposed Class II price would encourage Tri-State handlers to import cottage cheese from other markets or cause them to lose cottage cheese sales in the Tri-State market to handlers in other areas. The cost of transporting cottage cheese from distant areas to outlets in the Tri-State market would be expected to negate any price advantage that might be attributable to differences in the cost of milk used in the manufacture of cottage cheese.

3. *Butterfat differentials.* The Class I butterfat differential should be 12 percent of the Chicago butter price for the preceding month. The butterfat differentials for the two manufacturing milk classes proposed herein should be 11.5 percent of the Chicago butter price for the current month. In 1966, these Class I and Class II–Class III butterfat differentials would have averaged 8 cents and 7.6 cents, respectively.

The present Class I butterfat differential, which averaged 8.5 cents in 1966, is the present Class II butterfat differential for the preceding month plus 1 cent. The present Class II butterfat differential is determined by subtracting 3 cents from the Chicago butter price for the month and multiplying the remainder by 0.119. This differential averaged 7.6 cents in 1966.

A number of fluid milk products (e.g., fortified skim milk) being sold in the Tri-State market have a proportionately higher percentage of nonfat solids than does unprocessed milk received from the farm. With a relatively high Class I butterfat differential, producers are not receiving their appropriate share of the Class I value represented by the nonfat solids portion of fluid milk products.

The lower Class I butterfat differential, which was proposed by producers, would allocate less value to the butterfat in Class I milk and more value to the skim milk portion. In 1966, when the Class I price averaged $5.59, the value of 3.5 pounds of butterfat in 100 pounds of milk was $2.98 (35 x 8.5 cents). The skim milk portion of such 100 pounds of milk was valued at $2.61.

The proposed Class I butterfat differential of 12 percent of the Chicago butter price would have valued the butterfat in 100 pounds of milk in 1966 at $2.80 (35 x 8 cents). This is 18 cents less than the value of the 3.5 pounds of butterfat in 100 pounds of milk under the Tri-State order in 1966. Had such a differential been in effect, however, the value of the skim milk portion of the milk would have been increased by 18 cents.

This proposed Class I butterfat differential has wide acceptance and is the Class I butterfat differential most applicable in other Federal orders.

The present Class II butterfat differential should apply to both of the manufacturing milk classes proposed herein. This differential now applies to all milk that would fall into these classes. There was no proposal to apply a different butterfat differential to milk used to produce cottage cheese.

As proposed herein, the manner in which the present Class II butterfat differential is computed would be simplified. The level of the differential would not be affected. The modified differential is commonly used in other Federal orders.

4. *Pooling standards.* The present basis on which a supply plant may qualify as a pool plant should not be changed.

To qualify for pooling under the order, a supply plant must ship in September, October, and November at least 50 percent, and in all other months at least 40 percent, of its Grade A receipts to pool distributing plants. A supply plant that is pooled in each of the months of September through March is accorded pool plant status in the following April through August period.

A cooperative proposed that the present 7-month period used for establishing automatic pool plant status be shortened to a 4-month period of September-December. It also proposed that the 50 percent shipping requirement for September be reduced to 40 percent.

This producer group supplies milk to a pool supply plant at Circleville, Ohio. The plant is the only supply plant that has been associated with the Tri-State market on a regular basis. This plant has been customarily relied upon by Tri-State handlers as a source of supplemental milk supplies for Class I use. It also manufactures milk which is surplus to the fluid needs of the market. Proponent contended that if the shipping requirements are not changed the Circleville plant may not be able to qualify regularly as a pool plant, thereby jeopardizing orderly marketing conditions in the market.

Other cooperatives opposed the proposal. They argued that lowering the shipping requirements could encourage the association of milk supplies with the market for manufacturing rather than fluid use, with a resulting decrease in blend prices paid producers regularly supplying the fluid needs of the market.

The present pooling standards for supply plants became effective November 1, 1966. The change at that time in the standards fully recognized the experience of the Circleville plant. The record does not indicate that there have been any developments since then that make the present standards inappropriate.

Shipping standards are the basis used for determining which supply plants are an integral part of the market and constitute a source of regular and dependable supplies for the market. They are intended to distinguish between plants meeting a reasonable standard of regular and customary service to the market and those which do not.

Shipping requirements serve the added purpose of assuring that handlers engaged in bottling and distribution operations in the market are able to obtain milk from pool supply plants for their fluid milk requirements. Without such requirements, supply plants may tend to keep milk at their plants for manufacturing when it is to their advantage to do so. In this circumstance, milk supplies would be associated with the market for manufacturing rather than fluid purposes, and returns to producers supplying the Class I needs of handlers would be inappropriately lowered.

In view of the above, it is concluded that the present Tri-State order pooling standards for supply plants are reasonable. The cooperative's proposal is therefore denied.

*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 order 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 agreement and the order, 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 area, and the minimum prices specified in the proposed marketing agreement and the order, 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 agreement and the order, 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.

*Rulings on exceptions.* In arriving at the findings and conclusions, and the regulatory provisions of this decision, each of the exceptions received was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions, and the regulatory provisions of this decision are at variance with any of the exceptions, such exceptions are hereby overruled for the reasons previously stated in this decision.

*Marketing agreement and order.* Annexed hereto and made a part hereof are two documents entitled, respectively, "Marketing Agreement Regulating the Handling of Milk in the Tri-State Marketing Area", and "Order Amending the Order Regulating the Handling of Milk in the Tri-State Marketing Area", which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

*It is hereby ordered*, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order as hereby proposed to be amended by the attached order which will be published with this decision.

*Determination of representative period*. The month of November 1967 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the attached order, as amended and as hereby proposed to be amended, regulating the handling of milk in the Tri-State marketing area, is approved or favored by producers, as defined under the terms of the order, as amended and as hereby proposed to be amended, and who, during such representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

Signed at Washington, D.C., on February 8, 1968.

JOHN A. SCHNITTKER,
*Acting Secretary*.

*Order*[1] *Amending the Order Regulating the Handling of Milk in the Tri-State Marketing Area*

**§ 1005.0 Findings and determinations.**

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

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

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

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

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

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

1. In § 1005.6, paragraph (c) is deleted and paragraph (b) is revised to read as follows:

**§ 1005.6 Tri-State marketing area.**

* * * * *

(b) "Athens-Scioto district" means all the territory within the boundaries of the following:

(1) Ohio counties of: Athens, Gallia, Meigs, Scioto, Jackson, and Washington;

(2) Townships of Beaver, Camp Creek, Jackson, Marion, Newton, Pee Pee, Scioto, Seal, and Union in Pike County, Ohio;

(3) West Virginia counties of: Jackson, Mason, Roane, and Wood; and

(4) Magisterial Districts 2, 3, and 8 in Lewis County, Ky.

(c) [Deleted]

2. Section 1005.27(j)(1) is revised to read as follows:

**§ 1005.27 Duties.**

* * * * *

(j) * * *

(1) The fifth day of each month, the Class I price and the Class I butterfat differential for the month and the Class II and Class III prices and butterfat differentials for the preceding month; and

* * * * *

3. Section 1005.41 is revised to read as follows:

**§ 1005.41 Classes of utilization.**

Subject to the conditions of § 1005.43, the classes of utilization shall be as follows:

(a) *Class I milk*. Class I milk shall be all skim milk and butterfat:

(1) Disposed of as a fluid milk product (except as provided in paragraph (c) (2), (3), and (4) of this section); and

(2) Not accounted for as Class II or Class III milk.

(b) *Class II milk*. Class II milk shall be skim milk and butterfat used to produce cottage cheese.

(c) *Class III milk*. Class III milk shall be:

(1) Skim milk and butterfat used to produce any product other than a fluid milk product or cottage cheese;

(2) Skim milk represented by the nonfat milk solids added to a fluid milk product which is in excess of the weight of an equivalent volume of the fluid milk product prior to such addition;

(3) Skim milk and butterfat in fluid milk products disposed of for livestock feed or dumped if the market administrator has been notified in advance and afforded the opportunity to verify such dumping;

(4) Skim milk and butterfat in fluid milk products disposed of in bulk (other than consumer-type packages or dispenser units) to bakeries, candy or soup manufacturers, and other commercial food manufacturing establishments which do not dispose of any such receipts in the form of fluid milk products;

(5) Skim milk and butterfat in inventory of fluid milk products on hand at the end of the month;

(6) In shrinkage of skim milk and butterfat, respectively, assigned pursuant to § 1005.42(b)(1), but not to exceed 2 percent of the total receipts of skim milk and butterfat in:

(i) Producer milk;

(ii) Receipts of fluid milk products in bulk from an other order plant, exclusive of the quantity for which Class III utilization was requested by the operators of both plants; and

(iii) Receipts of fluid milk products in bulk from unregulated supply plants, exclusive of the quantity for which Class III utilization was requested by the handler; and

(7) In shrinkage of skim milk and butterfat, respectively, assigned pursuant to § 1005.42(b)(2).

4. In § 1005.42(b), subparagraphs (1) and (2) are revised to read as follows:

**§ 1005.42 Assignment of shrinkage.**

* * * * *

(b) * * *

(1) Skim milk and butterfat contained in producer milk and other fluid milk products specified in § 1005.41(c)(6); and

(2) Skim milk and butterfat in remaining other source milk exclusive of that specified in § 1005.41(c)(6).

5. In § 1005.43, paragraphs (a)(1), (c) (1) and (3)(iv), and (d) (3) and (5) are revised to read as follows:

**§ 1005.43 Transfers.**

* * * * *

(a) * * *

(1) The skim milk or butterfat so assigned to each class shall be limited to the amount thereof remaining in such class in the transferee plant after computations pursuant to § 1005.45(a)(8) and the corresponding step of § 1005.45(b);

* * * * *

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

(c) * * *

(1) The transferring or diverting handler claims classification in Class II or Class III in his report submitted pursuant to § 1005.30;

* * * * *

(3) * * *

(iv) To the extent that Class I utilization is not so assigned to it, the skim milk and butterfat so transferred shall be classified as Class III milk to the extent available and the remainder as Class II milk; and

(d) * * *

(3) If the operators of both the transferor and transferee plants so request in the reports of receipts and utilization filed with their respective market administrators, movements in bulk form shall be classified as Class II or Class III to the extent of the Class II or Class III utilization (or comparable utilization under such other order) available for such assignment pursuant to the allocation provisions of the transferee order;

* * * * *

(5) For purposes of this paragraph, if the transferee order provides for more than two classes of utilization, milk allocated to a class consisting primarily of fluid milk products shall be classified as Class I, and milk allocated to other classes shall be classified in a comparable classification as Class II or Class III; and

* * * * *

6. In § 1005.45, paragraph (a) is revised to read as follows:

**§ 1005.45 Allocation of skim milk and butterfat classified.**

* * * * *

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class III the pounds of skim milk classified as Class III pursuant to § 1005.41(c)(6);

(2) Subtract from the remaining pounds of skim milk in each class the pounds of skim milk in fluid milk products received in packaged form from other order plants as follows:

(i) From Class III milk, the lesser of the pounds remaining or the quantity associated with such receipts and classified as Class III pursuant to § 1005.41(c)(2) plus 2 percent of the remainder of such receipts; and

(ii) From Class I milk, the remainder of such receipts;

(3) Subtract in the order specified below from the pounds of skim milk remaining in each class, in series beginning with Class III, the pounds of skim milk in each of the following:

(i) Other source milk in a form other than that of a fluid milk product;

(ii) Receipts of fluid milk products for which Grade A certification is not established, or which are from unidentified sources; and

(iii) Receipts of fluid milk products from a producer-handler, as defined under this or any other Federal order;

(4) Subtract, in the order specified below, from the pounds of skim milk remaining in Class III and/or Class II (beginning with Class III) but not in excess of such quantity:

(i) Receipts of fluid milk products from an unregulated supply plant:

(*a*) For which the handler requests Class III utilization; or

(*b*) Which are in excess of the pounds of skim milk determined by multiplying the pounds of skim milk remaining in Class I milk by 1.25 and subtracting the sum of the pounds of skim milk in producer milk, receipts from other pool handlers, and receipts in bulk from other order plants; and

(ii) Receipts of fluid milk products from an other order plant, in excess of similar transfers to such plant, if Class III utilization was requested by the operator of such plant and the handler;

(5) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class III, the pounds of skim milk in inventory of fluid milk products at the beginning of the month;

(6) Add to the remaining pounds of skim milk in Class III the pounds subtracted pursuant to subparagraph (1) of this paragraph;

(7) Subtract from the pounds of skim milk remaining in each class, pro rata to such quantities, the pounds of skim milk in receipts of fluid milk products from unregulated supply plants that were not subtracted pursuant to subparagraph (4)(i) of this paragraph;

(8) Subtract from the pounds of skim milk remaining in each class, in the following order, the pounds of skim milk in receipts of fluid milk products in bulk from an other order plant(s), in excess in each case of similar transfers to the same plant, that were not subtracted pursuant to subparagraph (4)(ii) of this paragraph:

(i) In series beginning with Class III, the pounds determined by multiplying the pounds of such receipts by the larger of the precentage of estimated Class II and Class III utilization of skim milk announced for the month by the market administrator pursuant to § 1005.27(k) or the percentage that Class II and Class III utilization remaining is of the total remaining utilization of skim milk of the handler; and

(ii) From Class I, the remaining pounds of such receipts;

(9) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk in fluid milk products received from pool plants of other handlers according to the classification of such products pursuant to § 1005.43(a); and

(10) If the pounds of skim milk remaining exceed the pounds of skim milk in producer milk, subtract such excess from the pounds of skim milk remaining in each class in series beginning with Class III. Any amount so subtracted shall be known as "overage";

* * * * *

7. In § 1005.51, paragraphs (a)(1) and (b) are revised and a new paragraph (c) is added to read as follows:

**§ 1005.51 Class prices.**

* * * * *

(a) * * *

(1) Add $1.55 for plants in the Charleston-Huntington district and $1.47 for plants in the Athens-Scioto district, plus 20 cents for each district through April 1968. At a plant outside the marketing area add the amount applicable pursuant to this subparagraph at the location of the city hall of the following cities that is nearest such plant:

KENTUCKY

| | |
|---|---|
| Ashland. | Pikeville. |
| Paintsville. | |

OHIO

| | |
|---|---|
| Athens. | Marietta. |
| Gallipolis. | Portsmouth. |
| Jackson. | |

WEST VIRGINIA

| | |
|---|---|
| Charleston. | Huntington. |
| Hinton. | Williamson. |

* * * * *

(b) *Class II price.* The Class II price shall be the basic formula price for the month plus 15 cents.

(c) *Class III price.* The Class III price shall be the basic formula price for the month.

8. In § 1005.52, paragraphs (a) and (b) are revised to read as follows:

**§ 1005.52 Butterfat differentials to handlers.**

* * * * *

(a) *Class I milk.* Multiply the butter price for the preceding month by 0.12.

(b) *Class II and Class III milk.* Multiply the butter price for the month by 0.115.

9. In § 1005.60, paragraphs (c) and (d) are revised to read as follows:

**§ 1005.60 Computation of the net obligation of each handler.**

* * * * *

(c) Add the amount obtained from multiplying the difference between the Class III price for the preceding month and the Class I price for the current month by the hundredweight of skim milk and butterfat subtracted from Class I pursuant to § 1005.45(a)(5) and the corresponding step of § 1005.45(b);

(d) Add an amount equal to the difference between the Class I and Class III price values of the skim milk and butterfat subtracted from Class I pursuant to § 1005.45(a)(3) and the corresponding step of § 1005.45(b); and

* * * * *

10. In § 1005.62, paragraphs (a)(1) and (b)(4) are revised to read as follows:

**§ 1005.62 Obligations of handler operating a partially regulated distributing plant.**

* * * * *

(a) * * *

(1) The obligation that would have been computed pursuant to § 1005.60 at such plant shall be determined as though such plant were a pool plant. For purposes of such computation, receipts at such nonpool plant from a pool plant or an other order plant shall be assigned to the utilization at which classified at the pool plant or other order plant and transfers from such nonpool plant to a pool

plant or an other order plant shall be valued at the Class II or Class III price if allocated to such class at the pool plant or other order plant and be valued at the weighted average price (or, in its absence, the uniform price) of the respective order if so allocated to Class I milk. There shall be included in the obligation so computed a charge in the amount specified in § 1005.60(e) and a credit in the amount specified in § 1005.74(b) (2) with respect to receipts from an unregulated supply plant, unless an obligation with respect to such plant is computed as specified below in this subparagraph. If the operator of the partially regulated distributing plant so requests, and provides with his report pursuant to § 1005.30 similar reports with respect to the operations of any other nonpool plant which serves as a supply plant for such partially regulated distributing plant by shipments to such plant during the month equivalent to the requirements of § 1005.11(b) with agreement of the operator of such plant that the market administrator may examine the books and records of such plant for purposes of verification of such reports, there will be added the amount of the obligation computed at such nonpool supply plant in the same manner and subject to the same conditions as for the partially regulated distributing plant.

* * * * *

(b) * * *

(4) From the value of such milk at the Class I price applicable at the location of the nonpool plant, subtract its value at the weighted average price pursuant to § 1005.61 at the same location or at the Class III price, whichever is higher.

11. Section 1005.70(a) (1) is revised to read as follows:

**§ 1005.70 Time and method of payment.**

(a) * * *

(1) On or before the last day of each month, the Class III price for the preceding month per hundredweight for his deliveries of producer milk during the first 15 days of the month; and

* * * * *

12. Section 1005.72(a) (2) is revised to read as follows:

**§ 1005.72 Location differentials to producers and on nonpool milk.**

(a) * * *

(2) An additional 8 cents at a pool plant at which the Athens-Scioto district Class I price is applicable.

