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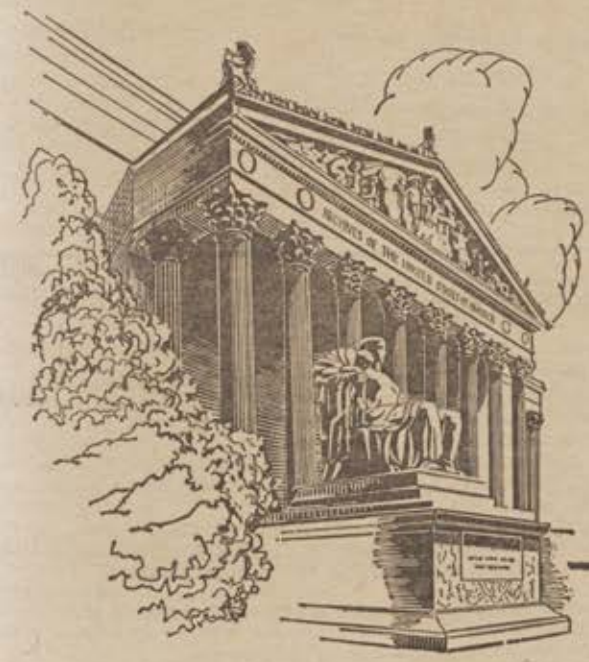

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PART 213—EXCEPTED SERVICE

Department of Housing and Urban Development

Section 213.3384 is amended to show that the position of the Private Secretary to the Deputy General Counsel is excepted under Schedule C. Effective on publication in the FEDERAL REGISTER, subparagraph (32) is added to paragraph (a) of § 213.3384 as set out below.

§ 213.3384 **Department of Housing and Urban Development.**

(a) *Office of the Secretary.* * * *

(32) One Private Secretary to the Deputy General Counsel.

* * * * *

(5 U.S.C. 3301, 3302, E.O. 10577, 3 CFR 1954–1958 Comp., p. 218)

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

[F.R. Doc. 69-2848; Filed, Mar. 7, 1969; 8:48 a.m.]

PART 213—EXCEPTED SERVICE

Department of the Interior

Section 213.3312 is amended to show that the position of Administrator, Defense Electric Power Administration and two more positions of Confidential Assistant to the Secretary are excepted under Schedule C. Effective on publication in the FEDERAL REGISTER paragraph (a) of § 213.3312 is amended as set out below.

§ 213.3312 **Department of the Interior.**

(a) *Office of the Secretary.* * * *

(2) Three Confidential Assistants and one Private Secretary to the Secretary.

* * * * *

(31) Administrator, Defense Electric Power Administration.

* * * * *

(5 U.S.C. 3301, 3302, E.O. 10577, 3 CFR 1954–1958 Comp., p. 218)

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

[F.R. Doc. 69-2849; Filed, Mar. 7, 1969; 8:48 a.m.]

PART 213—EXCEPTED SERVICE

Department of Transportation

Section 213.3394 is amended to show that the position of Special Assistant for Special Projects, Office of the Secretary, is excepted under Schedule C. Effective on publication in the FEDERAL REGISTER, subparagraph (12) is added to paragraph (a) of § 213.3394 as set out below.

§ 213.3394 **Department of Transportation.**

(a) *Office of the Secretary.*

* * * * *

(12) Special Assistant for Special Projects.

* * * * *

(5 U.S.C. 3301, 3302, E.O. 10577, 3 CFR 1954–58 Comp., p. 218)

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

[F.R. Doc. 69-2927; Filed, Mar. 7, 1969; 8:50 a.m.]

Title 7—AGRICULTURE

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SUBCHAPTER C—SPECIAL PROGRAMS

PART 775—FEED GRAINS

Subpart—1966 Through 1969 Feed Grain Program Regulations

MISCELLANEOUS AMENDMENTS

In F.R. Doc. 69-1566 appearing at page 2022 in the issue of Wednesday, February 12, 1969, the following corrections are made in the tabular material in § 775.427(d):

Under Texas, page 2041:

a. Burleson County change the third column figure from ------ to 20.3

b. Comal County, change the sixth column figure from 1.23 to 1.28

c. Dimmit County, change the fifth column figure from 34.9 to 40.3

d. Polk County, change the third column figure from ------ to 13.5

(Sec. 16(f), 79 Stat. 1190, 16 U.S.C. 590p(i), sec. 105(e), 79 Stat. 1188, as amended, 7 U.S.C. 1441 note)

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on March 4, 1969.

CARROLL BRUNTHAVER,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 69-2862; Filed, Mar. 7, 1969; 8:50 a.m.]

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

SUBCHAPTER I—DETERMINATION OF PRICES

PART 876—SUGARCANE: HAWAII

Fair and Reasonable Prices for 1969 Crop

Pursuant to the provisions of section 301(c)(2) of the Sugar Act of 1948, as amended (herein referred to as "act"), after investigation and due consideration of the evidence obtained at the public hearing held in Hilo, Hawaii, on December 13, 1968, the following determination is hereby issued:

Sec.
876.21 General requirements.
876.22 Toll agreements.
876.23 Purchase agreements.
876.24 Sugarcane weight and quality determination.
876.25 Overhead charges for services furnished to producers.
876.26 Reporting requirements.
876.27 Applicability.
876.28 Subterfuge.
876.29 Procedures for checking compliance.

AUTHORITY: §§ 876.21 to 876.29 issued under secs. 301, 403, 61 Stat. 929, as amended, 932; 7 U.S.C. 1131, 1153.

§ 876.21 **General requirements.**

A producer of sugarcane in Hawaii who is also a processor of sugarcane, to which this part applies as provided in § 876.27 (herein referred to as "processor") shall have paid, or contracted to pay, for sugarcane of the 1969 crop grown by other producers and processed by him, or shall have processed sugarcane of other producers under a toll agreement, in accordance with the following requirements.

§ 876.22 **Toll agreements.**

(a) The rate for processing sugarcane under a toll agreement at Olokele Sugar Company, Ltd., and Kekaha Sugar Company, Ltd., shall be not more than the rate provided in the agreement between the producer and the processor applicable to the prior crop.

(b) (1) The rate for processing sugarcane delivered by a producer under a toll agreement to those processors listed

below shall be not more than that established for each such processor.

Processor	Rate for processing (percentage of gross proceeds from sugar and molasses)	Delivery point for sugarcane
Puna Sugar Co., Ltd.	34	Mill.
Kohala Sugar Co.	34	Do.
Laupahoehoe Sugar Co.	45	Loaded in trucks.
Mauna Kea Sugar Co., Inc.	45	Do.
Pepeekeo Sugar Co.	45	Do.
Pasuhau Sugar Co., Ltd.	45	Do.
Hawaiian Agricultural Co.	45	Do.
Hutchinson Sugar Co., Ltd.	45	Do.

(2) The gross proceeds from sugar and molasses shall be determined in accordance with the Standard Sugar Marketing Contract and the Standard Molasses Marketing Contract entered into by the producer, or his agent, with the California and Hawaiian Sugar Co. (a co-operative agricultural marketing association herein referred to as C&H): *Provided*, That the gross proceeds so determined to be applicable to the sugar and molasses recovered from the sugarcane of the producer shall be converted to dollars per hundredweight of sugar, raw value basis, for the purpose of applying the rates for processing.

(3) The applicable rate for processing established in this paragraph for sugarcane of the producer shall cover (i) all transporting, handling, and processing costs applicable to the producers' sugarcane from the delivery point specified herein until the raw sugar and molasses recovered therefrom leaves the bulk sugar bin or the molasses tank of the processor, except those costs incurred for insuring such raw sugar and molasses while stored therein; (ii) the cost of insuring such sugarcane against loss by fire to the same extent that sugarcane of the processor is insured; (iii) the costs of weighing, sampling, and taring such sugarcane; (iv) the cost of general weed and rodent control other than in sugarcane fields of producers and alongside the roads adjacent thereto; and (v) the cost of all research and experimental work applicable to the production and processing of such sugarcane.

(4) The sugarcane received from producers shall be handled and processed by the processor in a manner which is no less favorable than the handling and processing of the sugarcane of the processor. The processor, in acting as agent for the producer, shall handle and deliver to C&H the raw sugar and molasses recovered from the sugarcane of the producer in a manner which is no less favorable than the handling and delivery to C&H of the raw sugar and molasses recovered from the sugarcane of the processor. The processor shall promptly transmit to the producer the amount of gross proceeds received for the sugar and molasses recovered from the sugarcane of the producer, less the applicable processing rate, and less the expenses paid by the processor, as agent for the producer, pursuant to the toll agreement. Handling and delivery expenses shall be limited to those direct expenses paid by the processor as agent for the producer, but shall not include overhead charges of the processor.

§ 876.23 Purchase agreements.

(a) The price for sugarcane under adherent planter agreements shall be not less than the price determined in accordance with the agreement between the processor and the producer applicable to the prior crop.

(b) The price for the producers' share of sugarcane under cultivation contracts at Laupahoehoe Sugar Co. shall be not less than the price determined in accordance with the agreement between the processor and the producer applicable to the prior crop.

(c) The price for sugarcane under independent grower purchase agreements shall be not less than the price determined in accordance with the agreement between the processor and the producer applicable to the prior crop: *Provided*, That the items of expense which may be deducted in computing net returns for the 1969 crop shall be limited to the same items as for the 1968 crop, except that if the processor incurs handling and delivery expenses otherwise allowable under the agreement and which are incurred under abnormal conditions which the "State Executive Director" (i.e., the person employed to be responsible for the day-to-day operations of the Hawaiian State Agricultural Stabilization and Conservation Service office, or any employee in such office acting on behalf of such person), determines justify the incurrence of such expenses, such expenses also may be deducted.

§ 876.24 Sugarcane weight and quality determination.

The determination of the net weight and quality of the sugarcane received from the producer, and the allocation of sugar and molasses recoveries to the producer shall be made in accordance with the methods customarily used by the processor; methods which have been approved by the Experiment Station of the Hawaiian Sugar Planters' Association; or methods agreed upon between the processor and the producer, which will reflect the true weight and quality of sugarcane and the quantities of sugar and molasses recovered from the sugarcane of the producer.

§ 876.25 Overhead charges for services furnished to producers.