* * * * *

13. Section 1005.74(b) (2) is revised to read as follows:

**§ 1005.74 Payments to the producer-settlement fund.**

* * * * *

(b) * * *

(2) The value at the uniform price applicable at the location of the plant(s) from which received (not to be less than the value at the Class III price) of other source milk for which a value is computed pursuant to § 1005.60(e).

[F.R. Doc. 68-1763; Filed, Feb. 12, 1968; 8:49 a.m.]

# Notices

## DEPARTMENT OF THE INTERIOR

### Bureau of Land Management

### ALASKA

#### Notice of Termination of Proposed Withdrawal and Reservation of Lands

FEBRUARY 5, 1968.

Notice of an application, Anchorage Serial No. 060303, for withdrawal and reservation of lands was published as F.R. Doc. No. 63-11184 on page 11322 of the issue for October 23, 1963. The Department of the Air Force has canceled its application in its entirety, involving the lands described below. Therefore, pursuant to the regulations contained in 43 CFR Part 2300, such lands will be at 10 a.m., on February 26, 1968, relieved of the segregative effect of the above-mentioned application.

The lands involved in this notice of termination are:

SEWARD MERIDIAN, ALASKA

T. 6 N., R. 11 W.,
Sec. 4, SW¼NW¼, SW¼;
Sec. 5, SE¼NE¼, SE¼SW¼, SE¼;
Sec. 7, S½NE¼;
Sec. 8, N½, SE¼;
Sec. 9, W½NE¼, NW¼, NW¼SW¼.
T. 6 N., R. 12 W.,
Sec. 25, E½E½E½NW¼.

The areas described aggregate 1,300 acres and are situated adjacent to Wildwood Air Force Station near the town of Kenai.

BURTON W. SILCOCK,
*State Director.*

[F.R. Doc. 68-1735; Filed, Feb. 12, 1968; 8:47 a.m.]

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[R 585]

### CALIFORNIA

#### Notice of Classification of Public Lands for Multiple-Use Management; Correction

FEBRUARY 6, 1968.

In F.R. Doc. 68-321, filed January 9, 1968, appearing at page 388 of the issue for January 10, 1968, the following corrections should be made in the above Notice of Classification:

Paragraph 1, line four should read "* * *, the public lands described in paragraphs 3 and 4 are classified for Multiple-Use, * * *."

Paragraph 2, line two should read "* * * effect of segregating the described lands in paragraphs 3 and 4 from appropriation only under the * * *."

WALTER F. HOLMES,
*Acting Manager.*

[F.R. Doc. 68-1734; Filed, Feb. 12, 1968; 8:47 a.m.]

[Utah 4454]

### UTAH

#### Notice of Proposed Withdrawal and Reservation of Lands

FEBRUARY 5, 1968.

The Forest Service, U.S. Department of Agriculture, has filed an application, Utah 4454, for the withdrawal of the lands described below, from all forms of appropriation except operation of the mining and mineral leasing laws.

The stated purpose of the withdrawal is to extend the boundaries of the Uinta National Forest to include lands that are suitable for watershed management, public recreational development and fire protection under Forest Service administration.

The lands described include approximately 8,300 acres of nonpublic lands and 2,700 acres of public domain. This proposed boundary modification would make valuable watershed lands in private ownership available for acquisition under existing authority for administration by the Forest Service.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, Post Office Box 11505, Salt Lake City, Utah 84111.

The authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demand for the lands and their resources. He will also undertake negotiations with the applicant agency with the view of adjusting the application to reduce the area to the minimum essential to meet the applicant's needs, to provide for the maximum concurrent utilization of the lands for purposes other than the applicant's, to eliminate lands needed for purposes more essential than the applicant's, and to reach agreement on the concurrent management of the lands and their sources.

The authorized officer will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the lands will be withdrawn as requested by the applicant agency.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

If circumstances warrant, a public hearing will be held at a convenient time and place, which will be announced.

The lands involved in the application are:

SALT LAKE MERIDIAN

T. 4 S., R. 3 E.,
Secs. 25 and 36, all.
T. 5 S., R. 3 E.,
Secs. 1, 12, and special sec. 37, all.
Those portions of secs. 2, 3, 11, 13, 14, and 24 not heretofore a part of the national forest.
T. 5 S., R. 4 E.,
Sec. 7, E½SE¼;
Secs. 8, 17, 18, 20, 21, 22, all.
Those portions of secs. 19, 26, 27, 28, 29, 30, and 35 not heretofore a part of the national forest.
T. 6 S., R. 4 E.
That portion of sec. 2 not heretofore a part of the national forest.

The areas described aggregate approximately 11,000 acres.

Of the above lands the following are public lands:

T. 5 S., R. 3 E.,
Sec. 13, lot 1, SW¼NE¼, E½W½.
T. 5 S., R. 4 E.,
Sec. 7, E½SE¼;
Sec. 8, NW¼NW¼
Sec. 17, NW¼NE¼, SE¼NE¼, N½NW¼, NE¼SW¼, N½SE¼;
Sec. 18, N½NE¼;
Sec. 19, NE¼SW¼, N½SE¼;
Sec. 20, SE¼;
Sec. 21, S½S½;
Sec. 22, E½NE¼, E½NW¼, SW¼SW¼, SE¼SE¼;
Sec. 26, SW¼NE¼, SE¼NW¼;
Sec. 27, NE¼NE¼, N½NW¼, SE¼NW¼, NW¼SE¼, SE¼SE¼;
Sec. 28, N½, W½SW¼;
Sec. 29, SW¼NE¼, S½NW¼;
Sec. 30, lot 2;
Sec. 35, that portion not heretofore within national forest.

The areas described aggregate approximately 2,700 acres.

EDWARD J. HOFFMAN,
*Acting State Director.*

[F.R. Doc. 68-1749; Filed, Feb. 12, 1968; 8:48 a.m.]

## DEPARTMENT OF COMMERCE

### Business and Defense Services Administration

### AEROSPACE CORP. ET AL.

#### Notice of Applications for Duty-Free Entry of Scientific Articles

The following are notices of the receipt of applications for duty-free entry of scientific articles pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897). Interested persons may present their views with respect to the question of whether an instrument or apparatus of equivalent scientific value for the purposes for which the article is intended to be used is being manufactured in the United States. Such comments must be filed in triplicate with the Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration, Washington, D.C. 20230, within 20 calendar days after date on which this notice of application is published in the FEDERAL REGISTER.

Regulations issued under cited Act, published in the February 4, 1967, issue of the FEDERAL REGISTER, prescribe the requirements applicable to comments.

A copy of each application is on file, and may be examined during ordinary Commerce Department business hours at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C.

A copy of each comment filed with the Director of the Office of Scientific and Technical Equipment must also be mailed or delivered to the applicant, or its authorized agent, if any, to whose application the comment pertains; and the comment filed with the Director must certify that such copy has been mailed or delivered to the applicant.

Docket No. 68-00334-15-91000. Applicant: The Aerospace Corp., 2350 East El Segundo Boulevard, El Segundo, Calif. 90245. Article: Lyot type birefringent 0.15A K-Line filter. Manufacturer: Bernhard Halle, West Germany. Intended use of article: The article will be used for monocromatic observations of solar disk features in singly ionized calcium Fraunhofer line radiation. Application received by Commissioner of Customs: January 15, 1968.

Docket No. 68-00335-65-46040. Applicant: Battelle Memorial Institute, 505 King Avenue, Columbus, Ohio 43201. Article: Scanning electron microscope. Manufacturer: Cambridge Instrument Co., Ltd., England. Intended use of article: The article will be used in scientific studies of the microtopography of a large variety of relatively rough surfaces. Application received by Commissioner of Customs: January 15, 1968.

Docket No. 68-00336-33-46070. Applicant: University of Louisville, 2301 South Third Street, Louisville, Ky. 40208. Article: Stereomicroscope and accessories (used). Manufacturer: Ernst Leitz Kg., West Germany. Intended use of article: The article will be used in kidney function studies to demonstrate how this organ regulates the water balance, acid-base balance and the blood pressure of the body. Application received by Commissioner of Customs: January 15, 1968.

Docket No. 68-00337-33-43400. Applicant: University of Louisville, 2301 South Third Street, Louisville, Ky. 40208. Article: Micromanipulator and Accessories (used). Manufacturer: Ernst Leitz Kg., West Germany. Intended use of article: The article will be used in kidney function studies to demonstrate how this organ regulates the water balance, acid-base balance and blood pressure of the body. Application received by Commissioner of Customs: January 15, 1968.

Docket No. 68-00338-89-40800. Applicant: Geophysical Institute, University of Alaska, College, Alaska 99701. Article: One basic ionosonde, complete. Manufacturer: Fairey Australasia Pty., Ltd., Australia. Intended use of article: The article will be used to obtain ionospheric soundings that can be recorded by the use of a portable ionosonde. Of special interest in the auroral zone is that maximum electron density and absorption vary in space as well as in time. For this purpose the mobile ionosonde will be used when and where the requirement exists. Application received by Commissioner of Customs: January 16, 1968.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1765; Filed, Feb. 12, 1968; 8:49 a.m.]

## BUFFALO GENERAL HOSPITAL

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00202-33-43400. Applicant: Buffalo General Hospital, Pathology Department-Multilab, 100 High Street, Buffalo, N.Y. 14203. Article. Micromanipulators, Model Mark I and accessory equipment. Manufacturer: Singer Instrument Co., Ltd., England. Intended use of article: Applicant states:

> The micromanipulators are required for the microdissection of capillaries on living animals. For this purpose, they must be capable of fine movements in all directions, allowing for a variety of cutting and dissecting movements; and the stand must be of such a nature that it allows the operator to maneuver the tissue at a distance from the stand.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: The foreign article is intended for use in microdissecting capillaries. The accomplishment of the research objectives necessitates a device capable of a variety of movements with the use of accessories designed especially for the micromanipulator. In addition, a pertinent characteristic of the foreign article is the capability of its being operated with one hand. The applicant considered the following domestic micromanipulators before ordering the foreign article: (1) Model M225 manufactured by the Baltimore Instrument Co.; (2) Models CS-56-3 and CS-56-4 manufactured by the Custom Scientific Co.; (3) the "Effa" model manufactured by Ernest Fullham, Inc.; and (4) the "Prior" model manufactured by Eric Sobotka Co., Inc. The domestic micromanipulators have two or more controls and, consequently, require both hands to perform complex movements. We have been advised by the Department of Health, Education, and Welfare (HEW) that none of the domestic instruments listed above is of equivalent scientific value to the foreign article for the purposes for which such article is intended to be used. (Memorandum dated Dec. 8, 1967.)

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1766; Filed, Feb. 12, 1968; 8:49 a.m.]

## DUKE UNIVERSITY

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00200-33-46040. Applicant: Duke University, Diagnostic and Treatment Building, Durham, N.C. 27706. Article: Electron microscope EM6B, automatic filler system for liquid nitrogen Catalog No. 783320, and plate desiccator Catalog No. 783312. Manufacturer: Associated Electrical Industries, Ltd., England. Intended use of article: Applicant states:

> Biological research to include specific investigations into the following areas: Water and protein reabsorption in ciliated cells of the airway of mammalian and amphibian lungs utilizing high resolution autoradiography; evaluation of the methods of water movement across cell membranes; and a critical analysis of the ciliary energy system, interconnections between ciliated rootlets and mitochondria requiring the ultimate in resolution.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: (1) The foreign article provides a guaranteed resolution of 5 Angstroms. The only known domestic electron microscope is the Model EMU-4 manufactured by the Radio Corporation of America (RCA), which provides a guaranteed resolution of 8 Angstroms. (The lower the numerical rating in terms of Angstrom units, the better the resolving capabilities.) For the purposes for which the foreign article is intended to be used, the additional resolving capabilities provided by the foreign article are pertinent. (2) The foreign article provides accelerating voltages of 30, 40, 60, and 100 kilovolts, whereas the RCA Model EMU-4 provides only 50 and 100 kilovolt accelerating voltages. It has been experimentally established that the lower accelerating voltages afford optimum contrast for unstained specimens and that the accelerating voltages intermediate between 50 and 100 kilovolts provide optimum contrast for negatively stained specimens. For the purposes for which the foreign article is intended to be used, optimum contrast is necessary and, therefore, the additional accelerating voltages provided by the foreign article are pertinent.

For the foregoing reasons, we find that the RCA Model EMU-4 electron microscope is not of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1767; Filed, Feb. 12, 1968; 8:49 a.m.]

## DUKE UNIVERSITY ET AL.

### Notice of Applications for Duty-Free Entry of Scientific Articles

The following are notices of the receipt of applications for duty-free entry of scientific articles pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897). Interested persons may present their views with respect to the question of whether an instrument or apparatus of equivalent scientific value for the purposes for which the article is intended to be used is being manufactured in the United States. Such comments must be filed in triplicate with the Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration, Washington, D.C. 20230, within 20 calendar days after date on which this notice of application is published in the FEDERAL REGISTER.

Regulations issued under cited Act, published in the February 4, 1967, issue of the FEDERAL REGISTER, prescribe the requirements applicable to comments.

A copy of each application is on file, and may be examined during ordinary Commerce Department business hours at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C.

A copy of each comment filed with the Director of the Office of Scientific and Technical Equipment must also be mailed or delivered to the applicant, or its authorized agent, if any, to whose application the comment pertains; and the comment filed with the Director must certify that such copy has been mailed or delivered to the applicant.

Docket No. 68-00343-00-46040. Applicant: Duke University Medical Center, Department of Anatomy, Durham, N.C. 27706. Article: Image intensifier. Manufacturer: GEC-AEI Electronics, Ltd., United Kingdom. Intended use of article: The article will be used in conjunction with an AEI EM6B Electron Microscope to broaden the avenues of biological research with which preparations of cell membranes can be studied. Application received by Commissioner of Customs: January 18, 1968.

Docket No. 68-00344-00-46040. Applicant: University of California, San Diego, Purchasing Department, Post Office Box 109, La Jolla, Calif. 92037. Article: Shutter for Siemens electron microscope. Manufacturer: Siemens AG, West Germany. Intended use of article: The article will be used to accurately preset exposure of photoplates in the electron microscope. Application received by Commissioner of Customs: January 19, 1968.

Docket No. 68-00345-85-46040. Applicant: Massachusetts Institute of Technology, 77 Massachusetts Avenue, Room E18-360, Cambridge, Mass. 02139. Article: M70A polarizing microscope with accessories. Manufacturer: Vickers, Ltd., Vickers Instrument Division, United Kingdom. Intended use of article: The article will be used in laboratory study of igneous and metamorphic rock-forming minerals with petrographic microscope as part of a course in petrology. Application received by Commissioner of Customs: January 19, 1968.

Docket No. 68-00346-33-68300. Applicant: University of Louisville, 2301 South Third Street, Louisville, Ky. 40208. Article: Custom-made microperfusion pump and accessories (used). Manufacturer: Mr. Wolfgang Hampel, West Germany. Intended use of article: The article will be used in kidney function studies to demonstrate how this organ regulates the water balance, acid-base balance and blood pressure of the body. Application received by Commissioner of Customs: January 23, 1968.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1768; Filed, Feb. 12, 1968; 8:49 a.m.]

## KAISER FOUNDATION HOSPITALS

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00206-33-10000. Applicant: Kaiser Foundation Hospitals, 300 Lakeside Drive, Oakland, Calif. 94604. Article: Automatic chemical analyzer, identified by the name of "Auto Chemist." Manufacturer: AGA AB, Sweden. Intended use of article: The article will be used to determine various biochemical developments in groups of patients through the use of automatic techniques. General programs include the use of the article in research, preventive health research projects, adverse drug reaction studies, a contraceptive drug study and multiphasic screening.

Comments: No comments have been received with respect to this application.

Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: (1) The foreign article has the capacity to make 24 distinct chemical determinations per specimen. One domestic apparatus, the "Auto Analyzer" manufactured by Technicon Instruments Corp., is capable of making only 12 determinations per specimen. Another domestic apparatus, the "Robot Chemist" manufactured by The Instruments Division of Warner-Chilcott, is limited to one chemical determination per specimen during a single run. The additional capacity of the foreign article with respect to the number of determinations per run, is pertinent to the purposes for which such article is intended to be used. (2) The foreign article has the capacity to process 150 specimens and make 3,000 to 6,000 determinations per hour, whereas the "Auto Analyzer" has a maximum capacity for processing 60 specimens and making 720 determinations per hour. The single-specimen capacity of the "Robot Chemist" results in this domestic apparatus being ruled out of consideration with respect to multiple analysis.

For the foregoing reasons, we find that none of the above-described domestic apparatus is of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1769; Filed, Feb. 12, 1968; 8:49 a.m.]

## LETTERMAN GENERAL HOSPITAL ET AL.

### Notice of Applications for Duty-Free Entry of Scientific Articles

The following are notices of the receipt of applications for duty-free entry of scientific articles pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89–651; 80 Stat. 897). Interested persons may present their views with respect to the question of whether an instrument or apparatus of equivalent scientific value for the purposes for which the article is intended to be used is being manufactured in the United States. Such comments must be filed in triplicate with the Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration, Washington, D.C. 20230, within 20 calendar days after date on which this notice of application is published in the FEDERAL REGISTER.

Regulations issued under cited Act, published in the February 4, 1967, issue of the FEDERAL REGISTER, prescribe the requirements applicable to comments.

A copy of each application is on file, and may be examined during ordinary Commerce Department business hours at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C.

A copy of each comment filed with the Director of the Office of Scientific and Technical Equipment must also be mailed or delivered to the applicant, or its authorized agent, if any, to whose application the comment pertains; and the comment filed with the Director must certify that such copy has been mailed or delivered to the applicant.

Docket No. 68–00339–33–46040. Applicant: Letterman General Hospital, Purchasing and Contracting Office, Building 1060, San Francisco, Calif. 94129. Article: Electron microscope, Model HS–8. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: The article will be used for study of surgical and autopsy materials, animal tissues from experimental studies, and for resident training. Application received by Commissioner of Customs: January 18, 1968.

Docket No. 68–00340–33–46040. Applicant: Trinity University, 715 Stadium Drive, San Antonio, Tex. 78212. Article: Electron microscope, Model HS–8. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: The article will be used as a student training instrument in the field of life sciences. Students will be trained in specimen preparation, i.e., to dissect, fix, dehydrate, stained, and embedded and cut biological materials in the ultramicrotome and to view the prepared specimens in the electron microscope. Application received by Commissioner of Customs: January 18, 1968.

Docket No. 68–00341–33–46040. Applicant: Trinity University, 715 Stadium Drive, San Antonio, Tex. 78212. Article: Electron microscope, Model HU–11E. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: The article will be used to examine the nature and distribution of lysosomal-like bodies found in the thecae interna and externa of rabbit ovarian follicles. The tissues will be treated with Triton X-100 to help detect changes in lysosomes. Application received by Commissioner of Customs: January 18, 1968.

Docket No. 68–00342–55–61600. Applicant: Regents of the University of Minnesota, Minneapolis, Minn. 55455. Article: Two plankton recorders and internal mechanisms. Manufacturer: Scottish Marine Biological Association, Scotland. Intended use of article: The article is a continuous sampler for the collection of zooplankton, especially Crustacea. The Crustacea taken can thus be associated with a specific area and presumably with the water quality of that area since they are consumers of the phytoplankton which, in turn, is responsive to the fertility of the water. Application received by Commissioner of Customs: January 18, 1968.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1770; Filed, Feb. 12, 1968; 8:50 a.m.]

## MASSACHUSETTS GENERAL HOSPITAL

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89–651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68–00213–33–07200. Applicant: Massachusetts General Hospital, Fruit Street, Boston, Mass. 02114. Article: Adult and pediatric size blood filter assemblies, Model 910/T with accessories and spare parts. Manufacturer: Honeywell Controls, Ltd., United Kingdom. Intended use of article: Applicant states:

> Articles are to be used as a Blood Filter air trap in conjunction with the heart-lung perfusion apparatus in use clinically at the Massachusetts General Hospital operating room.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: The foreign article is intended to be used as a blood filter air trap in conjunction with the heart-lung apparatus currently installed in the operating room of the applicant institution. Prior to ordering the foreign article, the applicant contacted several domestic manufacturers of similar apparatus. These domestic manufacturers replied that they did not make an instrument similar to the foreign article which operates according to the cyclonic principle. We have been advised by the Department of Health, Education, and Welfare in its memorandum of December 27, 1967, that there is no fully tested domestic instrument that can serve the purpose for which the foreign article is intended to be used.

The Department of Commerce knows of no instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1771; Filed, Feb. 12, 1968; 8:50 a.m.]

## NORTH CAROLINA STATE UNIVERSITY

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89–651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68–00186–65–46040. Applicant: North Carolina State University, Post Office Box 5935, Raleigh, N.C. 27607. Article: Electron microscope, Model JEM–120. Manufacturer: Japan Electron Optical Laboratory Co., Ltd., Japan. Intended use of article: Applicant states: "Basic scientific research and instruction of graduate students in materials science (will be conducted)." Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which the foreign article is intended to be used, is being manufactured in the United States. Reasons: (1) The foreign article provides a guaranteed resolution of 4.5 Angstroms. The only known domestic electron microscope is the Model EMU-4 manufactured by the Radio Corporation of America (RCA), which provides a guaranteed resolution of 8 Angstroms. (The lower the numerical rating in terms of Angstrom units, the better the resolving capabilities.) For the purposes for which the foreign article is intended to be used, the additional resolving capabilities provided by the foreign article are pertinent. (2) the foreign article provides a maximum accelerating voltage of 125 kilovolts, whereas the RCA Model EMU-4 has a maximum accelerating voltage of 100 kilovolts. The higher accelerating voltage affords more penetrating power for the electron beam, which is necessary in investigating the properties of thicker specimens and, therefore, is pertinent to the purposes for which the foreign article is intended to be used.

For the foregoing reasons, we find that the RCA Model EMU-4 electron microscope is not of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1772; Filed, Feb. 12, 1968; 8:50 a.m.]

## PENNSYLVANIA STATE UNIVERSITY

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00223-33-46040. Applicant: The Pennsylvania State University, University Park, Pa. 16802. Article: Electron microscope, Model HU-11C plus spare cathode assembly. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: Applicant states:

"The major projected research for which the instrument to be imported will be used consists of an analysis of the size, shape, and nucleotide order of DNA (Deoxyribonucleic acid) molecules of contrasting cytoplasmic organelles. Mitochondrial, and plastid, DNA extracts from tissues of contrasting genetic forms will be used such that the DNA of each of these organelles can be compared with the others and the inherent variability within each type organelle can be assayed. * * *

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: (1) The foreign article provides a resolution of 5 Angstroms. The only known comparable domestic electron microscope, the Model EMU-4 manufactured by the Radio Corporation of America (RCA), provides a resolution of 8 Angstroms. (The lower the numerical rating in terms of Angstrom units, the better the resolution.) For the purposes for which the foreign article is intended to be used, the additional resolving capabilities provided by the article are pertinent. (2) The foreign article provides accelerating voltages of 25, 50, 75, and 100 kilovolts, whereas the RCA Model EMU-4 provides only accelerating voltages of 50 and 100 kilovolts. It has been experimentally established that the lower accelerating voltages provide optimum contrast for unstained specimens and that the voltages intermediate between 50 and 100 kilovolts provide optimum contrast for negatively stained specimens. For the purposes for which the foreign article is intended to be used, the additional accelerating voltages are pertinent.

For the foregoing reasons, we find that the RCA Model EMU-4 is not of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1773; Filed, Feb. 12, 1968; 8:50 a.m.]

## SAN JOSE STATE COLLEGE

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

Docket No. 68-00222-33-46040. Application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public reveiw during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00222-33-46040. Applicant: San Jose State College, 125 South Seventh Street, San Jose, Calif. 95114. Article: Electron microscope, Model HS-7S, with anticontamination device. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: Applicant states: "Training and instruction for and investigation of biological fine structure." Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: The foreign article is intended to be used in connection with biological research that involves examination of unstained specimens. The foreign article provides accelerating voltages of 25 and 50 kilovolts. The only known domestic electron microscope, the Model EMU-4 manufactured by the Radio Corporation of America (RCA), provides accelerating voltages of 50 and 100 kilovolts. It has been experimentally established that the lower accelerating voltage affords optimum contrast in unstained specimens and, therefore, the 25-kilovolt accelerating voltage provided by the foreign article is pertinent to the purposes for which such article is intended to be used. For this reason, we find that the RCA Model EMU-4 is not of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1774; Filed, Feb. 12, 1968; 8:50 a.m.]

## SLOAN-KETTERING INSTITUTE FOR CANCER RESEARCH

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00216-33-11700. Applicant: Sloan-Kettering Institute for Cancer Research, 410 East 68th Street, New York, N.Y. 10021. Article: Automatic smoking machine. Manufacturer: Heinrich Borgwald, West Germany. Intended use of article: The article will allow testing of fresh smoke directly on to the experimental animal in research for tobacco carcinogenesis. Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: The foreign article is a device for simulating human cigarette smoking patterns. It can be programed to produce smoke in quantities varying from 100 to 1,000 grams in connection with research into the chemical composition of smoke.

The Department of Commerce knows of no instrument or apparatus with these characteristics, which is being manufactured in the United States and is of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1775; Filed, Feb. 12, 1968; 8:50 a.m.]

## UNIVERSITY OF ILLINOIS

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00201-33-46500. Applicant: University of Illinois, Purchasing Division, 223 Administration Building, Urbana, Ill. 61801. Article: Reichert ultramicrotome, Model SIDEA ("Om U2"). Manufacturer: C. Reichert Optische Werke A.G., Austria. Intended use of article: The article will be used in a research project that includes an ultrastructural study of the site of antibody action in malaria-infected erythrocytes which parasitize sheep. Such study involves the detection of ferritin-labeled antibodies in thin sections of the parasites. Morphological and pathological investigations at a fine structural level of microsporidian parasites will be carried out with the use of this instrument. Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: (1) The foreign article incorporates a thermal advance system for ultrathin sectioning. The only known comparable domestic instrument, the Model MT-2 ultramicrotome manufactured by Ivan Sorvall, Inc., employs a mechanical system for both ultrathin and for thicker sections. (See catalogue on Sorvall Models MT-1 and MT-2 ultramicrotomes.) We are advised by the Department of Health, Education, and Welfare (HEW) (memorandum dated Dec. 8, 1967), that very thin and uniform sections (down to 50 Angstroms) can only be obtained with the use of a thermal advance. Since sections of consistent uniformity and accuracy down to 50 Angstroms are necessary to accomplishing the purposes for which the foreign article is intended to be used, the thermal advance mechanism of the foreign article is pertinent. In the case of Docket No. 67-00052-33-46500 which relates to a similar foreign article, HEW advised that consistent reproducibility of section thickness is substantially greater when the thermal advance is used than when the advance is achieved through purely mechanical means (memorandum dated July 6, 1967).

For the foregoing reasons, we find that the Sorvall Model MT-2 ultramicrotome is not of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1776; Filed, Feb. 12, 1968; 8:50 a.m.]

## UNIVERSITY OF NEW MEXICO

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00218-33-46040. Applicant: University of New Mexico, University Hill NE., Albuquerque, N. Mex. 87106. Article: Electron microscope, Model EM 300, with anticontamination device. Manufacturer: Philips Electronic Instruments, The Netherlands. Intended use of article: Applicant states: "Study of biological tissue specimens for medical research." Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: (1) The foreign article provides a resolution of 5 Angstroms. The only known comparable domestic electron microscope, the Model EMU-4 manufactured by the Radio Corporation of America (RCA), provides a resolution of 8 Angstroms. (The lower the numerical rating in terms of Angstrom units, the better the resolution.) For the purposes for which the foreign article is intended to be used, the additional resolving capabilities provided by the article are pertinent. (2) The foreign article provides accelerating voltages of 20, 40, 60, 80, and 100 kilovolts, whereas the RCA Model EMU-4 provides accelerating voltages of only 50 and 100 kilovolts. It has been experimentally established that the lower accelerating voltages provide optimum contrast for unstained specimens and that the voltages intermediate between 50 and 100 kilovolts provide optimum contrast for negatively stained specimens. For the purposes for which the foreign article is intended to be used, the additional accelerating voltages are pertinent.

For the foregoing reasons, we find that the RCA Model EMU-4 is not of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1777; Filed, Feb. 12, 1968; 8:50 a.m.]

## UNIVERSITY OF WISCONSIN

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00214-33-46040. Applicant: University of Wisconsin, 750 University Avenue, Madison, Wis. 53706. Article: Electron microscope, Model HU-11E. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: Applicant states:

> The instrument will be used in a training and research program designed to investigate the fine structure of micro-organisms. A wide range of biological materials will be examined, such as protein molecules, viruses, bacteria, fungi, and cells of higher organisms. * * *

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: (1) The foreign article provides a resolution of 5 Angstroms. The only known comparable domestic electron microscope, the Model EMU-4 manufactured by the Radio Corporation of America (RCA), provides a resolution of 8 Angstroms. (The lower the numerical rating in terms of Angstrom units, the better the resolution.) For the purposes for which the foreign article is intended to be used, the additional resolving capabilities provided by the article are pertinent. (2) The foreign article provides accelerating voltages of 25, 50, 75, and 100 kilovolts, whereas the RCA Model EMU-4 provides only accelerating voltages of 50 and 100 kilovolts. It has been experimentally established that the lower accelerating voltages provide optimum contrast for unstained specimens and that the voltages intermediate between 50 and 100 kilovolts provide optimum contrast for negatively stained specimens. For the purposes for which the foreign article is intended to be used, the additional accelerating voltages are pertinent.

For the foregoing reasons, we find that the RCA Model EMU-4 is not of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1778; Filed, Feb. 12, 1968; 8:50 a.m.]

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## VANDERBILT UNIVERSITY ET AL.

### Notice of Applications for Duty-Free Entry of Scientific Articles

The following are notices of the receipt of applications for duty-free entry of scientific articles pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897). Interested persons may present their views with respect to the question of whether an instrument or apparatus of equivalent scientific value for the purposes for which the article is intended to be used is being manufactured in the United States. Such comments must be filed in triplicate with the Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration, Washington, D.C. 20230, within 20 calendar days after date on which this notice of application is published in the FEDERAL REGISTER.

Regulations issued under cited Act, published in the February 4, 1967, issue of the FEDERAL REGISTER, prescribe the requirements applicable to comments.

A copy of each application is on file, and may be examined during ordinary Commerce Department business hours at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C.

A copy of each comment filed with the Director of the Office of Scientific and Technical Equipment must also be mailed or delivered to the applicant, or its authorized agent, if any, to whose application the comment pertains; and the comment filed with the Director must certify that such copy has been mailed or delivered to the applicant.

Docket No. 68-00310-33-46040. Applicant: Vanderbilt University, 21st Avenue South, Nashville, Tenn. 37203. Article: High resolution electron microscope, Hitachi Model HU-11E. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: The article is to be used to define the molecular ultrastructure of membranes. Application received by Commissioner of Customs: January 2, 1968.

Docket No. 68-00311-00-14200. Applicant: University of California, Lawrence Radiation Laboratory, East End of Hearst Avenue, Berkeley, Calif. 94720. Article: Encoder, Heidenhain Type LID-1, and accessories. Manufacturer: Dr. Johannes Heidenhain Optics and Electronics Inc., West Germany. Intended use of article: The article will be used for updating and improving the analyzing and digitizing capability of three Franckenstein measuring projectors. Application received by Commissioner of Customs: January 2, 1968.

Docket No. 68-00312-33-46500. Applicant: American Medical Association, Education and Research Foundation, 535 North Dearborn Street, Chicago, Ill. 60610. Article: LKB 8800 Ultrotome III Ultramicrotome. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article will be used to reveal structures in the central and peripheral nervous system and to study their relationships to each other. Thin sections of embedded tissue will be prepared for electron microscopic observation. Application received by Commissioner of Customs: January 2, 1968.

Docket No. 68-00313-85-11550. Applicant: Columbia University, Lamont Geological Observatory, Palisades, N.Y. 10964. Article: Five (5) quartz crystal chronometers, Model 952T. Manufacturer: Suwa Seikosha Co., Ltd., Japan. Intended use of article: The articles will be used in portable seismograph systems to provide a time base for determining locations in time and space of seismic events such as earthquakes and explosions. Application received by Commissioner of Customs: January 2, 1968.

Docket No. 68-00314-01-77040. Applicant: Massachusetts Institute of Technology, 77 Massachusetts Avenue, Cambridge, Mass. 02139. Article: Hitachi Perkin-Elmer single focusing mass spectrometer, RMU-6E. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: The article will be used to study hexamethyl benzene and dimethyl glyoxal with each of the various sites successively deuterated and to study alkyl and aryl metal compounds which decompose slightly above, at, or below room temperature. Application received by Commissioner of Customs: January 3, 1968.

Docket No. 68-00315-33-46040. Applicant: St. Louis University School of Medicine, 1402 South Grand Boulevard, St. Louis, Mo. 63104. Article: Hitachi Perkin-Elmer electron microscope and 70-mm. camera. Manufacturer: Hitachi Ltd., Japan. Intended use of article: The article will be used in the research projects involving the central nervous system, the eye, bone, and connective tissue around bone. Application received by Commissioner of Customs: January 3, 1968.

Docket No. 68-00316-33-46040. Applicant: William H. Singer Memorial Research Institute, Allegheny General Hospital, 320 East North Avenue, Pittsburgh, Pa. 15212. Article: Electron Microscope, Model EM 300. Manufacturer: Philips Electronic Instruments, Inc., The Netherlands. Intended use of article: The article will be used for several investigations of cell ultrastructure in conjunction with numerous biological and pathological research programs. Application received by Commissioner of Customs: January 3, 1968.

Docket No. 68-00317-65-46040. Applicant: Textile Research Institute, Post Office Box 625, 601 Prospect Avenue, Princeton, N.J. 08540. Article: Jeolco Model JSM-2 scanning electron microscope, including JSM-RTS goniometer stage, JSM-TED transmitted electron detection device, JSM-F 35 pentagonal prism single lens reflex 35-mm. camera attachment, JEE-4B vacuum evaporator, JEE-RTS rotating and tilting specimen stage for vacuum evaporator. Manufacturer: Japan Electron Optics Laboratory Co., Ltd., Japan. Intended use of article: The article will be used in long range basic research and in investigation by graduate students, in the study of chemical physics of surfaces of fibers and related materials and for direct morphological studies of surfaces difficult to replicate for transmission electron microscopy. Application received by Commissioner of Customs: January 5, 1968.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1779; Filed, Feb. 12, 1968; 8:50 a.m.]

## WASHINGTON UNIVERSITY

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00265-00-46040. Applicant: Washington University, St. Louis, Mo. 63130. Article: Shutter Model 171 460A for Siemens electron microscope. Manufacturer: Siemens AG, West Germany. Intended use of article: Applicant states: "Accurate preset exposure of photoplates in the microscope." Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: The foreign article is an accessory to an electron microscope which was manufactured by Siemens AG of the Federal Republic of Germany, and is now in the possession of the applicant. The Department of Commerce knows of no similar accessory being manufactured in the United States, which is interchangeable with the foreign article.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1780; Filed, Feb. 12, 1968; 8:50 a.m.]