If the processor, at the producer's request, furnishes labor, materials, or services used in producing, harvesting, or transporting the producer's sugarcane, or transports the producer's sugar or molasses from the mill to the port in the processor's own equipment, the processor may charge in addition to the direct costs of such labor, materials, or services, the applicable overhead expenses. If equipment is charged at standard or budgeted rates which include repair and maintenance charges, and such rates are applied equally to both processors' and producers' producing, harvesting, and transporting operation, and if the standard or budgeted rates are adjusted periodically to reflect current conditions, such rates shall be considered as the direct costs for use of equipment. Charges for applicable overhead expenses shall be based on estimated current budgets and adjusted after the end of the calendar year so as not to exceed the actual costs for such year. In addition, the processor may also charge a profit not to exceed 5 percent of the sum of the direct and overhead charges for such labor, materials, or services. Overhead expenses shall be limited to those which are properly apportionable under generally accepted accounting principles, as approved by the "State Executive Director."

§ 876.26 Reporting requirements.

The processor shall submit to the "State Executive Director" a certified statement of the gross proceeds and handling and delivery expenses paid under (a) purchase agreements providing for payment for sugarcane based upon net returns from sugar and molasses, and (b) toll and agency agreements providing for the deduction of handling and delivery expenses on sugar and molasses from the gross proceeds obtained therefrom.

§ 876.27 Applicability.

The requirements of this part are applicable to all sugarcane grown by a producer and processed under either a purchase or toll agreement by a processor who also produces sugarcane (a processor-producer is defined in § 821.1 of this chapter).

§ 876.28 Subterfuge.

The processor shall not reduce returns to the producer below those determined in accordance with the requirements herein through any subterfuge or device whatsoever.

§ 876.29 Procedures for checking compliance.

The procedures to be followed by the State ASCS office in checking compliance with the requirements of this part are set forth under the heading Part 6—Fair Price Determination in Handbook 6–SU, issued by the Deputy Administrator, State and County Operations, Agricultural Stabilization and Conservation Service. Handbook 6–SU may be inspected at the State ASCS office and copies may be obtained from the Hawaii State ASCS office, 1833 Kalakaua Avenue, Honolulu, Hawaii 96815.

STATEMENT OF BASES AND CONSIDERATIONS

General. The foregoing determination establishes the fair and reasonable rate requirements which must be met, as one of the conditions for payment under the act, by a producer who processes sugarcane of the 1969 crop grown by other producers.

Requirements of the act. Section 301 (c)(2) of the act provides, as a condition for payment, that the producer on the farm who is also, directly or indirectly a processor of sugarcane, as may be de-

termined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

Public hearing—C. Brewer and Co. (representing Mauna Kea, Pepeekeo, Hawaiian Agricultural, and Hutchinson Sugar Co.). The representative of these sugar companies recommended a processing rate of 48 percent for the 1969 crop, and continuation of the profit charge on services furnished growers. He stated that no change is planned in the method for calculating these charges. The witness stated that each year since 1959 the processing fee has been established at 45 percent despite the fact that data furnished by the company indicates that a processing rate of 48 percent would be fair and reasonable. The witness submitted production statistics and cost data for the period 1964–68, with calculated 5-year averages, in support of his recommendations.

A representative of sugarcane producers delivering cane to the C. Brewer companies recommended that the profit charge on services furnished growers be disallowed; that extreme samples obtained for trash determination by the core sample method be discarded; that Hawaiian Agricultural Co. growers be reimbursed for the cost of road construction and maintenance expended by them in prior years, and that the processing fee be reduced from 45 to 40 percent. The witness testified that according to growers' data the processing rate comes to 43 percent, but that 40 percent is recommended to offset the 5 percent charge for profit on services furnished to growers by the company. The witness also stated that one extreme sample from the core sample trash test can make a large difference in yield of net sugarcane, and that extremely bad samples ought to be discarded while favorable samples should be retained.

Kohala Sugar Co. The witness representing the company recommended that the processing fee be increased from 34 to 45 percent, but that all other provisions remain the same. He stated that a tolling fee of 45 percent would more nearly represent the actual cost of processing growers' sugarcane. He stated that recent capital investments had contributed to higher company costs as compared to declining costs for producers, and that the company furnishes about 75 percent of the services necessary to produce the crop, while the growers furnish the other 25 percent.

A representative of producers testified that if it were not for the Department, small sugarcane farmers would not last very long, and that an additional 11 points in the processing fee cannot be justified, since it would all represent pure profit to the processor. He stated that growers do not mind paying for company-furnished services as long as the charge is reasonable. The witness recommended that the processing rate not be changed, or that the fee be reduced from 34 to 30 percent, if possible. The witness stated that independent growers are so small in number and produce such a small portion of the crop that collectively they cannot adversely affect the operations of the company.

Laupahoehoe Sugar Co. The witness representing this company recommended that the processing rate be increased from 45 to 50 percent, and that the charge for profit on services furnished to growers be continued. He also recommended that all other provisions remain unchanged. The witness testified that an examination of the cost ratio for the 1968 crop clearly indicates that a tolling fee in excess of 50 percent is justified, and that a tolling fee greater than 50 percent has been justified for the past several years. The witness testified that all remaining adherent planter agreements will expire by 1971, and that as these 30-year contracts expire, growers are being offered either (1) a tolling agreement, (2) a cultivation contract, or (3) a straight lease agreement.

A representative of producers testified that adverse weather conditions during the growing season is bound to hurt the 1969 crop. He recommended a tolling fee of 40 percent.

Puna Sugar Co. The representative of growers who deliver cane to this company recommended that the charge for profit on services furnished to growers by the company be eliminated, and that the delivery point for sugarcane be changed from "at the mill" to "loaded in trucks" in the field. He also recommended that in the event the delivery point is changed, the processing rate be set at 50 percent. He said that the Puna growers have organized a "pooling agreement" among themselves wherein growers in Kapoho and Pahoa will contribute to a fund to compensate growers in the Keaau-Kurtistown-Mount View area to offset the adverse effect on nearby growers caused by a change in the delivery point for sugarcane. The witness stated that growers do not have confidence in the method used by the company to allocate costs, especially road repairs and cane hauling, and that so long as the change in the processing fee accurately represents the shift of cost from one party to the other, then growers want the change in delivery point.

A representative of the company testified that growers have recommended a change in the delivery point for sugarcane at every public hearing since 1960; that because of the very wide geographical dispersion of growers at Puna, a change in the delivery point would unfairly burden those growers close to the mill; and that such a change would result in a decline in net income to the growers and an increase in profit to the company. The witness stated that the company is nevertheless prepared to accept the change in the delivery point provided (1) the Department is satisfied that Puna growers want the change regardless of the resulting processing fee and have so stated in writing, and (2) all growers have executed the pooling agreement. The witness also recommended that, in the event the change in delivery point is not made, the processing fee be increased from 34 to 36 percent; and that the charge for profit of 5 percent on services furnished to growers be increased to 10 percent.

1969 price determination. This determination continues the provisions of the 1968 determination without change.

Consideration has been given to the recommendations and information submitted in connection with the hearing; to the returns, costs, and profits of producing and processing sugarcane obtained by a recent field study and recast in terms of price and production conditions likely to prevail for the 1969 crop; and to other relevant data.

The recommendations of both producers and processors for changes in the applicable processing rates for the respective companies have been carefully studied. In the process of examining the merit of these proposals the Department has considered the sharing relationship between the costs of producing and processing sugarcane which were obtained in the field survey for a recent crop and projected to the 1969 crop on the basis of conditions expected to prevail. Analysis of these data indicates that any changes which may have occurred in the sharing relationship between producing and processing costs have not been of sufficient magnitude to justify changes in the processing rates, and none have been made in this determination.

The recommendations for changes in the profit charge on services furnished to growers by the companies have again been reviewed. It is believed that the applicable provision of the 1968 determination is equitable, and it is therefore continued in the present determination.

The producers who deliver sugarcane to one processor recommended that the delivery point for sugarcane be changed from "at the mill" to "in trucks" in the field, and that the resulting processing fee be set at 50 percent.

The Department deferred action on this proposal in the 1968 crop determination so that a thorough and careful study of transportation costs at Puna could be undertaken which would permit an informed evaluation of the impact of a change in the delivery point. That study was completed shortly before the public hearing.

Representatives of producers recognized that growers located at some distance from the factory would benefit from a change in the delivery point at the expense of those growers located nearby. Agreement among all growers relative to a change in delivery point was achieved primarily by means of a proposed pooling agreement wherein nearby growers would be compensated to the extent of about half of this shift in relative advantage by the growers located at a distance. The rationale for the proposed arrangement is that growers collectively would achieve a net benefit from the change in delivery point. However, this premise is not borne out by data available to the Department.

The processing fee is based primarily upon the principle of dividing total returns among the parties in about the same proportion as their share of total costs. Accordingly, to transfer the cost of hauling and road maintenance from the account of the growers to that of the company necessarily transfers with it gross returns in equal proportion. Analysis of the data developed by the Department indicates that the proposed change in delivery point for sugarcane would result in an indicated processing rate in the range of 55 up toward 60 percent. Even at the lower end of this range, growers' profits on average, would be reduced, through a changed delivery point, by as much as 25 cents per hundredweight of sugar, or a total of about $100,000.

The Department is concerned about this potential shift in profits from the growers to the processing company and has some reservations about the viability of the pooling agreement. As proposed by the producers, the pooling agreement would undertake to compensate nearby growers for a portion of the adverse effect upon them of the change in delivery point. But the proposal might be workable only so long as growers collectively derived some benefit from the change. Moreover, the pooling agreement would necessarily be a matter entirely among the growers, since the Department would have no control over its membership or administration.

A change from the delivery point for sugarcane which has prevailed for many years would have a substantial effect on land values even if the pooling agreement were to be successful, and an even greater impact if the pooling agreement became ineffective. Land near the mill would no longer enjoy the favorable status it now holds insofar as sugarcane transportation is concerned, but would retain its same status relative to the more distant land with respect to sugarcane production costs. It would thus fall in value while more distant land would tend to increase in value.

If growers wish to achieve a parity or partial parity in hauling and road maintenance costs among the various areas, that result could as easily be achieved by means of a pooling agreement based on the present delivery point, i.e., a pool wherein the "flow" is in reverse direction to that proposed. Nearby growers under this arrangement would contribute to a fund which would compensate more distant growers for their greater hauling costs.

For the reasons mentioned, the recommendation that the delivery point at the Puna Sugar Co. be changed has not been adopted.

After consideration of all pertinent factors this determination is considered to be fair and reasonable. Accordingly, I hereby find and conclude that the foregoing determination will effectuate the price provisions of the Sugar Act of 1948, as amended.

Effective date: This determination shall become effective when published in the FEDERAL REGISTER and is applicable to the 1969 crop of Hawaiian sugarcane.

Signed at Washington, D.C., on March 4, 1969.