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## YESHIVA UNIVERSITY

### Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00221-00-46040. Applicant: Yeshiva University, Albert Einstein College of Medicine, 1300 Morris Park Avenue, Bronx, N.Y. 10461. Article: Shutter for Siemens electron microscope, Model 171048. Manufacturer: Siemens AG, West Germany. Intended use of article: Applicant states: "Accurate preset exposure of photoplates in the Siemens Elmiskop." Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: The foreign article is an accessory to an electron microscope which was manufactured by Siemens AG of the Federal Republic of Germany, and is now in the possession of the applicant. The Department of Commerce knows of no similar accessory being manufactured in the United States, which is interchangeable with the foreign article.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1781; Filed, Feb. 12, 1968; 8:50 a.m.]

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## YESHIVA UNIVERSITY ET AL.

### Notice of Applications for Duty-Free Entry of Scientific Articles

The following are notices of the receipt of applications for duty-free entry of scientific articles pursuant to section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897). Interested persons may present their views with respect to the question of whether an instrument or apparatus of equivalent scientific value for the purposes for which the article is intended to be used is being manufactured in the United States. Such comments must be filed in triplicate with the Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration, Washington, D.C. 20230, within 20 calendar days after date on which this notice of application is published in the FEDERAL REGISTER.

Regulations issued under cited Act, published in the February 4, 1967, issue of the FEDERAL REGISTER, prescribe the requirements applicable to comments.

A copy of each application is on file, and may be examined during ordinary Commerce Department business hours at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C.

A copy of each comment filed with the Director of the Office of Scientific and Technical Equipment must also be mailed or delivered to the applicant, or its authorized agent, if any, to whose application the comment pertains; and the comment filed with the Director must certify that such copy has been mailed or delivered to the applicant.

Docket No. 68-00300-00-46040. Applicant: Yeshiva University, Purchasing Office, 1300 Morris Park Avenue, Bronx, N.Y. 10461. Article: Exposure meter for Siemens shutter. Manufacturer: Siemens Aktiengesellschaft, West Germany. Intended use of article: Applicant states: "Accurate preset exposure of photoplates in the Siemens Elmiskop." Application received by Commissioner of Customs: December 26, 1967.

Docket No. 68-00301-33-11000. Applicant: The Pennsylvania State University, University Park, Pa. 16802. Article: LKB combined gas chromatograph-mass spectrometer. Manufacturer: LKB Produkter, Sweden. Intended use of article: The article will be employed in diverse studies concerned with the following:

(1) Identification of trace contaminants in foods which affect public health.

(2) Characterization of compounds of flavor significance in dairy, meat, and chocolate products.

(3) How milk fat is synthesized in the mammary gland.

(4) Control of ketosis and other metabolic disorders affecting milk production.

Application received by Commissioner of Customs: December 27, 1967.

Docket No. 68-00302-33-46500. Applicant: North Carolina State University, Post Office Box 5935, Raleigh, N.C. 27607. Article: LKB 4800 Ultrotome I ultramicrotome with Ultrotome table. Manufacturer: LKB Produkter, Sweden. Intended use of article: The article will be used by the faculty and students in basic scientific research and in training graduate students in the preparation of a wide variety of biological materials. These include the preparation of materials for studies of morphogenesis of subcellular organelles, especially mitochondria. Application received by Commissioner of Customs: December 27, 1967.

Docket No. 68-00305-33-46040. Applicant: Albert Einstein College of Medicine, 1300 Morris Park Avenue, Bronx, N.Y. 10461. Article: LKB 8800A Ultrotome III ultramicrotome. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article will be used for the study of early vegetation of both bacterial and nonbacterial form at the electron microscope level in connection with the study of endocarditis. Application received by Commissioner of Customs: December 27, 1967.

Docket No. 68-00306-33-46500. Applicant: Vanderbilt University, 21st Avenue South, Nashville, Tenn. 37203. Article: LKB 8800A Ultrotome III ultramicrotome. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article will be used for studying the effects of a low-copper diet in primates. Application received by Commissioner of Customs: December 27, 1967.

Docket No. 68-00307-33-46500. Applicant: Massachusetts General Hospital, Surgical Research Laboratory of Ultrastructure, Fruit Street, Boston, Mass. 02114. Article: LKB 8800 Ultrotome III utramicrotome. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article will be used in the preparation of ultrathin serial sections needed over long distances of the vessel for investigating the roll of lymphatic capillaries during normal and inflammatory states. Application received by Commissioner of Customs: December 27, 1967.

Docket No. 68-00308-01-76550. Applicant: Wayne State University, 5050 Cass Avenue, Detroit, Mich. 48020. Article: High resolution, fast scanning mass spectrometer and accessories. Manufacturer: Associated Electrical Industries, United Kingdom. Intended use of article: The article will be used to determine the elemental composition and relative abundances of charged species in the gas phase, formed upon ionization and subsequent fragmentation of molecules, and to measure the ionization potentials of molecules and appearance potentials of fragment ions. Application received by Commissioner of Customs: January 2, 1968.

CHARLEY M. DENTON,
*Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.*

[F.R. Doc. 68-1782; Filed, Feb. 12, 1968; 8:51 a.m.]

# NATIONAL TRANSPORTATION SAFETY BOARD

[Docket No. SA-402]

## ACCIDENT AT GREATER CINCINNATI AIRPORT, CONSTANCE, KY.

### Notice of Accident Investigation Hearing

In the matter of investigation of accident involving aircraft of U.S. Registry N821TW, which occurred at the Greater Cincinnati Airport, Constance, Ky., November 20, 1967; Docket No. SA-402.

Notice is hereby given that an Accident Investigation Hearing on the above matter will be held commencing at 9 a.m., local time, on February 27, 1968, in the Sheraton Room of the Sheraton-Gibson Hotel, Cincinnati, Ohio.

Dated this 5th day of February 1968.

[SEAL] ROBERT L. ALLARD,
*Hearing Officer.*

[F.R. Doc. 68-1736; Filed, Feb. 12, 1968; 8:47 a.m.]

# CIVIL AERONAUTICS BOARD

[Docket No. 19557]

## ROYALAIR, 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, into the United States from Canada.

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that a hearing on the above-entitled application is assigned to be held on February 14, 1968, at 2 p.m., e.s.t., in Room 211, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before Examiner Joseph L. Fitzmaurice.

Dated at Washington, D.C., February 7, 1968.

[SEAL] THOMAS L. WRENN,
*Chief Examiner.*

[F.R. Doc. 68-1764; Filed, Feb. 12, 1968; 8:49 a.m.]

# CIVIL SERVICE COMMISSION

## CARD PUNCH OPERATORS IN CALIFORNIA

### Notice of Adjustment of Minimum Rates and Rate Ranges

Under authority of 5 U.S.C. 5303 and Executive Order 11073 the Civil Service Commission has increased the minimum rates and rate ranges for positions of Card Punch Operator, GS-356-3 through 5 as follows:

GS-356 Card Punch Operation Series

Geographic Coverage: San Francisco—Oakland Standard Metropolitan Statistical Area (Includes Alameda, Contra Costa, Marin, San Francisco, and San Mateo Counties); Santa Clara County; Solano County; Los Angeles County; Orange County; and Government activities at Edwards AFB in Kern County.
Effective Date: First day of the first pay period beginning on or after February 11, 1968.

PER ANNUM RATES

| Grade | 1[1] | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| GS-3 | $5,062 | $5,211 | $5,360 | $5,509 | $5,658 | $5,807 | $5,956 | $6,105 | $6,254 | $6,403 |
| GS-4 | 5,493 | 5,659 | 5,825 | 5,991 | 6,157 | 6,323 | 6,489 | 6,655 | 6,821 | 6,987 |
| GS-5 | 5,937 | 6,123 | 6,309 | 6,495 | 6,681 | 6,867 | 7,053 | 7,239 | 7,425 | 7,611 |

[1] Corresponding statutory rates: GS-3—5th; GS-4—4th; GS-5—3d.

GS-356 Card Punch Operation Series

Geographic Coverage: City of Sacramento and 15 mile radius.
Effective Date: First day of the first pay period beginning on or after February 11, 1968.

PER ANNUM RATES

| Grade | 1[1] | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| GS-3 | $4,913 | $5,026 | $5,211 | $5,360 | $5,509 | $5,658 | $5,807 | $5,956 | $6,105 | $6,254 |
| GS-4 | 5,327 | 5,493 | 5,659 | 5,825 | 5,991 | 6,157 | 6,323 | 6,489 | 6,655 | 6,821 |
| GS-5 | 5,751 | 5,937 | 6,123 | 6,309 | 6,495 | 6,681 | 6,867 | 7,053 | 7,239 | 7,425 |

[1] Corresponding statutory rates: GS-3—4th; GS-4—3d; GS-5—2d.

All new employees in the specified occupational levels will be hired at the new minimum rates.

As of the effective date, all agencies will process a pay adjustment to increase the pay of employees on the rolls in the affected occupational levels. An employee who immediately prior to the effective date was receiving basic compensation at one of the statutory rates shall receive basic compensation at the corresponding numbered rate authorized by this letter on and after such date. The pay adjustment will not be considered an equivalent increase within the meaning of 5 U.S.C. 5335.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
*Executive Assistant to the Commissioners.*

[F.R. Doc. 68-1759; Filed, Feb. 12, 1968; 8:47 a.m.]

## BLIND REHABILITATION SPECIALISTS

### Manpower Shortage

Under the provisions of 5 U.S.C. 5723, the Civil Service Commission has found that there is a manpower shortage for the following positions:

| Series, code, and grade | Position title | Location | Date of finding |
|---|---|---|---|
| GS-699-8 and 9 | Blind Rehabilitation Specialist (Orientation and Mobility). | Veterans Administration Hospital, Hines, Ill. | Dec. 6, 1967 |
| GS-699-7/9 | Blind Rehabilitation Specialist (Written Communications). | do | Do. |
| GS-699-7 and 8 | Blind Rehabilitation Specialist (Manual Skills). | do | Do. |

The appointees to these positions may be paid for the expenses of travel and transportation to the first post of duty.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
*Executive Assistant to the Commissioners.*

[F.R. Doc. 68-1760; Filed, Feb. 12, 1968; 8:49 a.m.]

# FEDERAL POWER COMMISSION

[Docket No. CP68-220]

## MISSISSIPPI RIVER TRANSMISSION CORP.

### Notice of Application

FEBRUARY 5, 1968.

Take notice that on February 5, 1968, Mississippi River Transmission Corp. (Applicant), 9900 Clayton Road, St. Louis, Mo. 63124, filed in Docket No. CP68-220 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of certain natural gas facilities to increase the capacity of its pipeline system for the transportation and sale of natural gas in interstate commerce by approximately 100,000 Mcf per day, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant proposes to construct and operate the following facilities:

(a) Approximately 195.90 miles of 26-inch pipeline loops on Applicant's Main Line No. 2 at various locations between the southern terminus of the Main Line system at Perryville, La., and the Columbia, Ill., Control Station.

(b) 1,100 horsepower of additional compression at Perryville, La., No. 2 Compressor Station, 1,320 horsepower of compression which is to be moved to Sherrill, Ark., Compressor Station from Minden Compressor Station and approximately 2 miles of 16-inch pipeline connected to Sherrill Compressor Station.

(c) Approximately 5.5 miles of 24-inch pipeline and approximately 5.5 miles of 30-inch pipeline reinforcing and replacing certain of Applicant's existing facilities in the Greater St. Louis area.

(d) Compressor and measurement station additions and revisions and other appurtenances in connection with the expansion program.

Applicant states that the proposed construction will provide capacity to supply increased quantities of gas requested by customers for the winter of 1968-69, as well as a minor amount of excess capacity which will be available to meet additional customer requirements and as a general reserve supporting system sales and operations. Applicant also states that the proposed facilities will greatly improve the operating flexibility of Applicant's system.

The total estimated cost of the proposed construction is $25,462,000, which cost, to the extent it is in excess of cash on hand and cash generated from operations, is to be financed through interim bank borrowings.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (§ 157.10) on or before February 29, 1968.

Take further notice, that pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

GORDON M. GRANT,
*Secretary.*

[F.R. Doc. 68-1729; Filed, Feb. 12, 1968; 8:47 a.m.]

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[Docket No. CI68-930]

## UNION TEXAS PETROLEUM

### Notice of Application

FEBRUARY 6, 1968.

Take notice that on January 19, 1968, Union Texas Petroleum, a division of Allied Chemical Corp. (Applicant), Post Office Box 2120, Houston, Tex. 77001, filed in Docket No. CI68-930 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the delivery of natural gas in interstate commerce to Michigan Wisconsin Pipe Line Co. (Michigan Wisconsin) in the West Lake Arthur Field, Jefferson Davis Parish, La., all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The application states that Applicant will deliver natural gas to Michigan Wisconsin which will redeliver an equivalent volume for Applicant's account to Applicant's subsidiary, Sugar Bowl Gas Corp., to supply a portion of the natural gas requirements of Allied Chemical Corp. plants in Louisiana.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act on or before March 1, 1968.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to interevene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

GORDON M. GRANT,
*Secretary.*

[F.R. Doc. 68-1730; Filed, Feb. 12, 1968; 8:47 a.m.]

# SECURITIES AND EXCHANGE COMMISSION

[File No. 2-14698]

## CORMAC CHEMICAL CORP.

### Order Suspending Trading

FEBRUARY 7, 1968.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Cormac Chemical Corp., New York, N.Y., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

*It is ordered,* Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period February 7, 1968 through February 16, 1968, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
*Secretary.*

[F.R. Doc. 68-1737; Filed, Feb. 12, 1968; 8:47 a.m.]

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## URANIUM KING CORP.

### Order Suspending Trading

FEBRUARY 7, 1968.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Uranium King Corp., Post Office Box 6217, Salt Lake City, Utah, being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

*It is ordered,* Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period February 8, 1968 through February 17, 1968, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
*Secretary.*

[F.R. Doc. 68-1738; Filed, Feb. 12, 1968; 8:47 a.m.]

# SMALL BUSINESS ADMINISTRATION

## ALABAMA CAPITAL, INC.

### Notice of Filing of Application for Transfer of Control of Licensed Small Business Investment Company

Notice is hereby given that an application has been filed with the Small Business Administration (SBA) pursuant to § 107.701 of the Regulations Governing Small Business Investment Companies (13 CFR Part 107, 33 F.R. 326) for transfer of control of Alabama Capital, Inc., 409 Leeman Ferry Road SW., Huntsville, Ala. 35801, a Federal Licensee under the Small Business Investment Act of 1958, as amended ("the Act"), License No. 05/05–0094.

Alabama Capital, Inc., was licensed on August 25, 1966, with a paid-in capital and surplus of $320,500. Its present capital and surplus is $320,500. It has 12,820 shares of issued and outstanding common stock held by 89 stockholders.

The following named persons have made a tender offer to acquire all of the capital stock of this Licensee:

William M. O'Neil, 5285 Pine Tree Drive, Miami Beach, Fla.
S. David Johnston, 509 Engel Drive, SW., Huntsville, Ala.
Doc F. Fowlkes, 671 Northeast 105th Street, Miami, Fla.

Each of the proposed transferees will own 10 or more percent of the capital stock. The principal office of the Licensee will remain in Huntsville, Ala. The offer is subject to and contingent upon the approval of the new ownership and management by SBA.

Matters involved in SBA's consideration of the application include the general business reputation and character of the proposed new owners, and the probability of successful operation of the company under their control and management (including adequate profitability and financial soundness) in accordance with the Act and regulations.

Notice is further given that any interested person may not later than February 24, 1968, at 5 p.m., submit to SBA, in writing, relevant comments on the proposed transfer of control. Any such communication should be addressed to: Associate Administrator for Investment, Small Business Administration, 1441 L Street NW., Washington, D.C. 20416.

A copy of this notice shall be published by the proposed transferees in a newspaper of general circulation in Huntsville, Ala., and Miami, Fla.

Dated: February 7, 1968.

For SBA (pursuant to delegated authority).

GLENN R. BROWN,
*Associate Administrator for Investment.*

[F.R. Doc. 68–1739; Filed, Feb. 12, 1968; 8:47 a.m.]

[Delegation of Authority 30–6 (Rev. 3); Southwestern Area, Amdt. 2]

## BRANCH MANAGER, HARLINGEN, TEX.

### Delegation of Authority To Conduct Program Activities in the Southwestern Area

Pursuant to the authority delegated to the Area Administrators by Delegation of Authority No. 30 (Revision 12) 32 F.R. 179, and Amendment 1, 32 F.R. 8113, Delegation of Authority No. 30–6 (Revision 3), Southwestern Area, 32 F.R. 9593, dated July 1, 1967, and 32 F.R. 13841, dated October 4, 1967, is hereby amended by revising Item III to read as follows:

III. *Branch Manager—Harlingen, Tex.*—A. *Financial assistance.* 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 agreement 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)
Branch Manager

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 authorizations.

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, 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 in 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 of 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 determination for financial assistance only.* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, except sections 501 and 502 loans; 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, except sections 501 and 502 loans; in accordance with Small Business Administration standards and policies.

Effective date: March 10, 1968.

ROBERT E. WEST,
*Area Administrator.*

[F.R. Doc. 68–1747; Filed, Feb. 12, 1968; 8:48 a.m.]

# INTERSTATE COMMERCE COMMISSION

## FOURTH SECTION APPLICATION FOR RELIEF

FEBRUARY 8, 1968.

Protests to the granting of an application must be prepared in accordance with Rule 1100.40 of the general rules of practice (49 CFR 11.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 41235—*Fertilizer and fertilizer materials from and to points in southwestern territory.* Filed by Southwestern Freight Bureau, agent (No. B–9055), for interested rail carriers. Rates on fertilizer and fertilizer materials, in carloads, as described in the application, from points in Colorado, Idaho, and Utah, and between points in Wyoming, on the one hand, to, and between points in southwestern territory, on the other.

Grounds for relief—Market competition, modified short-line distance formula, and grouping.

Tariffs—Supplements 137 and 89 to Southwestern Freight Bureau, agent, tariffs ICC 4526 and 4526 and 4682, respectively.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 68-1750; Filed, Feb. 12, 1968; 8:48 a.m.]

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[Notice 544]

## MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

FEBRUARY 7, 1968.

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 of Ex Parte No. MC 67 (49 CFR Part 340), 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 of 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 protests must certify that such service has been made. The protests 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 64994 (Sub-No. 96 TA), filed February 1, 1968. Applicant: HENNIS FREIGHT LINES, INC., Post Office Box 612, Winston-Salem, N.C. 27102. Authority sought to operate as a *common carrier*, by motor vehicle, over regular 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 commodities requiring special equipment), between Charleston, W. Va., and Louisville, Ky., serving no intermediate points, and serving Charleston, W. Va., as a point of joinder or tacking with existing certificates so as to authorize service between the carrier's authorized territory or routes in Georgia, North Carolina, South Carolina and Virginia on the one hand, and on the other, Louisville, Ky., and points beyond, over Interstate Highway 64, except over U.S. Highway 60 where Interstate Highway 64 is not completed, for 150 days. NOTE: Certification as to correctness of this shipper's letter not yet received, but said to be in the mails. Supporting shippers: State of Ohio Department of Highways, Columbus, Ohio 43216; Attention: P. E. Masheter, Director; City of Huntington, Office of the City Manager, Edward A. Ewing, Post Office Box 1659, Huntington, W. Va. 25717. Send protests to: Jack K. Huff, District Supervisor, Bureau of Operations, Interstate Commerce Commission, BSR Building, Suite 417, 316 East Morehead Street, Charlotte, N.C. 28202.

No. MC 108449 (Sub-No. 279 TA), filed February 2, 1968. Applicant: INDIANHEAD TRUCK LINE, INC., 1947 West County Road C, St. Paul, Minn. 55113. Applicant's representative: W. A. Myllenbeck (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Diammonium phosphate*, in bulk, (1) from Depue, Ill., to points in Ohio, Illinois, Indiana, Michigan, Wisconsin, Minnesota, Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota; (2) from Riverdale and Colfax, Ill., to points in Indiana, Michigan, Missouri, Ohio and Wisconsin; (3) from Des Moines, Iowa, to points in Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin, for 180 days. Supporting shipper: The New Jersey Zinc Co., New York, N.Y. Send protests to: District Supervisor, A. E. Rathert, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building and U.S. Courthouse, 110 South Fourth Street, Minneapolis, Minn. 55401.

No. MC 126002 (Sub-No. 1 TA), filed February 2, 1968. Applicant: CALIFORNIA COMMODITY TRANSPORT, INC., 5535 Chino Avenue, Chino, Calif. 91710. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dried citrus, pulp*, in bulk, in hopper-type trucks, from points in Yuma County, Ariz., to points in Los Angeles, Orange, and Imperial Counties, Calif., for 180 days. Supporting shipper: Anaheim Citrus Products Co., 421 East Commercial Street, Anaheim, Calif. 92803. Send protests to: John E. Nance, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Federal Building, Room 7708, 300 North Los Angeles Street, Los Angeles, Calif. 90012.

No. MC 120800 (Sub-No. 10 TA), filed February 2, 1968. Applicant: CAPITOL TRUCK LINE, INC., 2500 North Alameda Street, Compton, Calif. 90222. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid methane*, in bulk, in specially designed and equipped vacuum insulated trailers, from Compton, Calif., to Lowell and Tewksbury, Mass., for 150 days. Supporting shipper: Lowell Gas Co., 95 East Merrimack Street, Lowell, Mass. Send protests to: John E. Nance, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 7708, Federal Building, 300 North Los Angeles Street, Los Angeles, Calif. 90012.

No. MC 128202 (Sub-No. 3 TA), filed February 2, 1968. Applicant: HARBOR SEAFOODS COMPANY, INC., Box 191, Wrangell, Alaska 99929. Applicant's representative: Joseph O. Earp, 411 Lyon Building, 507 Third Avenue Seattle, Wash. 98104. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *General commodities*, between Wrangell, Alaska, and Seattle and Tacoma, Wash., for the account of Benjamin's Store, Wrangell, Alaska, for 180 days. Supporting shipper: Benjamin's Store, Box 21, Wrangell, Alaska 99929. Send protests to: District Supervisor, Hugh H. Chaffee, Interstate Commerce Commission, Bureau of Operations, Post Office Box 1532, Anchorage, Alaska 99501.

No. MC 128273 (Sub-No. 23 TA), filed February 2, 1968. Applicant: MIDWESTERN EXPRESS, INC., Post Office Box 189, Fort Scott, Kans. 66701. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Diammonium phosphate*, in bulk, from the plantsites and warehouses of the New Jersey Zinc Co., located at or near Depue, Riverdale, and Colfax, Ill., and Des Moines, Iowa, to points in Illinois, Indiana, Ohio, Michigan, Wisconsin, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, Missouri, and Iowa, for 180 days. Supporting shipper: The New Jersey Zinc Co., 160 Front Street, New York, N.Y. 10038. Send protests to: M. E. Taylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 906 Schweiter Building, Wichita, Kans. 67202.

No. MC 129685 TA, filed February 1, 1968. Applicant: WILLIAM R. GOULD, doing business as GOULD'S VAN & STORAGE, 2084 Lapham Drive, Modesto, Calif. 95351. Applicant's representative: Daniel W. Baker, 405 Montgomery Street, San Francisco, Calif. 94104. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Household goods*, as defined by the Commission, between points in Merced, Stanislaus, Tuolumne, and Mariposa Counties, Calif., for 180 days. Supporting shippers: American Ensign Van Service, Inc., Post Office Box 2270, Wilmington, Calif. 90744; Getz Bros. & Co., Inc., Getzpak Division, Post Office Box 2230, Wilmington, Calif. 90744; Richardson Transfer & Storage Co., Inc., International Division, 940 South Santa Fe Avenue, Compton, Calif. 90220; Bekins Van Lines Co., International Division, 820 East E Street, Wilmington, Calif. 90744. Send Protests to: Wm. R. Murdoch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 450 Golden Gate Avenue, Box 36004, San Francisco, Calif. 94102.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 68-1751; Filed, Feb. 12, 1968; 8:48 a.m.]

[Notice 545]

## MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

FEBRUARY 8, 1968.

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 of Ex Parte No. MC 67 (CFR Part 340), 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 of 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 protests must certify that such service has been made. The protests 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 16682 (Sub-No. 77 TA), filed February 5, 1968. Applicant: MURAL TRANSPORT, INC., 2900 Review Avenue, Long Island City, N.Y. 11101. Applicant's representative: S. S. Eisen, 140 Cedar Street, New York, N.Y. 10006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *New furniture*, from Newport, Tenn., to points in Iowa and Minnesota, for 180 days. Supporting shipper: Heywood-Wakefield Co. of Newport, Newport, Tenn. 37821. Send protests to: E. N. Carignan, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 346 Broadway, New York, N.Y. 10013.

No. MC 61396 (Sub-No. 198 TA), filed February 5, 1968. Applicant: HERMAN BROS. INC., 2501 North 11th Street, Post Office Box 189, Downtown Station 68101, Omaha, Nebr. 68110. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Liquid fertilizer*, in bulk in tank vehicles, from storage facility of Terra Chemical International, Inc., at Lincoln, Nebr., Air Base to points in Nebraska, Missouri, Wyoming, Kansas, Colorado, and South Dakota, for 180 days. Supporting shipper: Terra Chemicals International, Inc., 507 Sixth Street, Sioux City, Iowa 51101. Send protests to: K. P. Kohrs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 705 Federal Office Building, Omaha, Nebr. 68102.

No. MC 107496 (Sub-No. 615 TA), filed February 5, 1968. Applicant: RUAN TRANSPORT CORPORATION, Third and Keosauqua Way, Post Office Box 855, 50304, Des Moines, Iowa 50309. Applicant's representative: H. L. Fabritz (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lacquer and paint thinner*, in bulk, in tank vehicles, from Kansas City, Kans., to Ackerman, Miss., for 150 days. Supporting shipper: The M. L. Campbell Co., subsidiary of Pratt & Lambert, Inc., 2909 Chrysler Road, Kansas City, Kans. 66115. Send protests to: Ellis L. Annett, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 677 Federal Building, Des Moines, Iowa 50309.

No. MC 111413 (Sub-No. 1 TA), filed February 5, 1968. Applicant: EDWARD DIETIKER, doing business as ED. DIETIKER DRAYAGE CO., 4801 Goodfellow Boulevard, St. Louis, Mo. 63120. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *New household goods*, in containers, between St. Louis, Mo., and a radius of 100 miles thereof, in Missouri and Illinois, for 180 days. Supporting shippers: Kingpak, Inc., Post Office Box 18298, Wichita, Kans. 67218; Delcher Intercontinental Moving Service, 262 Riverside Avenue, Jacksonville, Fla. 32202. Send protests to: J. P. Werthmann, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Room 3248-B, 1520 Market Street, St. Louis, Mo. 63103.

No. MC 116947 (Sub-No. 8 TA), filed February 2, 1968. Applicant: HUGH H. SCOTT, doing business as SCOTT TRANSFER CO., 920 Ashby Street SW., Atlanta, Ga. 30310. Applicant's representative: William Addams 1776 Peachtree Street NW., Room 527, Atlanta, Ga. 30309. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Metal cans, can ends, crowns, tin plate, pallets, paper shrouds, chipboard, cork in sheets, sheet plastic, and lacquer* (a) between Atlanta, Ga.; Birmingham, Ala.; Spartanburg, S.C.; Winchester, Va.; Baltimore, Md.; Philadephia, Pa.; Bartow and Orlando, Fla; Fort Worth Tex.; Fruitland, Md.; North Bergen, N.J., and St. Louis, Mo.; (b) between the named points in (a) above and points in Alabama, Florida, Georgia, Indiana, Kentucky, Maryland, Mississippi, New Jersey, North Carolina, Ohio, South Carolina, Tennessee, Texas, Virginia, and Louisiana, for 150 days. Supporting shipper: Crown Cork & Seal Co., Inc., 9300 Ashton Road, Philadelphia, Pa. 19136. Send protests to: William L. Scroggs, District Supervisor, Interstate Commerce Commission, Room 309, 1252 West Peachtree Street NW., Atlanta, Ga. 30310.

No. MC 128501 (Sub-No. 1 TA), filed February 25, 1968. Applicant: FIDELITY STORAGE & TRANSFER, INC., 543 Brookhaven Drive, Orlando, Fla. 32803. Applicant's representative: John A. Sutton, Post Office Box 367, Orlando, Fla. 32802. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Telephone equipment, material and supplies* having a prior or subsequent movement in interstate commerce, between Orlando, Fla., on the one hand, and, on the other, points in Orange, Lake, Seminole, and Osceola Counties, Fla., for 180 days. Supporting shipper: Western Electric Co., Inc., 3300 Lexington Road, Winston-Salem, N.C. Send protests to: District Supervisor G. H. Fauss, Jr., Bureau of Operations, Interstate Commerce Commission, Box 35008, 400 West Bay Street, Jacksonville, Fla. 32202.

No. MC 128909 (Sub-No. 4 TA), filed February 5, 1968. Applicant: COMMODORE CONTRACT CARRIERS, INC., 2410 Dodge Street, Omaha, Nebr. 68131. Applicant's representative: Donald L. Stern, 630 City National Bank Building, Omaha, Nebr. 68102. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Mobile homes*, (a) between Falls City, Nebr., on the one hand, and, on the other, points in Michigan; (b) between Red Bay, Ala., on the one hand, and, on the other, points in Connecticut, Delaware, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont, for 150 days. Supporting shipper: The Commodore Corp., 2410 Dodge Street, Omaha, Nebr. 68131. Send protests to: K. P. Kohrs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 705 Federal Office Building, Omaha, Nebr. 68102.

No. MC 129403 (Sub-No. 1 TA), filed February 5, 1968. Applicant: A.N.R. TRUCKING CO., INC., 518 West 29th Street, New York, N.Y. 10001. Applicant's representative: John DeLisa, c/o Respondent (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Furniture, glassware, earthenware, ceramics, housewares, house furnishings, flatware, stationery, gift and decorative items and related articles*, for George Jensen, Inc., only, from points in the New York, N.Y., commercial zone as defined by the Commission, Port Newark and Port Elizabeth, N.J., to plant and warehouse sites of George Jensen, Inc., located at town of Mount Pleasant, N.Y., restricted to shipments having a prior movement by water, for 180 days. Supporting shipper: George Jensen, Inc., 667 Fifth Avenue, New York, N.Y. Send protests to: Paul W. Assenza, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 346 Broadway, New York, N.Y. 10013.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 68-1752; Filed, Feb. 12, 1968; 8:48 a.m.]

[Notice 87]

## MOTOR CARRIER TRANSFER PROCEEDINGS

FEBRUARY 8, 1968.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 279), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 70093. By order of February 7, 1968, the Transfer Board approved the transfer to Peoples Cartage, Inc., Massillon, Ohio, of the operating rights in certificate of registration No. MC-121455 (Sub-No. 1) issued January 20, 1967 to Strawser Bros., Inc., Columbus, Ohio, authorizing the transportation, of property from and to Worthington, Ohio, and vicinity. James Muldoon, 50 West Broad Street, Columbus, Ohio 43215, attorney for applicants.

No. MC-FC-70170. By order of February 7, 1968, the Transfer Board approved the transfer to Lyle Maydole, doing business as Diamond Truck Line, Las Vegas, Nev., of the operating rights in certificate No. MC-40690 issued November 14, 1967, to Amos E. Newsom and Kate B. Newsom, a partnership, doing business as Newsom Truck Line, Las Vegas, Nev., authorizing the transportation, over a regular route, of general commodities, except those of unusual value, classes A and B explosives, livestock, household goods, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading between St. George, Utah, and Moapa, Nev., serving all intermediate points. Norman Ty Hilbrecht, Hilbrecht & Jones, Suite 402 Executive Tower, 401 South Third Street, Las Vegas, Nev. 89101, attorney for applicants.

[SEAL] H. NEIL GARSON,
*Secretary.*

[F.R. Doc. 68-1753; Filed, Feb. 12, 1968; 8:48 a.m.]

# DEPARTMENT OF THE TREASURY

## Fiscal Service

[Dept. Circ. 570, 1967 Rev., Supp. No. 7]

### NORTH STAR REINSURANCE CORP.

#### Termination of Authority to Qualify as Surety on Federal Bonds

Notice is hereby given that the Certificate of Authority issued by the Secretary of the Treasury to the North Star Reinsurance Corp., New York, N.Y., under the provisions of the Act of Congress approved July 30, 1947 (6 U.S.C. 6-13), to qualify as an acceptable surety on recognizances, stipulations, bonds, and undertakings permitted or required by the laws of the United States, is hereby terminated.

Bond-approving officers of the Government should, in instances where such action is necessary, secure new bonds with acceptable sureties in lieu of bonds executed by the North Star Reinsurance Corporation.

Dated: February 1, 1968.

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

[F.R. Doc. 68-1754; Filed, Feb. 12, 1968; 8:48 a.m.]

## Office of Foreign Assets Control

### COTTON MANUFACTURES

#### Importation From Rumania

The Office of Foreign Assets Control, Treasury Department, will issue licenses for the importation into the United States from Rumania of cotton piece goods and other cotton manufactures. Applications for such licenses should be filed on form TFAC-1 with the Foreign Assets Control Division, Federal Reserve Bank of New York, 33 Liberty Street, New York, N.Y. 10045.

The licenses will not authorize any entry or withdrawal from warehouse of any cotton products which are affected by section 204 of the Agricultural Act of 1956, 70 Stat. 200, as amended by Public Law 87-488, June 19, 1962, 76 Stat. 104 (7 U.S.C.A. 1854), if such entry or withdrawal from warehouse is prohibited by the aforesaid act as amended, or any directive which has been or may hereafter be issued thereunder. Applicants for licenses may wish to obtain further information with respect to the abovementioned restrictions from the Chairman, Interagency Textile Administrative Committee, Department of Commerce, Washington, D.C.

[SEAL] MARGARET W. SCHWARTZ,
*Director,*
*Foreign Assets Control.*

[F.R. Doc. 68-1756; Filed, Feb. 12, 1968; 8:49 a.m.]

## Office of the Secretary

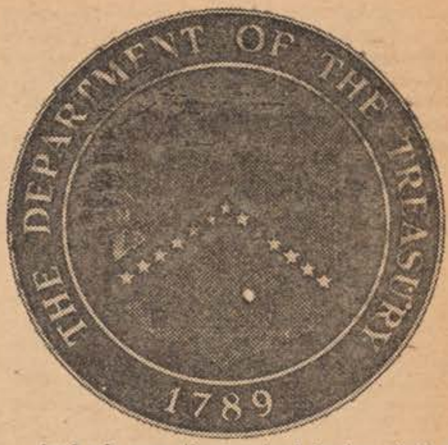
[Treasury Order No. 212]

### TREASURY SEAL

Whereas I have caused to be made, pursuant to 5 U.S.C. 301 and 31 U.S.C. 1002 and 1008, a seal for the Treasury Department, the design of which accompanies and is hereby made a part of this order and which is described, in heraldic terms, as follows:

Arms: Or, a chevron azure between in chief a pair of balanced scales and in base a key ward downward to dexter, both azure, with 13 mullets argent on the chevron.

The arms are displayed upon a circular background of American blue. Within a legend ring surrounding the arms and circumscribed by two concentric white rings appears the inscription "The Department of the Treasury" in white capital letters of Cheltenham Bold font. Also within the legend ring, directly below the base of the shield, appears the date "1789" in white numerals of Cheltenham Bold font.