CLARENCE D. PALMBY,
Assistant Secretary.

[F.R. Doc. 69-2863; Filed, Mar. 7, 1969; 8:50 a.m.]

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

[Lemon Reg. 364]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 910.664 Lemon Regulation 364.

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

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on March 4, 1969.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period March 9, 1969, through March 15, 1969, are hereby fixed as follows:

(i) District 1: 5,580 cartons;

(ii) District 2: 203,670 cartons;

(iii) District 3: Unlimited movement.

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

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

Dated: March 6, 1969.

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

[F.R. Doc. 69-2928; Filed Mar. 7 1969; 8:50 a.m.]

[Grapefruit Reg. 56]

PART 912—GRAPEFRUIT GROWN IN THE INDIAN RIVER DISTRICT IN FLORIDA

Limitation of Handling

§ 912.356 Grapefruit Regulation 56.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 912, as amended (7 CFR Part 912), regulating the handling of grapefruit grown in the Indian River District in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Indian River Grapefruit 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 grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market

conditions for Indian River grapefruit, and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time; are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Indian River grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on March 6, 1969.

(b) *Order.* (1) The quantity of grapefruit grown in the Indian River District which may be handled during the period

March 10, 1969 through March 16, 1969, is hereby fixed at 225,000 standard packed boxes.

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

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

Dated: March 7, 1969.

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

[F.R. Doc. 69-2968; Filed, Mar. 7, 1969; 11:21 a.m.]

[Grapefruit Reg. 24]

PART 913—GRAPEFRUIT GROWN IN THE INTERIOR DISTRICT IN FLORIDA

Limitation of Handling

§ 913.324 Grapefruit Regulation 24.

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

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Interior grapefruit, and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee; and information concerning such provisions and effective time has been disseminated among handlers of such Interior grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on March 6, 1969.

(b) *Order.* (1) The quantity of grapefruit grown in the Interior District which may be handled during the period March 10, 1969 through March 16, 1969, is hereby fixed at 250,000 standard packed boxes.

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

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

Dated: March 7, 1969.

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

[F.R. Doc. 69-2969; Filed, Mar. 7, 1969; 11:21 a.m.]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

PART 74—SCABIES IN SHEEP

Interstate Movement

Pursuant to the provisions of sections 4 through 7 of the Act of May 29, 1884, as amended, sections 1 and 2 of the Act of February 2, 1903, as amended, and sections 1 through 4 of the Act of March 3, 1905, as amended (21 U.S.C. 111–113, 115, 117, 120, 121, 123–126) Part 74, Subchapter C, Chapter I, Title 9, Code of Federal Regulations, as amended, is hereby further amended in the following respects:

1. Subparagraph (3) of § 74.2(a) is amended and a new subparagraph (5) is added to read as follows:

§ 74.2 Designation of free and infected areas.

(a) * * *

(3) All counties in Pennsylvania except Chester, Dauphin, Franklin, Juniata, Lehigh, and Mifflin.

* * * * *

(5) All counties in New Jersey except Camden and Salem.

2. Subparagraph (2) of § 74.3(a) is amended and a new subparagraph (4) is added to read as follows:

§ 74.3 Designation of eradication areas.

(a) * * *

(2) The following counties in Pennsylvania: Chester, Dauphin, Franklin, Juniata, Lehigh, and Mifflin.

* * * * *

(4) The following counties in New Jersey: Camden and Salem.

(Secs. 4–7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791–792, as amended, secs. 1–4, 33 Stat. 1264, as amended, 1265, as amended, 76 Stat. 129–132; 21 U.S.C. 111–113, 115, 117, 120, 123–126, 134–134h; 29 F.R. 16210, as amended)

Effective date: The foregoing amendment shall become effective upon publication in the FEDERAL REGISTER.

The amendment adds Franklin, Juniata, Lehigh, and Mifflin Counties in Pennsylvania and Camden and Salem Counties in New Jersey to the list of infected and eradication areas and deletes such counties from the list of free areas due to the presence of sheep scabies therein. After the effective date of this amendment, the restrictions pertaining to the interstate movement of sheep from or into infected and eradication areas as contained in 9 CFR Part 74, as amended, will apply to such areas.

The amendment imposes certain restrictions on the interstate movement of sheep from Franklin, Juniata, Lehigh, and Mifflin Counties in Pennsylvania and Camden and Salem Counties in New Jersey for the purpose of preventing the spread of scabies, a communicable disease of sheep, and must be made effective immediately in order to accomplish its purpose in the public interest. Accordingly, under the administrative procedure provisions of 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the amendment is impracticable and contrary to the public interest, and good cause is found for making the amendment effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 5th day of March 1969.

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

[F.R. Doc. 69-2864; Filed, Mar. 7, 1969; 8:50 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Airspace Docket No. 69-SO-20]

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

Alteration of Control Zone

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Athens, Ga., control zone.

The Athens control zone is described in § 71.171 (34 F.R. 4557). In the description, an extension is predicated on the Athens VORTAC 078° radial. Since the final approach radial of the AL-983-VOR/DME-1 instrument approach procedure is refined from the 078° to the 076° radial, effective April 3, 1969, it is necessary to alter the description accordingly.

Since this amendment is minor in nature, notice and public procedure hereon are unnecessary. However, since it is necessary that sufficient time be allowed to permit processing and publication, this amendment will become effective more than 30 days after publication.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., April 3, 1969, as hereinafter set forth.

In § 71.171 (34 F.R. 4557), the Athens, Ga., control zone is amended as follows: "* * * Athens VORTAC 078° radial * * *" is deleted and "* * * Athens VORTAC 076° radial * * *" is substituted therefor.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348(a); sec. 6(c), Department of Transportation Act; 49 U.S.C. 1655(c))

Issued in East Point, Ga., on February 28, 1969.

GORDON A. WILLIAMS, Jr.,
Acting Director, Southern Region.

[F.R. Doc. 69-2823; Filed, Mar. 7, 1969; 8:46 a.m.]

[Airspace Docket No. 68-SW-91]

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

Alteration of Control Zone and Transition Area

On January 4, 1969, a notice of proposed rule making was published in the FEDERAL REGISTER (34 F.R. 154) stating that the Federal Aviation Administration was considering amending Part 71 of the Federal Aviation Regulations to alter the Fort Smith, Ark., control zone and the 700-foot portion of the transition area.

Interested persons were given 30 days in which to submit written data, views, or arguments.

No objections have been received and the proposed amendment is hereby adopted subject to the following change:

Delete "(1) In § 71.171 (33 F.R. 2083) * * *" and "(2) In § 71.181 (33 F.R. 2182) * * *" and substitute "(1) In § 71.171 (34 F.R. 4557) * * *" and "(2) In § 71.181 (34 F.R. 4637) * * *" therefor.

Effective date. This amendment shall be effective 0901 G.m.t., May 1, 1969.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act; 49 U.S.C. 1655(c))

Issued in Fort Worth, Tex., on February 27, 1969.

HENRY L. NEWMAN,
Director, Southwest Region.

(1) In § 71.171 (34 F.R. 4557) the Fort Smith, Ark., control zone is amended to read:

FORT SMITH, ARK.

Within a 5-mile radius of Fort Smith Municipal Airport (lat. 35°20'10" N., long. 94°22'05" W.), within 2 miles each side of the Fort Smith VORTAC 238° radial extending from the 5-mile radius zone to the VORTAC, within 2 miles each side of the Fort Smith ILS localizer east course extending from the 5-mile radius zone to the OM, and within 2 miles each side of the Fort Smith ILS localizer west course extending from the 5-mile radius zone to the Peno Bottoms RBN (lat. 35°19'21" N., long. 94°28'28" W.).

(2) In § 71.181 (34 F.R. 4637) the Fort Smith, Ark., transition area 700-foot portion is amended to read:

FORT SMITH, ARK.

That airspace extending upward from 700 feet above the surface within a 12.5-mile radius of the Fort Smith Municipal Airport (lat. 35°20'10" N., long. 94°22'05" W.), within an 11.5-mile radius of the Fort Smith VORTAC extending clockwise from the 078° to the 155° radials of the VORTAC, within 6 miles northwest and 5 miles southeast of the Fort Smith VORTAC 053° radial extending from the 12.5 and 11.5-mile radius areas to 12 miles northeast of the VORTAC, within 2 miles each side of the Fort Smith VORTAC 239° radial extending from the 12.5-mile radius area to 20 miles southwest of the VORTAC, and within 2 miles each side of the Fort Smith ILS localizer west course extending from the 12.5-mile radius area to 8 miles west of the Peno Bottoms RBN (lat. 35°19'21" N., long. 94°28'28" W.).

[F.R. Doc. 69-2824; Filed, Mar. 7, 1969; 8:47 a.m.]

[Airspace Docket No. 69-WA-11]

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

Alteration of Federal Airway Segments

The purpose of these amendments to Part 71 of the Federal Aviation Regulations is to make minor realignments to segments of VOR Federal airway Nos. 8 and 216 in the vicinity of Cordova, Ill.

The Federal Aviation Administration is relocating the Cordova VOR to a new site located at lat. 41°42'30" N., long. 90°28'59" W., on May 1, 1969. This relocation will require the segment of V-8 between Cordova and Joliet, Ill., to be realigned 1° south of its present alignment, via the intersection of the Cordova 087° T (083° M) and Joliet 316° T (314° M) radials. In addition, the segment of V-216 between Charlotte, Ill., intersection and Janesville, Wis., will require a minor realignment so as to adjust to the relocated Charlotte intersection. The other VOR Federal airway segments utilizing the Cordova VOR for their alignment are aligned direct station to station, and will automatically adjust to the relocated facility. Accordingly, action is taken herein to realign V-8 segment between Cordova and Joliet; and V-216 segment between the Charlotte intersection and Janesville.

The maximum deviations of these new alignments from the present designations are approximately 1 mile and the new designations are within airspace that is presently controlled. Since these changes involve minor amendments in which the public is not particularly interested, notice and public procedure thereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., May 1, 1969, as hereinafter set forth.

Section 71.123 (34 F.R. 4509) is amended as follows:

a. V-8 is amended by deleting "INT Cordova 088° and Joliet, Ill., 316° radials;" and substituting "INT Cordova 087° and Joliet, Ill., 316° radials;" therefor.

b. V-216 is amended by deleting "From INT of Polo, Ill., 268° and Janesville, Wis., 238° radials," and substituting "From INT of Polo, Ill., 268° and Janesville, Wis., 240° radials;" therefor.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act; 49 U.S.C. 1655(c))

Issued in Washington, D.C., on March 3, 1969.