And whereas the central device of the seal is essentially the same as that used by Treasury throughout its entire history; and

Whereas it appears that this seal is of suitable design and appropriate for use as the official seal of the Treasury Department;

Now, therefore, by virtue of the authority vested in me as the Secretary of the Treasury, I hereby approve this seal as the official seal of the Treasury Department: *Provided,* That the Treasury seal currently in official use, including the dies, rolls, plates, and like devices now in the possession of the Bureau of Engraving and Printing, shall continue to be equally effective as the official seal of the Treasury Department and shall continue to be so used by each Treasury officer and employee having possession of the device of the seal until that particular device needs to be replaced and is replaced.

[SEAL] HENRY H. FOWLER,
*Secretary of the Treasury.*

JANUARY 29, 1968.

[F.R. Doc. 68-1699; Filed, Feb. 12, 1968; 8:45 a.m.]

[Dept. Circular; Public Debt Series-No. 2-68]

### 5⅝ PERCENT TREASURY NOTES OF SERIES B-1969

#### Offering of Notes

I. *Offering of notes.* 1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers $4 billion, or thereabouts, of notes of the United States, designated 5⅝ percent Treasury Notes of Series B-1969, at par and accrued interest. The books will be opened only on February 13, 1968, for the receipt of subscriptions.

II. *Description of notes.* 1. The notes will be dated February 21, 1968, and will bear interest from that date at the rate of 5⅝ percent per annum, payable on a semiannual basis on May 15 and November 15, 1968, and on May 15, 1969. They will mature May 15, 1969, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes is subject to all taxes imposed under the

Internal Revenue Code of 1954. The notes are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached, and notes registered as to principal and interest, will be issued in denominations of $1,000, $5,000, $10,000, $100,000, $1,000,000, $100,000,000 and $500,000,000. Provision will be made for the interchange of notes of different denominations and of coupon and registered notes, and for the transfer of registered notes, under rules and regulations prescribed by the Secretary of the Treasury.

5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing U.S. notes.

III. *Subscription and allotment.* 1. Subscriptions accepting the offer made by this circular will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington, D. C. 20220. Only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Commercial banks, which for this purpose are defined as banks accepting demand deposits, may submit subscriptions for account of customers provided the names of the customers are set forth in such subscriptions. Others than commercial banks will not be permitted to enter subscriptions except for their own account. Subscriptions from commercial banks for their own account will be restricted in each case to an amount not exceeding 50 percent of the combined capital (not including capital notes or debentures), surplus and undivided profits of the subscribing bank. Subscriptions will be received without deposit from banking institutions for their own account, federally insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, and Government Investment Accounts. Subscriptions from all others must be accompanied by payment of 2 percent of the amount of notes applied for, not subject to withdrawal until after allotment. Following allotment, any portion of the 2 percent payment in excess of 2 percent of the amount of notes allotted may be released upon the request of the subscribers.

2. All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any notes of this issue at a specific rate or price, until after midnight February 13, 1968.

3. Commercial banks in submitting subscriptions will be required to certify that they have no beneficial interest in any of the subscriptions they enter for the account of their customers, and that their customers have no beneficial interest in the banks' subscriptions for their own account.

4. Under the Second Liberty Bond Act, as amended, the Secretary of the Treasury has the authority to reject or reduce any subscription, to allot less than the amount of notes applied for, and to make different percentage allotments to various classes of subscribers when he deems it to be in the public interest; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions for amounts up to and including $200,000 will be allotted in full, and subscriptions for amounts over $200,000 will be allotted on a percentage basis, but not less than $200,000 on any one subscription. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

IV. *Payment.* 1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before February 21, 1968, or on later allotment. Payment will not be deemed to have been completed where registered notes are requested if the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service (an individual's social security number or an employer identification number) is not furnished. In every case where full payment is not completed, the payment with application up to 2 percent of the amount of notes allotted shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depositary will be permitted to make payment by credit in its Treasury Tax and Loan Account for notes allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its District.

V. *General provisions.* 1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make such allotments as may be prescribed by the Secretary of the Treasury, to issue such notices as may be necessary, to receive payment for and make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

[SEAL] HENRY H. FOWLER,
*Secretary of the Treasury.*

FEBRUARY 10, 1968.

[F.R. Doc. 68-1875; Filed, Feb. 12, 1968; 11:29 a.m.]

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# FEDERAL REGISTER

VOLUME 33 • NUMBER 30

Tuesday, February 13, 1968 • Washington, D.C.

PART II

## DEPARTMENT OF STATE

Agency for International Development

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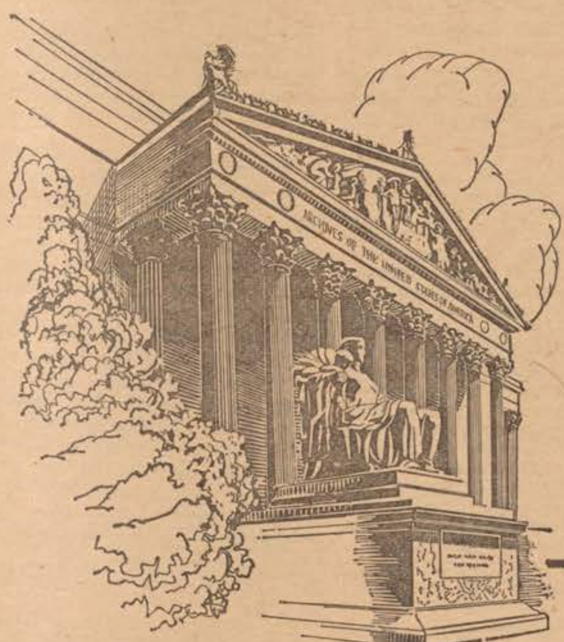
## TRANSFER OF FOOD COMMODITIES FOR USE IN DISASTER RELIEF AND ECONOMIC DEVELOPMENT, AND OTHER ASSISTANCE



# Title 22—FOREIGN RELATIONS

## Chapter II—Agency for International Development, Department of State

[A.I.D. Reg. 11]

## PART 211—TRANSFER OF FOOD COMMODITIES FOR USE IN DISASTER RELIEF AND ECONOMIC DEVELOPMENT, AND OTHER ASSISTANCE

Title 22, Chapter II, Part 211 (A.I.D. Regulation 11) is revised to read as follows:

Sec.
211.1 General purpose and scope.
211.2 Definitions.
211.3 Agreement with cooperating sponsor.
211.4 Availability of commodities.
211.5 Obligations of cooperating sponsors.
211.6 Processing, repackaging, and labeling commodities.
211.7 Arrangements for entry and handling in foreign country.
211.8 Disposition of commodities unfit for authorized use.
211.9 Liability for loss and damage or improper distribution of commodities.
211.10 Records and reporting requirements of cooperating sponsor.
211.11 Termination of program.
211.12 Waiver and amendment authority.

AUTHORITY: The provisions of this Part 211 issued under secs. 106, 201, 202, 203, and 305, Agricultural Trade Development and Assistance Act of 1954, as amended, 7 U.S.C. 1705, 1721, 1722, 1723, and 1693; 68 Stat. 454, as amended.

### § 211.1 General purpose and scope.

(a) *Terms and conditions.* This Part 211 contains the regulations prescribing the terms and conditions governing the transfer of agricultural commodities to foreign governments, U.S. voluntary agencies, or intergovernmental organizations (except the World Food Program and United Nations Relief and Works Agency) pursuant to Title II, the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Congress, as amended) (1) to meet famine or other urgent or extraordinary relief requirements; (2) to combat malnutrition, especially in children; (3) to promote economic and community development in friendly developing areas; (4) for needy persons, nonprofit school lunch programs, and preschool feeding programs outside the United States.

(b) *Legislation.* The legislation implemented by the regulations in this part is as follows:

(1) Section 201 of the Agricultural Trade Development and Assistance Act of 1954, as amended, provides as follows:

The President is authorized to determine requirements and furnish agricultural commodities, on behalf of the people of the United States of America, to meet famine or other urgent or extraordinary relief requirements; to combat malnutrition, especially in children; to promote economic and community development in friendly developing areas; and for needy persons and nonprofit school lunch and preschool feeding programs outside the United States. The Commodity Credit Corporation shall make available to the President such agricultural commodities determined to be available under section 401 as he may request.

(2) Section 202 of the Agricultural Trade Development and Assistance Act of 1954, as amended, which provides as follows:

The President may furnish commodities for the purposes set forth in section 201 through such friendly governments and such agencies, private or public, including intergovernmental organizations such as the World Food Program and other multilateral organizations in such manner and upon such terms and conditions as he deems appropriate. The President shall, to the extent practicable, utilize nonprofit voluntary agencies registered with, and approved by, the Advisory Committee on Voluntary Foreign Aid. Insofar as practicable, all commodities furnished hereunder shall be clearly identified by appropriate marking on each package or container in the language of the locality where they are distributed as being furnished by the people of the United States of America. The assistance to needy persons shall insofar as practicable be directed toward community and other self-help activities designed to alleviate the causes of the need for such assistance. Except in the case of emergency, the President shall take reasonable precaution to assure that commodities furnished hereunder will not displace or interfere with sales which might otherwise be made.

(3) Section 203 of the Agricultural Trade Development and Assistance Act of 1954, as amended, which provides as follows:

The Commodity Credit Corporation may, in addition to the cost of acquisition, pay with respect to commodities made available under this title costs for packaging, enrichment, preservation, and fortification; processing, transportation, handling, and other incidental costs up to the time of their delivery free on board vessels in U.S. ports; ocean freight charges from U.S. ports to designated ports of entry abroad, or, in the case of landlocked countries, transportation from U.S. ports to designated points of entry abroad; and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant thereto.

(4) Section 204 of the Agricultural Trade Development and Assistance Act of 1954, as amended, provides in part as follows:

In addition to other funds available for such purposes under any other Act, funds made available under this title may be used in an amount not exceeding $7,500,000 annually to purchase foreign currencies accruing under title I of this Act in order to meet costs (except the personnel and administrative costs of cooperating sponsors, distributing agencies, and recipient agencies, and the costs of construction or maintenance of any church owned or operated edifice or any other edifices to be used for sectarian purposes) designed to assure that commodities made available under this title are used to carry out effectively the purposes for which such commodities are made available or to promote community and other self-help activities designed to alleviate the causes of the need for such assistance: *Provided, however,* That such funds shall be used only to supplement and not substitute for funds normally available for such purposes from other non-United States Government sources.

(5) Section 401 of the Agricultural Trade Development and Assistance Act of 1954, as amended, which provides as follows:

After consulting with other agencies of the Government affected and within policies laid down by the President for implementing this Act, and after taking into account productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, the Secretary of Agriculture shall determine the agricultural commodities and quantities thereof available for disposition under this Act, and the commodities and quantities thereof which may be included in the negotiations with each country. No commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary of Agriculture at the time of exportation of such commodity.

(6) Section 402 of the Agricultural Trade Development and Assistance Act of 1954, as amended, which provides as follows:

The term "agricultural commodity" as used in this Act shall include any agricultural commodity produced in the United States or product thereof produced in the United States: *Provided, however,* That the term "agricultural commodity" shall not include alcoholic beverages, and for the purposes of title II of this Act, tobacco or products thereof. Subject to the availability of appropriations therefor, any domestically produced fishery product may be made available under this Act.

(7) Section 404 of the Agricultural Trade Development and Assistance Act of 1954, as amended, which provides as follows:

The programs of assistance undertaken pursuant to this Act shall be directed toward the attainment of the humanitarian objectives and national interest of the United States.

(8) Section 405 of the Agricultural Trade Development and Assistance Act of 1954, as amended, which provides as follows:

The authority and funds provided by this Act shall be utilized in a manner that will assist friendly countries that are determined to help themselves toward a greater degree of self-reliance in providing enough food to meet the needs of their people and in resolving their problems relative to population growth.

### § 211.2 Definitions.

(a) "AID" means the Agency for International Development or any successor agency, including, when applicable, each USAID. "USAID" means an office of AID located in a foreign country. "AID/W" means the Office of AID located in Washington, D.C.

(b) "Commodities" means food, feed, or fiber transferred or available for transfer to cooperating sponsors under any of the legislation referred to in this part and food, feed, or fiber exchanged for such transferred commodities as provided in this Part 211.

(c) "CCC" means the Commodity Credit Corporation, a corporate agency and instrumentality of the United States within the U.S. Department of Agriculture.

(d) "Cooperating sponsor" means the foreign government, the U.S. registered voluntary agency, the American National Red Cross, or the intergovernmental organization, which enters into an agreement with the U.S. Government for the use of agricultural commodities and/or funds (including local currencies) and which is directly responsible under the agreement for administration and implementation of programs involving the use of the commodities and/or funds made available to meet the requirements of eligible recipients.

(e) "Diplomatic Posts" means the offices of the Department of State located in foreign countries, and may include Embassies, Legations, and Consular offices.

(f) "Disaster relief organizations" means organizations which are authorized by AID/W, USAID, or by a Diplomatic Post to assist disaster victims.

(g) "Disaster victims" means persons who, because of flood, drought, fire, earthquake, other natural or manmade disasters, or extraordinary relief requirements, are in need of food, feed, or fiber assistance.

(h) "Food for Freedom Program Agreement" constitutes the agreement between the cooperating sponsor(s) and the U.S. Government. The Food for Freedom Program Agreement may be specific, listing the kinds and quantities of commodities to be supplied, program objectives, criteria for eligibility of recipients, plan for distribution of commodities, and other specific program provisions in addition to the provisions set forth in this part; or it will state that the cooperating sponsor will comply with this part and such other terms and conditions as set forth in other AID programing documents.

(i) "Institutions" means nonpenal, public or nonprofit private establishments that are operated for charitable or welfare purposes where needy persons reside and receive meals, including, but not limited to, homes for the aged, mentally and physically handicapped, refugee camps, and leprosy asylums.

(j) "Intergovernmental organizations" means agencies sponsored and supported by the United Nations organization (except the World Food Program and UNRWA) or by two or more nations, one of which is the United States of America.

(k) "Maternal-child feeding, school and other child feeding programs":

(1) Maternal and preschool feeding programs means programs conducted for expecting and lactating mothers and for children below the usual enrollment age for the primary grade at public schools.

(2) School feeding programs refers to programs conducted for the benefit of children enrolled in schools.

(3) Other child feeding programs refers to programs designed to reach preschool or school age, needy children in summer camps, child care centers, orphanages, day playgrounds, nurseries, and similar activities.

(l) "Needy persons" means individuals who are in need of food assistance because of their economic condition. Special consideration shall be given to assistance to needy persons engaged in community and other self-help activities designed to alleviate the causes of the need for such assistance.

(m) "Nonprofit" means that the residue of income over operating expenses accruing in any activity, project, or program is used solely for the operation of such activity, project, or program.

(n) "Recipient agencies" means schools, institutions, welfare agencies, disaster relief organizations, and public or private agencies whose food distribution functions are sponsored by the cooperating sponsor and who receive commodities for distribution to eligible recipients. A cooperating sponsor may be a recipient agency.

(o) "Recipients" means persons who are eligible to receive commodities for their own use in accordance with the terms and conditions of the Food for Freedom Program Agreement.

(p) "Refugees" means persons who are in need because (1) they fled or were expelled from their country of nationality or residence and are living in a country other than the one in which they hold or have held citizenship, or (2) they fled from their homes as a result of civil strife and are living in a part of their country of nationality or residence other than that in which they normally earned a livelihood.

(q) "School" means a public or nonprofit private facility, or an activity within such facility, which has as its primary purpose the education (except theological education) of children at educational levels which are comparable to high school or under in the United States.

(r) "United Nations Relief and Works Agency" is an intergovernmental organization established by the United Nations for the relief of Palestine refugees in the Near East and supported through contributions of goods and funds by the United States and other donor countries. U.S. commodities and funds are provided under the authority of 68 Stat. 844 of 1954, as amended, 22 U.S.C., paragraph 1927.

(s) "USDA" means the U.S. Department of Agriculture.

(t) "Voluntary agency" means the American National Red Cross and any U.S. voluntary nonprofit agency registered with, and approved by, the Advisory Committee on Voluntary Foreign Aid of the Agency for International Development.

(u) "Welfare agencies" means public or nonprofit private agencies that provide care, including food assistance, to needy persons who are not residents of institutions.

(v) "World Food Program" is an intergovernmental organization sponsored jointly by the United Nations and the Food and Agriculture Organization and supported through contributions of commodities, services and funds by the United States and other donor countries. U.S. commodities and services to the World Food Program are provided under the authority of section 202 of the Agricultural Trade Development and Assistance Act of 1954 as amended.

### § 211.3 Agreement with cooperating sponsor.

The cooperating sponsor shall enter into a written agreement with AID by signing a Food for Freedom Program Agreement which shall incorporate by reference or otherwise the terms and conditions set forth in this part. If the cooperating sponsor is a voluntary agency or an intergovernmental organization, both the foreign government and the cooperating sponsor shall, where practicable, sign the Food for Freedom Program Agreement. If for any reason such signing is not practicable, then the voluntary agency or intergovernmental organization shall enter into a separate written agreement with the foreign government which shall include therein by reference or otherwise the conditions set forth in this part.

### § 211.4 Availability of commodities.

(a) *Distribution and use of commodities.* Commodities shall be available for distribution and use in accordance with the provisions of the Food for Freedom Program Agreement and this part.

(b) *Transfer of title and delivery.* (1) Unless the Food for Freedom Program Agreement provides otherwise, title to the commodity shall pass to the cooperating sponsor at the time and place of delivery f.o.b. or f.a.s. vessels at the U.S. ports, except that in the case of voluntary agencies and intergovernmental organizations, title may pass at the discretion of USDA at other points in the United States.

(2) Voluntary agencies and intergovernmental organizations shall make the necessary arrangements to accept commodities at the points of delivery designated by the USDA.

(c) *Processing, handling, transportation, and other costs.* (1) The United States will pay processing, handling, transportation, and other incidental costs incurred in making commodities available to cooperating sponsors free on board (f.o.b.) or free along side (f.a.s.) vessel at U.S. ports, or free at inland destinations in the United States except as otherwise provided in this paragraph (c).

(2) Voluntary agencies and intergovernmental organizations shall reimburse the United States for expenses incurred at their request and for their accommodation which are in excess of those which the United States would have otherwise incurred in making delivery (i) at the lowest combination of inland and ocean transportation costs to the United States as determined by the United States or (ii) in sizes and types of packages announced as available.

(3) All costs and expenses incurred subsequent to the transfer of title in the United States to cooperating sponsors, except general average contributions and marine salvage costs, shall be borne by them: *Provided*, That, upon the determination that it is in the interests of the program to do so, the United States may pay or make reimbursement for ocean transportation costs from U.S. ports to the designated ports of entry abroad or in the case of landlocked countries, transportation charges from U.S. ports to designated points of entry abroad.

(d) *Transportation authorization.* A transportation authorization will be issued to cover the ocean freight paid directly by the United States. When CCC contracts for ocean carriage, disbursement to the carriers shall be made by CCC upon presentation of Standard

Form 1113 and three copies of 1113A (Public Voucher for Transportation Charges), together with three copies of the related onboard ocean bill of lading, one copy of which must contain the following certification signed by an authorized representative of the steamship company:

I certify that this document is a true and correct copy of the original on-board ocean bill of lading under which the goods herein described were loaded on the above-named vessel and that the original and all other copies thereof have been clearly marked as not to be certified for billing.

------------------------
(Name of Steamship Company)

------------------------
By: (Authorized Representative)

Such vouchers should be submitted to:

Director, Ocean Transportation Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250.

As provided in AID Regulation 2 (Part 202 of this chapter), voluntary agencies booking their own vessels will be reimbursed for ocean freight authorized by the United States upon presentation to AID/W (or to a U.S. Bank holding an AID Letter of Commitment) of proof of payment to the ocean carrier.

(e) *General average.* CCC shall (1) be responsible for settling general average and marine salvage claims, (2) retain the authority to make or authorize any disposition of commodities which have not commenced ocean transit or of which the ocean transit is interrupted, and receive and retain any monetary proceeds resulting from such disposition, (3) in the event of a declaration of general average, initiate and prosecute, and retain all proceeds of, cargo loss and damage claims against ocean carriers and (4) receive and retain any allowance in general average.

(f) *Shipping instructions*—(1) *Shipments booked by CCC.* Requests for shipment of commodities shall originate with the cooperating sponsor and shall be submitted to USAID or Diplomatic Post for clearance and transmittal to AID/W. AID/W shall, through cables, airgrams or letters to USAID or Diplomatic Posts, provide cooperating sponsors (and where applicable voluntary agency headquarters) with names of vessels, expected times of arrival (ETAs), and other pertinent information on shipments booked by CCC. At the time of exportation of commodities, applicable ocean bills of lading shall be sent airmail, or by the fastest means available, by the freight forwarder, representing CCC, to USDA, to USAID or Diplomatic Posts (and where applicable to USAID Controller, voluntary agency headquarters, and voluntary agency field representatives), and to the consignee in sufficient time to advise of the arrival of the shipment.

(2) *Shipments booked by voluntary agency or intergovernmental organization.* Requests for shipment of commodities shall originate with the cooperating sponsor and shall be cleared by the USAID or Diplomatic Post before transmittal to the voluntary agency's or intergovernmental organization's headquarters for concurrence and issuance. USAID or Diplomatic Post shall promptly clear voluntary agency and intergovernmental organization requests for shipment of commodities or, if there is reason for delay or disapproval, advise the cooperating sponsor and AID/W within seven (7) days of receipt of requests for shipment. After the voluntary agency or intergovernmental organization headquarters concurs in the request and issues the order, the original will be sent to USDA with a copy to the USAID or Diplomatic Posts. Headquarters of voluntary agencies and intergovernmental organizations which book their own shipments shall provide their representatives and the USAID or Diplomatic Posts with the names of vessels, expected times of arrival (ETAs) and other pertinent information on shipments booked. At the time of exportation of commodities, applicable ocean bills of lading shall be sent airmail or by the fastest means available by the freight forwarder, representing the voluntary agency or intergovernmental organization, to USDA, to the USAID or Diplomatic Post (and where applicable to USAID Controller and voluntary agencies' representatives), and to the consignee in the country of destination in sufficient time to advise of the arrival of the shipment. However, voluntary agencies will also forward cable advice of actual exportation to their program directors in countries within the Caribbean area which are supplied by vessels having a rapid and short run from U.S. port to destination.

(g) *Tolerances.* Delivery by the United States to the cooperating sponsor at point of transfer of title within a tolerance of 5 percent (2 percent in the case of quantities over 10,000 metric tons) plus or minus, of the quantity ordered for shipment shall be regarded as completion of delivery. There shall be no tolerance with respect to the ocean carrier's responsibility to deliver the entire cargo shipped and the United States assumes no obligation for failure by an ocean carrier to complete delivery to port of discharge.

**§ 211.5 Obligations of cooperating sponsors.**

(a) *Plan of operation.* Each cooperating sponsor shall submit to the USAID or Diplomatic Post for the approval of AID/W, within such times and on the forms prescribed by AID/W, a description of the programs it is sponsoring or proposes to sponsor. This description will provide basic information for preparation and amendment of Food for Freedom Program Agreements.

(b) *Program supervision.* Cooperating sponsors shall provide adequate supervisory personnel for the efficient operation of the program, including personnel to organize, conduct, review, and control distribution of commodities, and, in accordance with AID guidelines, to make internal audits, including warehouse inspections, physical inventories, and end-use checks. Maximum use of volunteer personnel shall be encouraged, but voluntary agencies shall be represented by a U.S. citizen, resident in the country of distribution or other nearby country approved by AID/W, who is appointed by and responsible to the voluntary agency for distribution of commodities in accordance with the provisions of this part. Intergovernmental organizations and the American National Red Cross shall be represented by a person appointed by and responsible to the intergovernmental organization or the American National Red Cross for the supervision and control of the program in the country of distribution in accordance with the provisions of this part.

(c) *Internal audits.* Cooperating sponsors shall normally conduct, or arrange to have conducted, at least one comprehensive internal audit annually, or a series of audit examinations which, when combined, will represent a complete review of the Title II program(s) under their jurisdiction. In the event a cooperating sponsor considers such annual comprehensive audit, or series of audits, unnecessary under the circumstances, such cooperating sponsor shall consult the USAID for the purpose of obtaining USAID agreement to an audit schedule other than the normal annual schedule. Copies of reports of these comprehensive audit examinations shall be submitted to USAIDs or Diplomatic Posts as required in § 211.10(b)(3). In the case of programs administered by cooperating governments and intergovernmental organizations, responsibility for conducting internal audit examinations shall be determined by AID/W on a case-by-case basis.

(d) *Commodity requirements.* Each cooperating sponsor shall submit to the USAID or Diplomatic Post, within such times and on the form prescribed by AID/W, estimates of requirements showing the quantities of commodities required for each program proposed. Requirements shall be summarized for all programs in the country on a form prescribed by AID/W.

(e) *Determination of eligibility.* Cooperating sponsors shall be responsible for determining that the recipients and recipient agencies to whom they distribute commodities are eligible in accordance with the terms and conditions of the Food for Freedom Program Agreement and this part. Cooperating sponsors shall impose upon recipient agencies responsibility for determining that the recipients to whom they distribute commodities are eligible. Commodities shall be distributed free of charge except as provided in paragraph (i) of this section, or as otherwise authorized by AID/W.

(f) *No discrimination.* Cooperating sponsors shall distribute commodities only to eligible recipient agencies and eligible recipients without regard to nationality, race, color, or religious or political beliefs, and shall impose similar conditions upon distribution by recipient agencies.

(g) *Public recognition.* To the maximum extent practicable, and with the cooperation of the host Government, adequate public recognition shall be given in the press, by radio, and other media that the commodities have been furnished by the people of the United

States (and, where applicable, under special programs such as the Alliance for Progress Program). At distribution centers the cooperating sponsor shall, to the extent feasible, display banners, posters, or similar media which shall contain information similar to that prescribed for containers in § 211.6(c). Recipients' individual identification cards shall, insofar as practicable, be imprinted to contain such information.

(h) *Containers*—(1) *Markings*. Unless otherwise specified in the Food for Freedom Program Agreement, when commodities are packaged for shipment from the United States, bags and other containers shall be marked with the CCC contract number or other identification, the AID emblem, the Alliance for Progress emblem where applicable, and the following information stated in English and, as far as practicable, in the language of the country receiving the commodity:

(1) Name of the commodity.

(2) Furnished by the people of the United States of America.

(3) Not to be sold or exchanged (where applicable).

Emblems or other identification of voluntary agencies and intergovernmental organizations may also be added.

(2) *Disposal of containers*. Cooperating sponsors may dispose of containers, other than containers provided by carriers, in which commodities are received in countries having approved Title II programs, by sale or exchange, or distribute the containers free of charge to eligible food or fiber recipients for their personal use. If the containers are to be used commercially, the cooperating sponsor must arrange for the removal or obliteration of U.S. Government markings from the containers prior to such use.

(i) *Use of funds*. In addition to funds accruing to cooperating sponsors from the sale of containers, funds may also be available from charges made in maternal, preschool, school, and other child-feeding programs where payment by the recipients will be encouraged on the basis of ability to pay. Funds from these sources shall be used for payment of program costs such as transportation, storage, handling, insect and rodent control, rebagging of damaged or infested commodities, and other program expenses specifically authorized by AID to carry out the objectives of the program for which the commodities were furnished. Funds may also be used for payment of indigenous and/or third country personnel including those employed to make internal audits and inspections. However, such funds may not be used to purchase land, to acquire or construct buildings, or to make alterations in existing buildings. Actual out-of-pocket expenses incurred in effecting any sale of containers may be deducted from the sales proceeds.

(j) *No displacement of sales*. The donation of commodities furnished for these programs shall not result in increased availability for export by the foreign country of the same or like commodities and shall not interfere with or displace sales in the recipient country which might otherwise take place. This requirement may be waived by AID/W to meet emergency or disaster situations.

(k) *Commodities borrowed or exchanged*. After the date of program approval by AID/W, but before arrival at foreign destination of commodities authorized herein, the cooperating sponsor may, with prior approval of the USAID or Diplomatic Post, borrow same or similar commodities from local sources to meet program requirements provided that: (1) Such of the commodities borrowed as are used in accordance with the terms of the applicable Food for Freedom Program Agreement will be replaced on an equivalent value basis at the time and place that the exchange takes place, as determined by mutual agreement between the cooperating sponsor and the USAID or Diplomatic Post; (2) packaged commodities which are borrowed shall be appropriately identified in the language of the country of distribution as having been furnished by the people of the United States; and (3) suitable publicity shall be given to the exchange of commodities as provided in paragraph (g) of this section and containers for borrowed commodities shall be marked to the extent practicable in accordance with § 211.6(c). Transfers of commodities may be made between approved Title II programs to meet emergency disaster requirements or to improve efficiency of operation (for example, to meet temporary shortages due to delays in ocean shipments or inland transportation, or to provide for more rapid distribution of stocks in danger of deterioration). Such transfers must be made at no cost to the U.S. Government and with the concurrence of the cooperating sponsors concerned and with the approval of the USAID or Diplomatic Post. The USAID or Diplomatic Post may, however, provide funds to pay the costs of transfers to meet emergency and/or disaster requirements in which case AID/W shall be advised promptly of the details of the transfer. Commodities transferred as described above shall not be replaced by the U.S. Government unless AID/W authorized such replacement in advance.

(l) *Disposal of excessive stock of commodities*. If commodities are on hand which cannot be utilized in accordance with the applicable Food for Freedom Program Agreement, the cooperating sponsor shall promptly advise USAID or the Diplomatic Post of the quantities, location, and condition of such commodities, and, where possible shall propose an alternate use of the excess stocks. USAID or Diplomatic Post shall determine the most appropriate use of the excess stocks, and with prior AID/W concurrence, shall issue instructions for disposition. Transportation costs and other charges attributable to transferring commodities from one program to another within the country shall be the responsibility of the cooperating sponsor, except that in case of disaster or emergency, AID/W may authorize the use of disaster or emergency funds to pay for the costs of such transfers.

**§ 211.6 Processing, repackaging, and labeling commodities.**

(a) *Commercial processing and repackaging*. Cooperating sponsors may arrange for processing commodities into different end products and for packaging or repackaging commodities prior to distribution. When commercial facilities are used for processing, packaging, or repackaging, cooperating sponsors shall enter into written agreements for such services. The agreements must have the prior approval of USAID or Diplomatic Post in the country of distribution. Copies of the executed agreements shall be provided to the USAID or Diplomatic Post. Agreements for such services shall provide as a minimum that:

(1) No part of the commodities delivered to the processing, packaging, or repackaging company shall be used to defray processing, packaging, repackaging, or other costs, except as provided in subparagraph (2) of this paragraph (a).

(2) When the milling of grain is authorized in the cooperating country, the United States will not pay any part of the processing costs, directly or indirectly, except that with the prior approval of AID/W, the value of the offal may be used to offset such part of the processing costs as it may cover.

(3) The party providing such services shall:

(i) Fully account to the cooperating sponsor for all commodities delivered to the processor's possession and shall maintain adequate records and submit periodic reports pertaining to the performance of the agreement;

(ii) Be liable for the value of all commodities not accounted for as provided in § 211.9(g);

(iii) Return or dispose of the containers in which the commodity is received from the cooperating sponsor according to instructions from the cooperating sponsor;

(iv) Plainly label cartons, sacks, or other containers containing the end product in accordance with paragraph (c) of this section.

(b) *Use of cooperating sponsor facilities*. When cooperating sponsors utilize their own facilities to process, package, or repackage commodities into different end products, and when such products are distributed for consumption off the premises of the cooperating sponsor, the cooperating sponsor shall plainly label the containers as provided in paragraph (c) of this section, and banners, posters, or similar media, which shall contain information similar to that prescribed in paragraph (c) of this section, shall be displayed at the distribution center. Recipients' individual identification cards shall to the maximum extent practicable be imprinted to contain such information.

(c) *Labeling*. If prior to distribution, the cooperating sponsor arranges for packaging or repackaging donated commodities the cartons, sacks, or other containers in which the commodities are packed shall be plainly labeled with the AID emblem, and where applicable the Alliance for Progress emblem, in the language of the country in which the commodities are to be distributed, with the following information:

(1) Name of commodity.

(2) Furnished by the people of the United States of America.

(3) Not to be sold or exchanged (where applicable).

Emblems or other identification of voluntary agencies and intergovernmental organizations may also be added.

(d) *Where commodity containers are not used.* When the usual practice in a country is not to enclose the end product in a container, wrapper, sack, etc., the cooperating sponsor shall, to the extent practicable, display banners, posters, or other media, and imprint on individual recipient identification cards information similar to that prescribed in paragraph (c) of this section.

### § 211.7 Arrangements for entry and handling in foreign country.

(a) *Costs at discharge ports.* Except as otherwise agreed upon by AID/W and provided in the applicable shipping contract or in paragraph (d) of this section, the cooperating sponsor shall be responsible for all costs, (1) beyond the end of ship's tackle in the case of packaged cargo, (2) beyond the discharge end of discharge spout in the case of bulk cargo discharged mechanically, (3) accruing from the time discharging commences in the case of bulk cargo bagged in the ship's hold, or discharged in bulk by slings, (4) for distributing the commodity as provided in the Food for Freedom Program Agreement to end users and (5) for demurrage, detention, and overtime. The cooperating sponsor shall also be responsible for wharfage, taxes, dues, and port charges assessed against the cargo whenever stated separately in the applicable tariff or shipping contract, and for lighterage (when not a custom of the port) and lightening costs when assessed as a charge separate from the freight rate.

(b) *Duty, taxes, and consular invoices.* Commodities shall be admitted duty free and exempt from all taxes. Consular invoices shall not be required unless specific provision is made in the Food for Freedom Program Agreement. If required, they shall be issued without cost to the cooperating sponsor or to the Government of the United States.

(c) *Storage facilities and transportation in foreign countries.* Cooperating sponsors shall make all necessary arrangements for receiving the commodities and assume full responsibility for storage and maintenance of commodities from time of delivery at port of entry abroad or, in the case of landlocked countries, other designated points of entry abroad agreed upon between the cooperating sponsor and AID. Before recommending approval of a program to AID/W, USAID, or Diplomatic Post shall obtain from the cooperating sponsor, assurance that provision has been made for internal transportation, and for storage and handling which are adequate by local commercial standards. The cooperating sponsor shall be responsible for the maintenance of commodities in such manner as to assure distribution of the commodities in good condition to recipient agencies or eligible recipients.

(d) *Inland transportation in intermediate countries.* In the case of landlocked countries, transportation in the intermediate country to a designated inland point of entry in the recipient country shall be arranged by the cooperating sponsor unless otherwise provided in the Food for Freedom Program Agreement or other program document. Voluntary agencies and intergovernmental organizations shall handle claims arising from loss or damage in the intermediate country, in accordance with § 211.9(e). Other cooperating sponsors shall assign any rights that they may have to any claims that arise in the intermediate country to USAID which shall pursue and retain the proceeds of such claims.