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

[F.R. Doc. 69-2825; Filed, Mar. 7, 1969; 8:47 a.m.]

[Airspace Docket No. 68-CE-64]

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

Alteration, Designation, and Revocation of Federal Airway Segments

On December 12, 1968, a notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 18448) stating that the Federal Aviation Administration was considering amendments to Part 71 of the Federal Aviation Regulations that would alter segments of VOR Federal airways Nos. 297 and 493, revoke the

U.S. portion of VOR Federal airway No. 224, and designate the U.S. portion of a new VOR airway from Pontiac, Mich., to the Dresden, Ontario, Canada, Intersection.

Interested persons were afforded an opportunity to participate in the proposed rule making through the submission of comments. No comments were received.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective, 0901 G.m.t., May 1, 1969, as hereinafter set forth.

Section 71.123 (34 F.R. 4509) is amended as follows:

a. In V-297 "INT Carleton 327° and Saginaw, Mich., 182° radials;" is deleted and "INT Carleton 334° and Saginaw, Mich., 182° radials;" is substituted therefor.

b. In V-493 "INT Carleton 327° and Flint, Mich., 202° radials;" is deleted and "INT Carleton 334° and Flint, Mich., 202° radials;" is substituted therefor.

c. V-224 is revoked.

d. V-176 is added:

V-176 From Pontiac, Mich., 12 AGL to INT Pontiac 100° and Windsor, Ontario, Canada, 057° radials, excluding the portion within Canada.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act; 49 U.S.C. 1655(c))

Issued in Washington, D.C., on March 3, 1969.

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

[F.R. Doc. 69-2827; Filed, Mar. 7, 1969; 8:47 a.m.]

[Airspace Docket No. 69-SW-6]

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

Alteration of Transition Area

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Big Spring, Tex., transition area.

On September 25, 1968, a final rule was published in the FEDERAL REGISTER (33 F.R. 14404) altering the airspace description of the Big Spring, Tex., transition area, effective November 14, 1968. Subsequently, more precise plotting revealed two small areas, totaling approximately 7 square miles, remaining between this transition area and adjacent controlled airspace. There are no airports of record located within these two small areas. This amendment encompasses these two areas in the Big Spring, Tex., 7,500-foot transition area and makes editorial changes in the description of the 7,500-foot area for greater clarity.

Since these changes are either editorial or minor in nature and will impose no undue burden on any person, notice and public procedure hereon are unnecessary.

In consideration of the foregoing Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., May 1, 1969, as hereinafter set forth.

In § 71.181 (34 F.R. 4637), the Big Spring, Tex., transition area 7,500-foot portion is amended to read "* * * and that airspace extending upward from 7,500 feet MSL within the area bounded by a line beginning at lat. 31°28'40" N., long. 102°00'00" W., thence east along lat. 31°28'40" N. to the southwest bounary of V-68S, thence southeast and east along the southwest and south boundaries of V-68S to long. 101°05'00" W., thence south along long. 101°05'00" W. to the north boundary of V-222, thence west and northwest along the north and northeast boundaries of V-222 to lat. 31°09'00" N., thence east along lat. 31°09'00" N. to long. 103°16'00" W., thence north along long. 103°16'00" W. to lat. 31°26'25" N., thence east to lat. 31°26'20" N., long. 103°01'00" W., north to lat. 31°33'40" N., long. 102°59'10" W., east to lat. 31°33'00" N., long. 102°53'00" W., northeast to lat. 31°40'00" N., long. 102°39'30" W., southeast to lat. 31°30'-00" N., long. 102°20'00" W., thence east to point of beginning, excluding that airspace within the Fort Stockton, Tex., transition area."

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act; 49 U.S.C. 1655(c))

Issued in Fort Worth, Tex., on February 27, 1969.

HENRY L. NEWMAN,
Director, Southwest Region.

[F.R. Doc. 69-2829; Filed Mar. 7 1969; 8:47 a.m.]

[Airspace Docket No. 68-WE-74]

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

Designation of Additional Control Area

On December 19, 1968, a notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 18939) stating that the Federal Aviation Administration was considering an amendment to Part 71 of the Federal Aviation Regulations that would designate an additional control area from the Provo, Utah, VORTAC, 1,200 feet AGL to the Price, Utah, radio beacon.

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

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective, 0901 G.m.t., May 1, 1969, as hereinafter set forth.

In § 71.163 (34 F.R. 4549) the following is added:

PROVO, UTAH

From the Provo, Utah, VORTAC, 1,200 feet AGL to the Price, Utah, RBN.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act; 49 U.S.C. 1655(c))

Issued in Washington, D.C., on March 3, 1969.

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

[F.R. Doc. 69-2830; Filed, Mar. 7, 1969; 8:47 a.m.]

[Airspace Docket No. 68-SW-89]

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

Designation of Transition Area

On January 4, 1969, a notice of proposed rule making was published in the FEDERAL REGISTER (34 F.R. 154) stating that the Federal Aviation Administration was considering amending Part 71 of the Federal Aviation Regulations to designate a transition area at Hilltop Lakes, Tex.

Interested persons were given 30 days in which to submit written data, views, or arguments.

No objections have been received and the proposed amendment is hereby adopted subject to the following change:

Delete "In § 71.181 (33 F.R. 2137) * * *" and substitute "In § 71.181 (34 F.R. 4637) * * *" therefor.

Effective date. This amendment shall be effective 0901 G.m.t., May 1, 1969.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act; 49 U.S.C. 1655(c))

Issued in Fort Worth, Tex., on February 27, 1969.

HENRY L. NEWMAN,
Director, Southwest Region.

In § 71.181 (34 F.R. 4637), the following transition area is added:

HILLTOP LAKES, TEX.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Hilltop Lakes Airport (lat. 31°04'50" N., long. 96°12'50" W.), and within 2 miles each side of the Leona VORTAC 258° radial extending from the 5-mile radius area to 9 miles west of the VORTAC.

[F.R. Doc. 69-2831; Filed, Mar. 7, 1969; 8:47 a.m.]

[Airspace Docket No. 69-EA-6]

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

Revocation of Reporting Points

The purpose of these amendments to Part 71 of the Federal Aviation Regulations is to revoke the Edgerton, Ohio, INT and the Pioneer, Ohio, INT, as designated domestic low altitude reporting points as they are no longer required for air traffic control purposes.

Since these actions are minor in nature and neither assign nor reassign navigable airspace the Administrator has determined that notice and public procedure thereon is unnecessary. However, since it is necessary to allow sufficient time to permit the necessary changes to

aeronautical charts, these actions will become effective more than 30 days after publication.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., May 1, 1969, as hereinafter set forth.

In § 71.203 (34 F.R. 4792) the following are revoked as domestic low altitude reporting points:

1. Edgerton INT: INT Fort Wayne, Ind., 039° and Waterville, Ohio, 273° radials.

2. Pioneer INT: INT Fort Wayne, Ind., 039°, and Waterville, Ohio, 288° radials.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act; 49 U.S.C. 1655(c))

Issued in Washington, D.C., on March 3, 1969.

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

[F.R. Doc. 69-2832; Filed Mar. 7 1969; 8:47 a.m.]

[Airspace Docket No. 69-WA-5]

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

PART 75—ESTABLISHMENT OF JET ROUTES

Alteration of Federal Airways and Jet Route

The purpose of these amendments to Parts 71 and 75 of the Federal Aviation Regulations is to alter certain VOR Federal airway and jet route segments within the Chicago Air Route Traffic Control Area.

The actions taken herein would realign V-84 segment from the Malta Intersection to Northbrook, Ill.; designate a segment of V-97 between the Lakewood Intersection and Chicago Heights, Ill.; designate a segment of V-285 between Goshen, Ind., and South Bend, Ind.; revoke V-8 south alternate segments between Omaha, Nebr., and Iowa City, Iowa; and renumber Jet Route No. 30 as Jet Route No. 114 between Salt Lake City, Utah, and Minneapolis, Minn.

These actions are being taken to eliminate broken airway and route segments so as to facilitate flight planning and the automated processing of flight data by the Chicago Air Route Traffic Control Center. The extent of airspace presently controlled will not be altered by these actions.

Since these airspace actions are taken to provide for the safe movement of air traffic, are minor in nature and will not alter the extent of controlled airspace, notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Parts 71 and 75 of the Federal Aviation Regulations are amended, effective 0901 G.m.t., May 1, 1969, as hereinafter set forth.

1. Section 71.123 (34 F.R. 4509) is amended as follows:

a. In V-84 "12 AGL Chicago-O'Hare. From Northbrook, Ill.," is deleted and "12 AGL Northbrook, Ill.;" is substituted therefor.

b. In V-97 all between "12 AGL Chicago Heights, Ill." and "12 AGL Janesville;" is deleted and "; 12 AGL Joliet, Ill.; 12 AGL INT Joliet 008° and Naperville, Ill., 340° radials; 12 AGL INT Naperville 340° and Janesville, Wis., 111° radials;" is substituted therefor.

c. In V-285 "From South Bend, Ind.," is deleted and "; 12 AGL South Bend, Ind.;" is substituted therefor.

d. In V-8 all between "12 AGL Omaha, Nebr.;" and "12 AGL Cordova, Ill.;" is deleted and "12 AGL Des Moines, Iowa; 12 AGL Iowa City, Iowa;" is substituted therefor.

2. Section 75.100 (34 F.R. 4856) is amended as follows:

a. In the Caption Jet Route No. 30 "Salt Lake City, Utah" is deleted and "Minneapolis, Minn." is substituted therefor, and in the text Jet Route No. 30 all before "Nodine, Minn.;" is deleted and "From Minneapolis, Minn., via" is substituted therefor.

b. Jet Route No. 114 is added:

Jet Route No. 114 (Salt Lake City, Utah to Minneapolis, Minn.). From Salt Lake City, Utah, via Provo, Utah; Meeker, Colo.; Denver, Colo.; O'Neill, Nebr.; Sioux Falls, S. Dak.; to Minneapolis, Minn.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act; 49 U.S.C. 1655(c))

Issued in Washington, D.C., on March 3, 1969.

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

[F.R. Doc. 69-2826; Filed, Mar. 7, 1969; 8:47 a.m.]

[Airspace Docket No. 68-WE-82]

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

PART 75—ESTABLISHMENT OF JET ROUTES

Alteration of Jet Route Segment Designation of Reporting Point

On December 4, 1968, a notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 18047) stating that the Federal Aviation Administration was considering amendments to Parts 71 and 75 of the Federal Aviation Regulations that would realign the segment of Jet Route No. 84 from Currant, Nev., direct to Delta, Utah, and designate the Delta VORTAC as a high altitude reporting point.

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

In consideration of the foregoing, Parts 71 and 75 of the Federal Aviation Regulations are amended, effective 0901 G.m.t., May 1, 1969, as hereinafter set forth.

1. In § 75.100 (34 F.R. 4856) the text of Jet Route No. 84 is amended by deleting "INT Currant 087° and Delta, Utah, 243° radials; Delta;" and substituting "Delta, Utah;" therefor.

2. Section 1.207 (34 F.R. 4799) is amended by adding: "Delta, Utah."

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348; sec. 6(c), Department of Transportation Act; 49 U.S.C. 1655(c))

Issued in Washington, D.C., on March 3, 1969.

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

[F.R. Doc. 69-2828; Filed, Mar. 7, 1969; 8:47 a.m.]

Title 21—FOOD AND DRUGS

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

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 121—FOOD ADDITIVES

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

EMULSIFIERS AND/OR SURFACE-ACTIVE AGENTS

The Commissioner of Food and Drugs, having evaluated the data in a petition (FAP 9B2335) filed by GAF Corp., 140 West 51st Street, New York, N.Y. 10020, and other relevant material, concludes that § 121.2541 should be amended to provide for the use of the substances specified below as emulsifiers and/or surface-active agents in the manufacture of articles for food-contact use. The Commissioner further concludes that reference to "α-(p-Nonylphenyl)-*omega*-hydroxypoly(oxyethylene) mixture of dihydrogen phosphate and monohydrogen phosphate esters * * *" should be deleted from § 121.2536 since the amendment to § 121.2541 in this order provides for the use of the additive as contemplated.

Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)) and under authority delegated to the Commissioner (21 CFR 2.120), Part 121 is amended as follows:

§ 121.2536 [Amended]

1. Section 121.2536 *Filters, resin-bonded* is amended by deleting from the list in paragraph (d)(4) the item "α-(p-Nonylphenyl)-*omega*-hydroxypoly(oxyethylene) mixture of dihydrogen phosphate and monohydrogen phosphate esters * * *."

2. Section 121.2541(c) is amended by alphabetically inserting in the list of substances new items, as follows:

§ 121.2541 Emulsifiers and/or surface-active agents.

* * * * * * *

(c) List of substances:

	Limitations
* * *	* * *
α-Dodecyl-*omega*-hydroxypoly(oxyethylene) mixture of dihydrogen phosphate and monohydrogen phosphate esters that have an acid number (to pH 5.2) of 103–111 and that are produced by the esterification of the condensation product of 1 mole of *n*-dodecyl alcohol with 4–4.5 moles of ethylene oxide.	----------
* * *	* * *
α-(*p*-Nonylphenyl)-*omega*-hydroxypoly(oxyethylene) mixture of dihydrogen phosphate and monohydrogen phosphate esters that have an acid number (to pH 5.2) of 49–59 and that are produced by the esterification of α-(*p*-nonylphenyl)-*omega*-hydroxypoly(oxyethylene) complying with the identity prescribed in § 121.2541(c) and having an average poly(oxyethylene) content of 5.5–6.5 moles.	----------
α-(*p*-Nonylphenyl)-*omega*-hydroxypoly(oxyethylene) mixture of dihydrogen phosphate and monohydrogen phosphate ester that have an acid number (to pH 5.2) of 62–72 and that are produced by the esterification of α-(*p*-nonylphenyl)-*omega*-hydroxypoly(oxyethylene) complying with the identity prescribed in § 121.2541 (c) and having an average poly(oxyethylene) content of 9–10 moles.	----------
α-(*p*-Nonylphenyl)-*omega*-hydroxypoly(oxyethylene) mixture of dihydrogen phosphate and monohydrogen phosphate esters that have an acid number (to pH 5.2) of 98–110 and that are produced by the esterification of α-(*p*-nonylphenyl)-*omega*-hydroxypoly(oxyethylene) complying with the identity prescribed in § 121.2541 (c) and having an average poly(oxyethylene) content of 45–55 moles.	----------
* * *	* * *
α-Tridecyl-*omega*-hydroxypoly(oxyethylene) mixture of dihydrogen phosphate and monohydrogen phosphate esters that have an acid number (to pH 5.2) of 75–85 and that are produced by the esterification of the condensation product of one mole of "oxo" process tridecyl alcohol with 5.5–6.5 moles of ethylene oxide.	----------
α-Tridecyl-*omega*-hydroxypoly(oxyethylene) mixture of dihydrogen phosphate and monohydrogen phosphate esters that have an acid number (to pH 5.2) of 58–70 and that are produced by the esterification of the condensation product of one mole of "oxo" process tridecyl alcohol with 9–10 moles of ethylene oxide.	----------

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

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

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

Dated: March 3, 1969.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 69-2808; Filed, Mar. 7, 1969; 8:45 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6999]

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

Definition of Group-Term Life Insurance

Correction

In F.R. Doc. 69-832, appearing at page 995, in the issue for Thursday, January 23, 1969, § 1.79-1(b)(1)(iii)(*d*) should read as follows:

(*d*) As a general rule, to constitute a plan of group insurance for a calendar year, an employer's plan must provide term insurance protection for at least 10 full-time employees at some time during a calendar year. However, a plan which, for an entire calendar year, provides protection for less than 10 full-time employees may also qualify as group insurance if the following requirements to preclude individual selection are met:

(*1*) The plan provides protection for all full-time employees (except as otherwise permitted in (*d*) (*3*) and (*4*) of this subdivision);

(*2*) Except as otherwise permitted in (*d*) (*3*) and (*4*) of this subdivision, the amount of protection for employees is computed either as a uniform percentage of salary or on the basis of coverage brackets (which are established by the insurer) under which no bracket exceeds 2½ times the next lower bracket and the lowest bracket is at least 10 percent of the highest bracket;

(*3*) Evidence of insurability may be a factor affecting either the employee's eligibility for insurance or the amount of insurance on his life only to the extent that such eligibility or amount of insurance is determined solely on the basis of a medical questionnaire completed by the employee and not requiring a medical examination;

(*4*) If evidence of insurability is not a factor affecting either the employee's eligibility for insurance or the amount of insurance, then a plan which provides protection for less than 10 full-time employees but does not meet the requirements in (*d*) (*1*) or (*2*) of this subdivision may nevertheless qualify as a plan of group insurance if (*i*) such plan is a part of an overall plan which provides protection for the employees of two or more unrelated employers, (*ii*) participation in the plan is restricted to, but mandatory for, all employees of an employer who belong to or are represented by a particular organization (such as a un-

ion), and (*iii*) such organization carries on substantial activities in addition to obtaining insurance.

For purposes of (*d*) of this subdivision, a plan shall be considered to be providing insurance protection for any employee who was eligible for such protection but who elected not to participate in the plan. Moreover, a plan of group-term insurance providing insurance for less than 10 full-time employees will not be disqualified merely because employees are not provided term insurance under the plan because they are required, by the terms of the policy, to be employed for a waiting period of not more than 6 months before their insurance becomes effective, or are part-time employees. Employees whose customary employment is for not more than 20 hours in any one week, or 5 months in any calendar year, are presumed to be part-time employees.

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of Transportation

SUBCHAPTER J—BRIDGES

[CGFR 69-14]

PART 117—DRAWBRIDGE OPERATION REGULATIONS

North Branch Canal, Chicago River, Ill.

1. The Chicago, Milwaukee, St. Paul, and Pacific Railroad Co. by letter dated August 5, 1968, requested the Commander, 9th Coast Guard District to provide special operating regulations for its drawbridge across the North Branch Canal, mile 3.54, Chicago River, Ill. A public notice dated December 10, 1968, setting forth the proposed revision of the regulations governing this drawbridge was issued by the Commander, 9th Coast Guard District and was made available to all persons known to have an interest in this subject. After consideration of all comments submitted in response to this proposal, the revision is accepted. The purpose of this document is to set forth the requirements in 33 CFR 117.641(f)(7-a) governing the operation of this drawbridge.

2. By virtue of the authority vested in me as Commandant, U.S. Coast Guard by 14 U.S.C. 632 and 49 CFR 1.4(a)(3), the text of 33 CFR 117.641(f)(7-a) reads as follows and shall be effective on and after 30 days after date of publication of this document in the FEDERAL REGISTER:

§ 117.641 Great Lakes tributaries; bridges where constant attendance of draw tenders is not required.

* * * * *

(f) The bridges to which this section applies, and the special regulations applicable in each case, are as follows:

* * * * *

(7-a) Chicago River, North Branch Canal, Chicago, Ill.; The Chicago, Milwaukee, St. Paul, and Pacific Railroad bridge across the North Branch Canal, Chicago River, mile 3.54, shall be opened upon 1 hour advance notice.

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g), 80 Stat. 941; 33 U.S.C. 499, 49 U.S.C. 1655(g); 49 CFR 1.4(a)(3)(v))

Dated: March 3, 1969.

P. E. TRIMBLE,
Vice Admiral, U.S. Coast Guard,
Acting Commandant.

[F.R. Doc. 69-2846; Filed Mar. 7 1969; 8:48 a.m.]

Title 36—PARKS, FORESTS, AND MEMORIALS

Chapter I—National Park Service, Department of the Interior

PART 7—SPECIAL REGULATIONS, AREAS OF THE NATIONAL PARK SYSTEM

Yellowstone National Park, Wyo.

On page 624 of the FEDERAL REGISTER of January 16, 1969, there was published a notice and text of a proposed amendment to section 7.13 of Title 36, Code of Federal Regulations. The purpose of the amendment is to include the oversnow vehicle in the classification of a motor vehicle as defined in Part 4 of the regulations.

Interested persons were given 30 days within which to submit written comments, suggestions, or objections with respect to the proposed amendment. No objections or unfavorable comments or suggestions have been received, and the proposed amendment is hereby adopted without change and is set forth below. This revision shall take effect the date of its publication in the FEDERAL REGISTER, due to the pressing need for winter safety provisions.

(5 U.S.C. 553; 39 Stat. 535; 16 U.S.C. 3; 28 Stat. 73; 16 U.S.C. 26)

Section 7.13(m) of Title 36 of the Code of Federal Regulations is amended to read as follows:

§ 7.13 Yellowstone National Park.

* * * * *

(m) *Skiing, sledding, tobogganing, snowshoeing, and oversnow vehicle use.* (1) Definitions: A motorized oversnow vehicle is defined as a motor vehicle that operates on skis, pontoons, tracks, rollers, wheels, air cushion, or any other device which is designed for travel in, on, or over snow.