### § 211.8 Disposition of commodities unfit for authorized use.

(a) *Prior to delivery to cooperating sponsor at discharge port or point of entry.* If the commodity is damaged prior to delivery to the cooperating sponsor (other than a voluntary agency or an intergovernmental organization) at discharge port or point of entry overseas, the USAID or Diplomatic Post shall immediately arrange for inspection by a public health official or other competent authority. If the commodity is determined to be unfit for human consumption, the USAID or Diplomatic Post shall dispose of it in accordance with the priority set forth in paragraph (b) of this section. Expenses incidental to the handling and disposition of the damaged commodity shall be paid by USAID or the Diplomatic Post from the sales proceeds, from CCC Account No. 20 FT 401 or from special Title II, Public Law 480 Agricultural Commodity Account. The net proceeds of sales shall be deposited with the U.S. Disbursing Officer, American Embassy, for the credit of CCC Account No. 20 FT 401.

(b) *After delivery to cooperating sponsor.* If after arrival in a foreign country it appears that the commodity, or any part thereof, may be unfit for the use authorized in the Food for Freedom Program Agreement, the cooperating sponsor shall immediately arrange for inspection of the commodity by a public health official or other competent authority approved by USAID or the Diplomatic Post. If no competent local authority is available, the USAID or Diplomatic Post may determine whether the commodities are unfit for human consumption, and if so may direct disposal in accordance with subparagraphs (1) through (4) of this paragraph (b). The cooperating sponsor shall arrange for the recovery for authorized use of that part designated during the inspection as suitable for program use. If, after inspection, the commodity (or any part thereof) is determined to be unfit for authorized use, the cooperating sponsor shall notify USAID or the Diplomatic Post of the circumstances pertaining to the loss or damage as prescribed in § 211.9(f). With the concurrence of USAID or the Diplomatic Post, the commodity determined to be unfit for authorized use shall be disposed of in the following order of priority:

(1) By transfer to an approved Food for Freedom Program for use as livestock feed. AID/W shall be advised promptly of any such transfer so that shipments from the United States to the livestock feeding program can be reduced by an equivalent amount.

(2) Sale for the most appropriate use, i.e., animal feed, fertilizer, or industrial use, at the highest obtainable price. When the commodity is sold all U.S. Government markings shall be obliterated.

(3) By donation to a governmental or charitable organization for use as animal feed or for other nonfood use.

(4) If the commodity is unfit for any use, or if disposal in accordance with subparagraph (1), (2), or (3) of this paragraph is not possible, the commodity shall be destroyed, under the observation of a representative of USAID or Diplomatic Post if practicable, in such manner as to prevent its use for any purpose.

Expenses incidental to the handling and disposition of the damaged commodity shall be paid by the cooperating sponsor unless it is determined by the USAID or the Diplomatic Post that the damage could not have been prevented by the proper exercise of the cooperating sponsor's responsibility under the terms of the Food for Freedom Program Agreement. Actual expenses incurred in effecting any sale may be deducted from the sales proceeds and the net proceeds shall be deposited with the U.S. Disbursing Officer, American Embassy, with instructions to credit the deposit to CCC Account No. 20 FT 401. The cooperating sponsor shall promptly furnish USAID or the Diplomatic Post a written report of all circumstances relating to the loss and damage and shall include in this report, or a supplemental report, a certification by a public health official or other competent authority of the exact quantity of the damaged commodity disposed of because it was determined to be unfit for human consumption.

### § 211.9 Liability for loss and damage or improper distribution of commodities.

(a) *Fault of cooperating sponsor prior to loading on ocean vessel.* If a voluntary agency or intergovernmental organization books cargo for ocean transportation and is unable to have a vessel at the U.S. port of export for loading in accordance with the agreed shipping schedule, the voluntary agencies and intergovernmental organizations shall immediately notify the USDA. The USDA will determine whether the commodity shall be (1) moved to another available outlet; (2) stored at the port for delivery to the voluntary agencies or intergovernmental organizations until a vessel is available for loading; or (3) disposed of as the USDA may deem proper. When additional expenses are incurred by CCC as a result of a failure of the voluntary agency or intergovernmental organization, or their agent (4) to meet the agreed shipping schedule, or (5) to make necessary arrangements to accept commodities at the points of delivery designated by CCC, and it is determined by CCC that the expenses were incurred because of the fault or negligence of the voluntary agency or intergovernmental organization, or their agents, the voluntary agency or intergovernmental organization shall reimburse CCC for such expenses or take such action as directed by CCC.

(b) *Fault of others prior to loading on ocean vessel.* Upon the happening of any event creating any rights against a warehouseman, carrier, or other person for the loss of or damage to a commodity occurring between the time title is transferred to a voluntary agency or intergovernmental organization and the time the commodity is loaded on board vessel at designated port of export, the voluntary agencies or intergovernmental organizations shall immediately notify CCC and promptly assign to CCC any rights to claims which may accrue to them as a result of such loss or damage and shall promptly forward to CCC all documents pertaining thereto. CCC shall have the right to initiate and prosecute, and retain the proceeds of all claims for such loss or damage.

(c) *Ocean carrier loss and damage*—(1) *Outturn reports for claims against ocean carriers.* (i) Cooperating sponsors shall obtain an outturn report immediately following each vessel's discharge. The report shall show the quantity and condition of the commodities delivered and the amount of shortage or damage, if any. Wherever possible, reports showing damage or short outturn must be certified by an independent cargo surveyor. The cooperating sponsor shall obtain a certification by a public health official or similar competent authority of the condition of the commodity in any case where a damaged commodity appears to be unfit for its intended use and a certificate of disposition of any commodity determined to be unfit for its intended use.

(ii) In the event of cargo loss and damage, the cooperating sponsor shall provide the names and addresses of individuals who were present at the time of discharge and during survey and can verify the quantity lost or damaged. In the case of bulk grain shipments, the cooperating sponsor shall, in addition, provide certificates of the accuracy of the scale weights used to determine the quantity offloaded, and the moisture content of the grain when unloaded. If there is no facility in the recipient country to determine the moisture content of the grain, a representative sample of the grain discharged shall be obtained and transmitted in airtight containers to USAID or Diplomatic Posts.

(iii) Voluntary agencies and intergovernmental organizations shall send copies of all reports and documents pertaining to the discharge of commodities to USDA.

(iv) Cooperating sponsors other than voluntary agencies and intergovernmental organizations shall promptly furnish the above-described reports and documents to the USAID or Diplomatic Post.

(2) *Claims against ocean carriers.* (i) Irrespective of transfer of title to the commodities, CCC shall have the right to initiate and prosecute, and retain the proceeds of, all claims against ocean carriers for cargo loss and damage on shipments to a foreign government.

(ii) (*a*) Unless otherwise provided in the Food for Freedom Program Agreement or other program document, voluntary agencies and intergovernmental organizations shall file notice of any cargo loss and damage with the carrier immediately upon discovery of any such loss and damage and initiate claims against ocean carriers for cargo loss and damage, and take all necessary action to obtain restitution for losses within any applicable periods of limitations. However, the voluntary agencies or intergovernmental organizations need not file a claim where the cargo loss is not in excess of $3, or in any case where the loss is in excess of $3 but not in excess of $25 and it is determined by the voluntary agencies or intergovernmental organizations that the cost of filing and collecting the claim will exceed the amount of the claim. The voluntary agencies or intergovernmental organizations will take no action to collect claims when there is loss or damage to commodities and general average has been declared. (See subdivision (iii) of this subparagraph (2).)

(*b*) Amounts collected by voluntary agencies and intergovernmental organizations on claims against ocean carriers not in excess of $25 may be retained by the voluntary agencies or intergovernmental organizations. On claims involving loss or damage in excess of $25, the voluntary agencies or intergovernmental organizations may retain the larger of $25 or the cost of a survey conducted by an independent surveyor. The voluntary agencies or intergovernmental organizations may also retain the amount of any special charges, such as handling, packing, and insurance costs, which the voluntary agency or intergovernmental organization has incurred on the lost or damaged commodity and which are included in the claim and paid by the liable party.

(*c*) All compromise settlements of claims in excess of $25 must be approved by CCC. When a claim is compromised, the voluntary agency or intergovernmental organization may retain an amount representing the percentage of the special charges above described as the compromised amount is to the full amount of the claim.

(*d*) All amounts collected in excess of the amounts authorized herein to be retained shall be remitted to CCC. If the cost of survey is in excess of $25, the voluntary agency or intergovernmental organization shall furnish CCC a copy of the surveyor's invoice, or such other document as will establish the survey cost. For the purpose of determining the amount to be retained by the voluntary agencies or intergovernmental organizations from the proceeds of claims filed against ocean carriers, the word "claim" shall refer to the loss and damage to commodities which are shipped on the same voyage of the same vessel to the same port destination, irrespective of the kinds of commodities shipped or the number of different bills of lading issued by the carrier. If a voluntary agency or intergovernmental organization is unable to effect collection of a claim or negotiate a compromise settlement acceptable to CCC within the applicable period of limitation or any extension thereof granted in writing by the liable party or parties, the rights of the voluntary agencies or intergovernmental organizations to the claim shall be assigned to CCC in sufficient time to permit the filing of legal action prior to the expiration of the period of limitation or any extension thereof. In the event CCC effects collection or other settlement of the claim after the rights of the voluntary agency or intergovernmental organization to the claim have been assigned to CCC, CCC shall make payment to the voluntary agency or intergovernmental organization of the amount authorized in this subparagraph to be retained by the voluntary agency or intergovernmental organization.

(*e*) Voluntary agencies or intergovernmental organizations which fail to pursue claims, or fail to provide for the right of CCC to assert such claims, as provided in this subparagraph shall be liable to the United States for the cost and freight (C&F) value of the commodities lost to the program.

(iii) If a cargo loss is incurred on a voluntary agency or intergovernmental organization shipment, and general average has been declared, the voluntary agency or intergovernmental organization shall furnish to the Treasurer, CCC, in Washington, D.C. (*a*) copies of the applicable on-board bill(s) of lading, (*b*) the related outturn or survey report(s), (*c*) evidence showing the amount of ocean transportation charges paid to the carrier(s), and (*d*) an assignment to CCC of the cooperating sponsor's rights to the claim(s) for such loss.

(d) *Fault of cooperating sponsor in country of distribution.* If the cooperating sponsor improperly distributes a commodity or knowingly permits it to be used for a purpose not permitted under the Food for Freedom Program Agreement or this part, or causes loss or damage to a commodity through any act or omission or fails to provide proper storage, care, and handling, the cooperating sponsor shall pay to the United States the value of the commodities lost, damaged, or misused (or may, with prior USAID approval, replace such commodities with similar commodities of equal value), unless it is determined by AID that such improper distribution or use, or such loss or damage, could not have been prevented by proper exercise of the cooperating sponsor's responsibility under the terms of the agreement. Normal commercial practices in the country of distribution shall be considered in determining that there was a proper exercise of the cooperating sponsor's responsibility. Payment by the cooperating sponsor shall be made in accordance with paragraph (g) of this section.

(e) *Fault of others in country of distribution and in intermediate country.* Upon the happening of any event creating any rights against a warehouseman, carrier or other person for the loss of, damage to, or misuse of any commodity, the cooperating sponsor shall make every reasonable effort to pursue collection of claims against the liable party or parties for the value of the commodity lost, damaged, or misused and furnish a copy of the claim and related documents to the USAID or Diplomatic Post. Cooperating sponsors who fail to file or pursue such claims shall be liable to AID for the value of the commodities lost, damaged, or misused: *Provided, however*, That the cooperating sponsor may elect not to file a claim if the loss is less than $100 and such action is not detrimental to the program. Cooperating sponsors may retain $25 of any amount collected on a claim. In addition, cooperating sponsors may, with the written approval of the USAID or Diplomatic Post, retain special costs such as legal fees that they have incurred in the collection of a claim. Any proposed settlement for less than the full amount of the claim must be approved by the USAID or Diplomatic Post prior to acceptance. When the cooperating sponsor has exhausted all reasonable attempts to collect a claim, it shall request the USAID or Diplomatic Post to provide further instructions.

(f) *Reporting losses to USAID or Diplomatic Post*. The cooperating sponsor shall promptly notify USAID or the Diplomatic Post in writing of the circumstances pertaining to any loss, damage, or misuse occurring within the country of distribution or intermediate country and shall include information as to the name of the responsible party; kind and quantities of commodities; size, and type of containers; the time and place of misuse, loss, or damage; the current location of the commodity; and the Food for Freedom Program Agreement number, the CCC contract numbers, if known, or if unknown, other identifying numbers printed on the commodity containers; the action taken by the cooperating sponsor with respect to recovery or disposal; and the estimated value of the commodity. If any of the above information is not available, an explanation of its unavailability shall be made by the cooperating sponsor. Proceeds from sale and the disposition of the proceeds if any, should also be reported.

(g) *Determination of value*. (1) Where payment is made for commodities misused, lost or damaged, the value shall be determined on the basis of the domestic market price at the time and place the misuse, loss or damage occurred, or, in case such market price is not available, the f.o.b. or f.a.s. commercial export price of the commodity at the time and place of export, plus ocean freight charges and other costs incurred by the United States in making delivery to the cooperating sponsor: *Provided, however*, That at the request of the cooperating sponsor and/or upon the recommendation of the USAID or Diplomatic Post, AID/W may determine that such value may be determined on some other justifiable basis. Where replacements are made, the value of commodities misused, lost, or damaged, shall be their value at the time and place the misuse, loss, or damage occurred and the value of the replacement commodities shall be their value at the time and place replacement is made.

(2) In the settlement of general averages and marine salvage claims, the value of the cargo and the commodities lost or damaged, shall be determined by CCC on such basis as may be legally applicable.

(h) *Handling of claims proceeds*. Claims against ocean carriers shall be collected in U.S. dollars (or in currency in which freight is paid, or a pro rata share of each) and shall be remitted (less amounts authorized to be retained) by voluntary agencies and intergovernmental organizations to CCC. Claims against voluntary agencies and intergovernmental organizations shall be paid to AID/W in U.S. dollars. Amounts paid by other cooperating sponsors and third parties in the country of distribution, shall be deposited with the U.S. Disbursing Officer, American Embassy, in local currencies at the official exchange rate applicable to dollar imports at the time of deposit with instructions to credit the deposit to CCC Account No. 20 FT 401.

## § 211.10 Records and reporting requirements of cooperating sponsor.

(a) *Records*. Cooperating sponsors shall maintain records and documents in a manner which will accurately reflect all transactions pertaining to the receipt, storage, distribution, and inspection of commodities. This shall include a periodic summary report and records of receipt and disbursement of any funds accruing from the operation of the program. Such records shall be retained for a period of 3 years from the close of the U.S. fiscal year to which they pertain.

(b) *Reports*. Cooperating sponsors shall submit reports to the USAID or Diplomatic Post, at such times and on such forms as prescribed by AID. The following is a list of the principal types of reports that are to be submitted:

(1) Periodic summary reports showing receipt, distribution, and inventory of commodities and proposed schedules of shipments or call forwards.

(2) Reports relating to progress and problems in the implementation and operation of the program, and inspection reports, as may be required from time to time by AID/W, or as may be agreed upon between the USAID or Diplomatic Post and the cooperating sponsor and approved by AID/W.

(3) Reports of all comprehensive internal audit examinations prepared in accordance with § 211.5(c) shall be submitted to the USAID or Diplomatic Post for review as soon as completed and in advance of submission of estimates of requirements submitted in accordance with § 211.5(d) and in sufficient detail to enable the USAID or Diplomatic Post to assess and to make recommendations as to the ability of the cooperating sponsors to manager and control the Food for Freedom programs under their administration.

(c) *Inspection and audit*. Cooperating sponsors shall cooperate with and give reasonable assistance to USAID/Controller and other U.S. Government representatives to enable them at any reasonable time to examine activities of the cooperating sponsors, processors, or others, pertaining to the receipt, distribution, processing, repackaging, and use of commodities; to inspect commodities in storage, or the facilities used in the handling or storage of commodities; to inspect and audit records, including financial records and reports pertaining to storage, transportation, processing, repackaging, distribution and use of commodities; the deposit of and use of any local currencies; and to review or audit the procedures and methods used in carrying out the requirements of this part.

## § 211.11 Termination of program.

All or any part of the assistance provided under the program, including commodities in transit, may be terminated by AID at its discretion if the cooperating sponsor fails to comply with the provisions of the Food for Freedom Program Agreement, this part, or if it is determined by AID that the continuation of such assistance is no longer necessary or desirable. Under such circumstances title to commodities which have been transferred to the cooperating sponsor shall at the written request of USAID, the Diplomatic Post, or AID/W, be retransferred to the U.S. Government by the cooperating sponsor. Any excess commodities on hand at the time the program is terminated shall be disposed of in accordance with § 211.5(l). If it is determined that any commodity to be supplied under the Food for Freedom Program Agreement is no longer available for Food for Freedom Programs, such authorization shall terminate with respect to any commodities which, as of the date of such determination have not been delivered f.o.b. or f.a.s vessel, provided every effort will be made to give adequate advance notice to protect cooperating sponsors against unnecessarily booking vessels.

## § 211.12 Waiver and amendment authority.

AID may waive, withdraw, or amend, at any time, any or all of the provisions of this Part 211 if such provision is not statutory and if AID determines it is in the best interest of the U.S. Government to do so. Any cooperating sponsor which has failed to comply with the provisions of this part or any instructions or procedures issued in connection herewith, or any agreements entered into pursuant hereto may at the discretion of AID be suspended or disqualified from further participation in any distribution program. Reinstatement may be made at the option of AID. Disqualification shall not prevent AID from taking other action through other available means when considered necessary.

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

RUTHERFORD M. POATS,
*Deputy Administrator, Agency for International Development.*

FEBRUARY 2, 1968.

[F.R. Doc. 68-1681; Filed, Feb. 12, 1968; 8:45 a.m.]