(2) The following activities are prohibited in the Park:

(i) Skiing, sledding, tobogganing, snowshoeing, and the operation of motorized oversnow vehicles upon Park roads and parking areas, when such roads and parking areas are open to automobiles, trucks, tractors, bicycles, or motorcycles.

(ii) Skiing, sledding, tobogganing, snowshoeing, and the operation of motorized oversnow vehicles within areas closed by the posting of signs or designated as closed on a map located in the Superintendent's Office.

(iii) The towing of persons on skis, sleds, or other sliding devices behind automobiles, trucks, tractors, bicycles, and motorcycles.

(3) All appropriate restrictions set forth in Part 4 of this chapter will apply to the operation of motorized oversnow vehicles.

(4) The Superintendent may, by the posting of appropriate signs, require persons to register or to obtain a permit before attempting any oversnow travel within Yellowstone National Park. The Superintendent shall issue a permit upon ascertaining that suitable winter survival supplies and equipment are available for human use in the event of mechanical failure. Where a permit is required it must be carried on the person, or within the oversnow vehicle, and shall be exhibited upon request of any authorized person.

JACK K. ANDERSON,
Superintendent,
Yellowstone National Park, Wyo.

[F.R. Doc. 69-2960; Filed, Mar. 7, 1969; 10:21 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

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

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 4538]

[Oregon 2282, 2796, 2900]

OREGON AND WASHINGTON

Withdrawal for National Forest Botanical and Recreation Areas

Correction

In F.R. Doc. 68-14154 appearing at page 17629 in the issue for Tuesday, November 26, 1968, the ninth line under the heading "Beth-Beaver Lake Complex Campground and Recreation Area" should read "Sec. 25, N½N½ lot 3 (N½N½NE¼SE¼)."

Proposed Rule Making

POST OFFICE DEPARTMENT

[39 CFR Part 132]

WHAT MAY BE MAILED AS SECOND-CLASS MAIL—ENCLOSURES, ADVERTISING, AND NOVELTY PAGES

Notice of Proposed Rule Making

Notice is hereby given of proposed rule making consisting of amendments to § 132.4 (g) and (h). One amendment would be to subparagraph (1) of § 132.4 (g) and has as its purpose the restriction of enclosure of receipts and orders for subscriptions to the publications with which they are enclosed. Additional amendments to subparagraph (3) of § 132.4(g) and to § 132.4(h) would require that novelty pages and advertising pages in publications mailed at second-class postage rates shall be no less than the size of the regular pages of the copy, part, section, or supplement in which they are carried. They would also clarify the requirements for printed illustrations attached to pages and the requirements for coupons, applications or order forms which occupy a part of a page.

Interested persons who wish to do so may submit written data, views, and arguments concerning the proposed amendments to the Director, Classification and Special Services Division, Bureau of Operations, Post Office Department, Washington, D.C. 20260 at any time prior to the 30th day following the date of publication of this notice in the FEDERAL REGISTER.

Accordingly it is proposed to amend section 132.4 of Title 39 Code of Federal Regulations in the following respects:

(1) Subparagraph (1) of § 132.4(g) would be amended to read as follows:

(1) *Enclosures.* Receipts, and orders for subscriptions to the publication with which they are mailed may be enclosed either loose or bound in. No other enclosures are permitted. They may be prepared in the following ways:

(i) Printed or written.

(ii) Printed on cards and envelopes including business replies.

(2) Subparagraph (3) of § 132.4(g) would be amended to read as follows:

(3) *Novelty pages.* Novelty pages are printed sheets that may be used for purposes other than reading, or printed sheets with novel characteristics. Novelty pages must not be less than the size of the regular pages of the copy, part, section, or supplement in which they are carried and must be prepared specifically for and intended as integral pages of newspapers or other periodical publications. Blank sheets may not be carried as pages. Envelopes and all other types of containers do not constitute printed sheets or portions thereof. The total number of novelty pages in the copies may constitute only a minor portion of the total pages. An excessive use of novelty pages may give a publication the characteristics, both as to format and purpose, of books, catalogs, or other third- or fourth-class mail. The following kinds of pages are examples of novelty pages that may be included in second-class publications:

(i) Printed pages bearing words, perforations, or symbols indicating they are for detachment.

(ii) Pages having printed pictures for cutting out.

(iii) Printed pages having blank spaces for writing or marking.

(iv) Pages having printed illustrations permanently pasted to them, no part of which illustrations is intended for detachment. Envelopes, wrappers, pockets, all other types of containers, and any contents thereof do not constitute printed illustrations.

(v) Pages with coupons or application or order forms, which coupons, application or order forms occupy not more than the upper or lower one-half of the page.

(3) Subparagraph (2) of § 132.4(h) would be amended to read as follows:

(2) Pages of advertisements may not be smaller than the size of the regular pages of the copy, part, section, or supplement in which they are carried. Coupons or application or order forms may not occupy more than the upper or lower one-half of the pages of advertisements.

The corresponding Postal Manual sections are 132.471, 132.473, and 132.48b respectively.

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

DAVID A. NELSON,
General Counsel.

[F.R. Doc. 69-2959; Filed, Mar. 7, 1969; 10:07 a.m.]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Parts 1005, 1009, 1036]

[Docket Nos. AO-177-A34-R01, AO-203-A17, AO-179-A31]

MILK IN TRI-STATE; CLARKSBURG, W. VA.; AND EASTERN OHIO-WESTERN PENNSYLVANIA MARKETING AREAS

Notice of Recommended Decision and Opportunity To File Written Exceptions on Proposed Amendments to Tentative Marketing Agreements and to Orders

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this recommended decision with respect to proposed amendments to the tentative marketing agreements and orders regulating the handling of milk in the Tri-State, Clarksburg, W. Va., and Eastern Ohio-Western Pennsylvania marketing areas.

Interested parties may file written exceptions to this decision with the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250, by the 15th day after publication of this decision in the FEDERAL REGISTER. The exceptions should be filed in quintuplicate. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Preliminary statement. The proposed amendments, as hereinafter set forth, to the tentative marketing agreements and to the orders, as amended, were formulated from the records of two hearings. The hearing relating to the handling of milk in the Clarksburg, Eastern Ohio-Western Pennsylvania, and Tri-State marketing areas was conducted at Clarksburg, W. Va., on December 10, 1968, pursuant to notices thereof which were issued on September 19, September 27, October 4, October 22, November 6, and November 18, 1968 (33 F.R. 14414, 14784, 15069, 15805, 16451, 17314). This hearing reopened a public hearing relating to the handling of milk in the Tri-State marketing area which was conducted at Charleston, W. Va., on August 27 and 28, 1968, pursuant to notice thereof issued on August 7, 1968 (33 F.R. 11409).

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

1. Merging the Clarksburg order with the Eastern Ohio-Western Pennsylvania order or the Tri-State order;

2. Modification of the Class II price provisions of the Clarksburg and Eastern Ohio-Western Pennsylvania orders; and

3. With respect to the Tri-State order:

(a) Expansion of the marketing area;

(b) Diversion of milk to other order plants;

(c) Elimination of pricing districts;

(d) Elimination of supply-demand adjustor;

(e) Price for milk used in cottage cheese; and

(f) Revision of location adjustments.

Findings and conclusions. The following findings and conclusions on the material issues are based on evidence presented at the hearings and the records thereof:

1. *Merger of orders.* The Eastern Ohio-Western Pennsylvania and Clarksburg

orders should be merged and continued as the Eastern Ohio-Western Pennsylvania order. Regulation of the marketing areas of these two orders under a single order is the most appropriate means of effectuating the intent of the Act. A single order for the merged area will provide a regulatory program for milk marketing consistent with current marketing conditions and practices. Except for the changes proposed by this decision, the provisions of the Eastern Ohio-Western Pennsylvania order are appropriate for the proposed enlarged marketing area.

The present Eastern Ohio-Western Pennsylvania marketing area includes territory in 38 counties: 20 in Ohio, 14 in Pennsylvania and four in West Virginia. The order including the present marketing area became effective July 1, 1968. It resulted from the merging of the previously existing Wheeling, Youngstown-Warren, and Northeastern Ohio orders and the adding to the marketing areas of these orders territory in 14 counties in Pennsylvania and seven counties in Ohio.

The Clarksburg marketing area, which is contiguous to the southern border of the Pennsylvania portion of the Eastern Ohio-Western Pennsylvania marketing area, includes territory in nine West Virginia counties.

Combining the Clarksburg and Eastern Ohio-Western Pennsylvania orders into a single order was proposed by Dairymen's Cooperative Sales Association (DCSA), which represents about 70 percent of the 159 producers who supplied the five Clarksburg order pool plants in October 1968. Another proposal at the hearing would merge the Clarksburg order with the Tri-State order instead of with the Eastern Ohio-Western Pennsylvania order. The latter proposal was made by a handler whose plant is pooled under the Tri-State order but from which plant Class I milk is also distributed in the Clarksburg and Eastern Ohio-Western Pennsylvania marketing areas.

DCSA is one of the principal producer associations in the Eastern Ohio-Western Pennsylvania and Tri-State markets. The only other producer organization in the Tri-State market to indicate its position on the proposals supported the merger of the Clarksburg and Eastern Ohio-Western Pennsylvania orders. This merger was also supported at the hearing by a Clarksburg order handler who also operates a pool plant under the Eastern Ohio-Western Pennsylvania order and one under the Tri-State order. Two other Tri-State order handlers, a Clarksburg handler, and an Eastern Ohio-Western Pennsylvania handler likewise supported a merger of the Clarksburg and Eastern Ohio-Western Pennsylvania orders. Only the handler proposing the merger of the Clarksburg and Tri-State orders testified in support of his proposal. Other handlers and producers in the Clarksburg market took no position at the hearing on the merger proposals.

Historically, the Clarksburg market has been one of the smallest of the Federal order markets. In October 1967, 268 producers delivered 7.2 million pounds of milk to Clarksburg pool plants. In the fall of 1968, this volume was reduced substantially by the closing of a Clarksburg order plant and the shifting of the producers supplying it out of the market. Deliveries from the remaining 159 producers in October 1968 totaled 5.2 million pounds. Under the Eastern Ohio-Western Pennsylvania order, 10,420 producers delivered 258 million pounds of milk to pool plants in October 1968.

The Clarksburg plant closing resulted from the consolidation of plant operations by the handler proposing a merger of the Clarksburg and Tri-State orders. This handler closed plants regulated under the Clarksburg, Eastern Ohio-Western Pennsylvania, and Tri-State orders and transferred the processing operations to a new plant at Coshocton, Ohio. Sales in the Clarksburg market that were made from the handler's Clarksburg plant now emanate from the Coshocton plant, which is regulated under the Tri-State order. In August 1968, the month preceding the plant closing, the handler's Class I sales from his Clarksburg plant totaled 1.8 million pounds, one-third of the Class I sales that month by all Clarksburg order handlers.

Following the plant closing, DCSA shifted 92 producer-members from the Clarksburg market to the Eastern Ohio-Western Pennsylvania market. Because of the distance of their farms from Coshocton, it was not economically practical for these producers to supply the Coshocton plant. The removal of this milk supply from the Clarksburg market was necessary since presently regulated handlers in the market are not equipped to handle any significant volume of surplus milk.

Maintaining a separate order for the present Clarksburg market will no longer assure stable and orderly marketing conditions for the remaining producers on the market. Because of the relatively small volume of milk now being sold by handlers regulated under the Clarksburg order, a major loss of Class I sales by them to handlers in other areas could reduce substantially the returns to Clarksburg producers. Only the removal of a large portion of the milk supply from the market averted a substantial reduction in the uniform price when the aforementioned Clarksburg plant closed.

In recent years, Clarksburg pool plants have lost several major Class I outlets in the Clarksburg market to other order plants. The sales shift resulting from the Tri-State handler's plant consolidation was but the most recent, although perhaps most significant, of these losses. The trend toward consolidation of plant operations in large, centrally located plants may very well have a further impact on the Clarksburg market. The spokesman for a multiple-plant operator with pool plants under all three of the orders under consideration at the hearing testified that the handler is constructing a plant in southwestern Pennsylvania to replace his Eastern Ohio-Western Pennsylvania pool plant at Pittsburgh. This new plant is so situated geographically that it could also replace the handler's Clarksburg plant as a supplier of Class I products for the Clarksburg area.

When the Clarksburg order was issued in 1955, the regulated area was distinguishable as a separate market for a particular group of handlers and producers. Changes in recent years affecting distribution practices have resulted in a significant expansion of the procurement and distribution areas not only of Clarksburg order pool plant operators but also of the various other plant operators who are suppliers or potential suppliers of milk for the Clarksburg market. Better highways, improved transportation and refrigeration facilities, and the greater use of single service containers have made it feasible to move packaged milk over long distances. Hence, Clarksburg order handlers have extended their distribution routes to other areas and handlers under other orders have extended their distribution routes into the marketing area of the Clarksburg order. The potential sales outlets in the various populated centers, and particularly the increasingly important supermarket business, have encouraged the distribution by handlers over larger geographical areas.

There is a significant overlapping of the sales areas of Clarksburg order handlers with handlers under other orders. About 40 percent of the Class I distribution in the Clarksburg area is priced under other orders. Milk from Clarksburg order plants is distributed in the Tri-State market and in the West Virginia and Pennsylvania portions of the Eastern Ohio-Western Pennsylvania marketing area. Likewise, there is distribution in the Clarksburg market from plants regulated under the Eastern Ohio-Western Pennsylvania, Tri-State, and Cincinnati orders.

Merging the Clarksburg order with the Eastern Ohio-Western Pennsylvania order, rather than with the Tri-State order, will result in the more practical regulatory scheme for the majority of the producers now on the Clarksburg market. As indicated, about 70 percent of these producers are members of DCSA, the proponent of the Clarksburg-Eastern Ohio-Western Pennsylvania merger. This cooperative, which likewise is a principal producer association in the Eastern Ohio-Western Pennsylvania market, assumes the responsibility of marketing the milk of its members in these adjoining markets. The merger of these two orders will facilitate the performance of this function by the cooperative.

The economic impact of the recent loss of Class I sales by Clarksburg producers was borne entirely by DCSA. By removing a portion of the total producer supply from the market, and thereby preventing a lower market utilization, returns to the remaining producers on the market were not affected by the substantial loss of Class I sales. Producers on the

market who are not members of DCSA thus benefited significantly from the cooperative's action. In redirecting this milk supply of its members from the Clarksburg market to the Eastern Ohio-Western Pennsylvania market, DCSA is incurring additional hauling costs—10 cents or more per hundredweight—which are being shared by all members of the cooperative.

With the recent transfer of 92 producers from Clarksburg to Eastern Ohio-Western Pennsylvania order pool plants, the Eastern Ohio-Western Pennsylvania order is carrying, in effect, the surplus for the Clarksburg market. Moreover, Clarksburg handlers tend to rely on this larger adjacent market when supplemental supplies to Class I milk are needed.

While there is some variation in the inspection standards between the Clarksburg marketing area and some jurisdictions in the present Eastern Ohio-Western Pennsylvania marketing area, there are apparently no practical limitations on the movement of milk throughout the proposed merged area. The States of Ohio and West Virginia reciprocate on health approvals. The State of Pennsylvania and the Pennsylvania county of Allegheny, which utilize different inspection standards, have no reciprocity arrangements on inspection requirements with Ohio and West Virginia. However, many producers and handlers outside Pennsylvania have Allegheny County and/or Pennsylvania health permits. In fact, some handlers operating in the present Clarksburg market have health permits for these jurisdictions. It must be concluded that the health requirements throughout the proposed marketing area are not so different as to be an impeding factor in the merging of the Clarksburg and Eastern Ohio-Western Pennsylvania orders.

The proposal to merge the Clarksburg order with the Tri-State order instead of with the Eastern Ohio-Western Pennsylvania order was supported by only the proponent handler. This handler contended that his proposal should be adopted since the major portion of the Class I sales from other order plants in the Clarksburg marketing area are from Tri-State order pool plants. Moreover, the handler claimed, such a merger is necessary to insure the alignment of Class I prices between the Tri-State and Clarksburg areas. The handler also argued that the reciprocity arrangement on inspection standards between Ohio and West Virginia, which neither of these States has with Pennsylvania, favored the adoption of his proposal.

The record does not show that it would be more practical to merge Clarksburg with Tri-State than with the Eastern Ohio-Western Pennsylvania order. The fact that most of the other order sales in the Clarksburg market emanate from the Tri-State market is not a compelling reason for a Tri-State-Clarksburg merger. The interests of producers who are supplying the Clarksburg market must be considered a primary factor under the prevailing marketing conditions. Such interests have already been described.

A merger of the Tri-State and Clarksburg orders is not essential to establishing a satisfactory price alignment between these regulated areas. The proposed order changes described elsewhere in this decision will contribute to achieving an alignment of prices between the Tri-State market and the proposed expanded Eastern Ohio-Western Pennsylvania market.

The proponent handler did not show how he, other handlers, or producers in the Clarksburg and Tri-State markets would be adversely affected by merging the Clarksburg order with the Eastern Ohio-Western Pennsylvania order rather than the Tri-State order. Although a substantial amount of proponent's Class I sales are made in the Clarksburg marketing area, the handler indicated that his plant would continue to be regulated under the Tri-State order whether Clarksburg was merged with that order or the Eastern Ohio-Western Pennsylvania order. Hence, the milk received at his plant would continue to be priced and pooled under the Tri-State order.

As indicated above, the intent of the Act would best be served by merging Clarksburg with the Eastern Ohio-Western Pennsylvania order. Accordingly, the alternative proposal, to merge Clarksburg with the Tri-State order, is denied.

Class I price and location differentials. The territory presently included in the Clarksburg order should be included in the Pittsburgh pricing district of the Eastern Ohio-Western Pennsylvania order.

Class I prices under the Eastern Ohio-Western Pennsylvania order are established for two districts, "Pittsburgh" and "Cleveland-Erie". The Pittsburgh district includes all territory in the marketing area within 80 miles of Pittsburgh; the Cleveland-Erie district includes the remaining territory in the marketing area. The Pittsburgh district Class I price, which is 10 cents more than the Cleveland-Erie district Class I price, is computed by adding $1.97 to the basic formula price; it has been $6.30 each month since the Eastern Ohio-Western Pennsylvania order became effective July 1, 1968.

The cooperative proposing the merger of the Eastern Ohio-Western Pennsylvania and Clarksburg orders proposed that the Class I price at plants in the present Clarksburg marketing area be 10 cents higher than the Pittsburgh district price. Two presently regulated Clarksburg handlers proposed that such price be the same as the Pittsburgh district price. The handler who proposed the merger of the Tri-State and Clarksburg orders proposed that the Clarksburg Class I price be 7 cents above the Tri-State order price for the Charleston-Huntington district. This would result in a Class I price of $6.15 (after eliminating the effect of the supply-demand adjustor in the Tri-State order as is provided elsewhere in this decision).

In 1968, the Clarksburg order Class I price averaged $6.32,[1] ranging from $6.13 (in July and December) to $6.45 (in January and February). The current Pittsburgh district Class I price of $6.30 that would be applicable for milk received at plants in the present Clarksburg marketing area reasonably approximates the Class I prices that have prevailed most recently in Clarksburg. Accordingly, it should tend to insure the maintenance of an adequate supply of milk for the Clarksburg area and an alignment of prices between the presently regulated Clarksburg plants and those under other Federal orders.

Five cities (Canton and Cleveland, Ohio; and Erie, Pittsburgh, and Uniontown, Pa.) are measuring points for determining location adjustments and whether the Pittsburgh district or Cleveland-Erie district Class I price shall apply at plants located outside the Eastern Ohio-Western Pennsylvania marketing area. For milk received at a plant outside the marketing area, the Class I price is the price applicable at the nearest measuring point. Location differentials are applicable for milk received at plants outside the marketing area and 85 miles or more from the nearest measuring point.

The above five cities were selected because they are so situated geographically in relation to the supplies for the market to serve most equitably as representative measuring points for determining Class I prices and location adjustments at plants outside the marketing area. Under the merged order, Clarksburg is similarly so situated and should be added as a measuring point for the purposes stated.

Merger of administrative expense, marketing service, and producer-settlement funds. To accomplish the merger of the Eastern Ohio-Western Pennsylvania and Clarksburg orders effectively and equitably, the assets in the administrative expense and marketing service funds which have accrued under the separate orders should be combined. Similar procedure should be carried out with respect to the producer-settlement fund reserves. Any liabilities of such funds under the individual orders should be paid from the new funds so created. Similarly, obligations which are due and owing to the funds under the separate orders should remain and be paid to the combined funds under the merged order.

The money paid to the administrative expense fund is each handler's proportionate share of the cost of administering the order. All handlers currently regulated under the separate orders will continue to be regulated under the merged order. Therefore, it is equitable to combine the monies accumulated under the separate funds and to pay any liabilities of each of the present funds from the consolidated fund.

[1] Official notice is taken of the market administrator's price announcements for the Clarksburg and Eastern Ohio-Western Pennsylvania orders that were issued for November and December 1968.

The money accumulated in the marketing service funds of the separate orders is that paid by producers for whom the market administrator has performed such services as verifying the tests and weights of producer milk and furnishing market information. The producers who have contributed to the marketing service fund of each order are expected to continue to supply milk for the expanded market. The consolidation of the assets in the separate marketing service funds is therefore appropriate in view of the continuation of the marketing service program for these producers under the merged order.

The producer-settlement funds under the present Eastern Ohio-Western Pennsylvania and Clarksburg orders facilitate the payment by handlers for milk received from producers. A handler whose obligation for producer milk received during the month is greater than the amount he is required to pay producers at the applicable uniform price pays the difference into the producer-settlement fund. Each handler whose obligation for producer milk is less than the applicable uniform price receives payment of the difference from the fund. For the efficient functioning of the fund, a reasonable reserve is set aside at the end of each month.

The producer-settlement fund balances in the two orders should be combined so that the producer-settlement fund under the merged order may be continued without disruption. It would be impractical to distribute the existing producer-settlement fund reserves to producers and to accumulate anew the required reserve for the merged order. The producers currently supplying the two separate markets are expected to continue to supply milk for the expanded Eastern Ohio-Western Pennsylvania market. Thus, moneys now in the separate producer-settlement funds would be reflected in the uniform prices of the producers whose money will be in the merged fund reserves. These combined funds would also serve the function of a contingency fund from which money would be available for obligations (resulting from audit adjustments and otherwise) for which one or the other of the separate funds was responsible.

2. *Class II price under the Eastern Ohio-Western Pennsylvania order.* The butter-powder price formula used in computing the Class II price under the Eastern Ohio-Western Pennsylvania order should be changed to conform with the butter-powder price formula used in other orders.

The Eastern Ohio-Western Pennsylvania order provides that the Class II price shall be the basic formula price (Minnesota-Wisconsin manufacturing milk price series). However, the Class II price may not exceed a "snubber" price which is a butter-powder price plus 10 cents.

The butter-powder price now used in the Eastern Ohio-Western Pennsylvania order is computed by subtracting 3 cents from the average wholesale price per pound for 92-score butter at Chicago, adding 20 percent of the resulting amount and multiplying the total by 3.5. To this is added an amount determined by subtracting 5.5 cents from the average carlot price per pound for spray process nonfat dry milk in the Chicago area and multiplying the result by 8.5 and the new result by 0.965.

The butter-powder snubber price proposed herein is the same as the one that became effective on July 1, 1968, under the New York-New Jersey, Massachusetts-Rhode Island-New Hampshire, Connecticut, Delaware Valley, Washington, D.C., and Upper Chesapeake Bay orders. This snubber, which is based on the same market values for butter and nonfat dry milk described above, is computed by subtracting 48 cents from the sum of the butter price times 4.2 and the powder price times 8.2.

The proposed butter-powder snubber price runs a fraction of a cent under the butter-powder snubber price now used in the Eastern Ohio-Western Pennsylvania order. For the 24-month period ending with November 1968, the maximum price difference was 0.34 of 1 cent.

During this 2-year period, the butter-powder snubber price was the effective Class II price under the Eastern Ohio-Western Pennsylvania order (formerly the Northeastern Ohio order prior to July 1, 1968) in 21 months. In the other 3 months, the snubber price was equal to the Minnesota-Wisconsin price. Over the 2-year period, the proposed butter-powder snubber would have changed the Class II price under the order in only 3 months, reducing the price in each case by 1 cent.

The minor variations in the butter-powder price formulas now in use in the Eastern Ohio-Western Pennsylvania and Northeastern orders can result from time to time in the price snubbers not having the same pricing effect under each order. Adoption of the price formula proposed herein will result in the price snubbers having a uniform pricing effect on the Class II prices under these orders.

3. *Amendments to Tri-State order*—(a) *Expansion of the marketing area.* The proposals to add Rowan and Carter Counties, Ky., and Greenbrier County, W. Va., to the marketing area are denied.

No testimony was presented on the proposal in the notice of hearing to add Pocahontas County, W. Va., to the marketing area. Accordingly, no action is taken on it.

The proposal to include the Kentucky counties of Rowan and Carter in the marketing area was made by two Tri-State handlers. However, at the hearing no regulated handlers or the producers supplying them testified on the proposal. A cooperative that supplies an unregulated distributing plant at Morehead in Rowan County supported the proposal. This distributor, who would become regulated under the order if the proposal were adopted, opposed adding the two counties to the marketing area.

The Morehead distributor contracts annually with an eastern Kentucky cooperative for the entire supply of its 38 members. The present contract provides for the payment for such milk at a price approximating the Tri-State order uniform price for the Charleston-Huntington district. The distributor assumes the burden of disposing of the seasonal surplus of his dairy farmers' deliveries and of acquiring supplemental milk, which he obtains from the Louisville-Lexington-Evansville Federal order market.

The unregulated distributor sells milk in about 15 Kentucky counties, including Carter and Rowan, that are not a part of any Federal order marketing area. There is virtually no other evidence on the record, however, concerning his distribution and that of handlers with whom he competes. Although Tri-State handlers have sales in Rowan and Carter Counties, there is no indication of the proportion of regulated and unregulated sales in these areas or if such counties are a significant part of the sales areas of regulated handlers or of the Morehead distributor.

In view of the limited evidence in this record concerning the distribution of milk in Carter and Rowan Counties, the two counties should not be included in the Tri-State marketing area at this time. Reconsideration of this matter may be warranted on the basis of evidence developed at a later hearing.

The addition of Greenbrier County to the marketing area was proposed by a regulated handler at Beckley, W. Va., who has 7 percent of his Class I sales in this county. The handler claimed that he is disadvantaged on such sales since the principal unregulated distributor in the county is able to obtain milk supplies at prices lower than those provided in the order.

Of the total fluid milk sales in Greenbrier County, 47 percent are by four Tri-State handlers. Another 16 percent of the sales are by handlers regulated under the Cincinnati and Appalachian Federal orders. The remaining 37 percent of the sales are unregulated. Most of these are by a distributor at Ronceverte in Greenbrier County. This distributor also has fluid sales in the West Virgina counties of Monroe, Pocahontas, Nicholas, and Summers, none of which is in the marketing area of a Federal order. The record does not show what proportion of the distributor's sales are in Greenbrier County or in the other counties.

The Ronceverte distributor receives milk for 15 dairy farmers. Several of these farmers testified in opposition to the inclusion of Greenbrier County in the marketing area. None appeared at the hearing in support of the proposal.

The distributor pays in most months approximately the Charleston-Huntington district Class I price for his total farm supply. In the flush production months, when supplies are in excess of his needs, the distributor returns to his producers approximately the Tri-State Class I butterfat value for the surplus. The skim milk portion of such surplus milk is dumped and the butterfat portion is used in the production of ice cream and butter. The distributor testified that in May and June 1968 about 13 percent of his farm supply was so disposed of.

The hearing evidence does not substantiate proponent's claim that the Ronceverte distributor has a buying advantage on milk used for Class I. Therefore, it cannot be concluded from this record that adding Greenbrier County to the marketing area is necessary for the maintenance of orderly marketing conditions for the Tri-State handlers and producers.

(b) *Diversion of milk to other order plants.* Handlers should be permitted to divert producer milk to other order plants for manufacturing purposes. Milk now moved from the farms of Tri-State producers to other order plants does not qualify as producer milk under the Tri-State order.

Producers proposed that the order be revised to permit diversions to other order plants. They contend that, because of changed conditions in the market, such a provision in the order is necessary to insure the orderly marketing of producer milk. There was no opposition to the proposal at the hearing.

In September 1968, a Tri-State handler closed his Athens, Ohio, distributing plant and began processing milk at a new plant at Coshocton, Ohio, about 90 miles north of Athens. The operator also closed at about the same time plants regulated under the Clarksburg and Eastern Ohio-Western Pennsylvania orders. The sales areas that were served by the now closed plants are being served from the Coshocton plant, which is regulated under the Tri-State order.

Milk is received at the Coshocton plant from over 400 producers. When milk assigned to the Coshocton plant by the various cooperatives supplying it is not needed by the handler, it must be moved to other plants for manufacturing purposes. A plant suitably located for this purpose is a plant at Orrville, Ohio, a pool plant under the Eastern Ohio-Western Pennsylvania order.

The most desirable outlet for unneeded supplies at Tri-State order pool plants may often be other order plants. Providing for the diversion of producer milk to other order plants, such as the Orrville plant, for manufacturing purposes will contribute to orderly marketing by facilitating the movement of such unneeded supplies. However, such diversion should be permitted only if a Class III classification (or its equivalent under the other order) is designated for the diverted milk pursuant to the other order. This will tend to insure the integrity of regulation under both orders.

Unless milk is diverted to an other order plant for manufacturing purposes, its eligibility to be included under a Federal order should be determined at the other order plant where received. Producers whose milk is diverted from Tri-State order pool plants are among those on whom the market depends for supplying the market's Class I needs on a regular and continuing basis. It would be inappropriate, therefore, to pool such diverted milk as Class III (or its equivalent) in the other order market. Moreover, if provision were not made for classifying in a manufacturing class under this order milk diverted to an other order plant, there would be a reluctance on the part of other order plants to receive such diverted milk that would reduce the returns to their regular producers.

(c) *Elimination of pricing districts.* The order should continue to provide for Class I price differentials of $1.55 for the Charleston-Huntington district and $1.47 for the Athens-Scioto district. Presently, the Class I price for each district is the basic formula price for the preceding month plus the fixed Class I differential for that district, and plus an additional 20 cents. Such prices are subject to a supply-demand adjustment, which is proposed elsewhere in this decision to be deleted from the order.

Two cooperatives and several handlers in the Charleston-Huntington district proposed that the present pricing districts be eliminated and that a single Class I price be applicable throughout the marketing area. A Class I price differential of $1.55 for the market was generally supported. However, the major emphasis by proponents was not on the level of price but rather on the need for a single Class I price throughout the market.

The testimony by proponents was essentially a reiteration of their position on this same issue at the August 1967 hearing from which the present price structure resulted. They claim now, as then, that the existence of more than one pricing district in the market is causing handlers in the higher-price Charleston-Huntington district to lose Class I sales to handlers in the lower-price Athens-Scioto district. The cooperatives indicated that if this situation continues the decreased demand by Charleston-Huntington handlers for Class I milk will require producers to move milk to more distant outlets at a greater hauling cost. Proponents also argued that a single Class I price for the market would place Charleston-Huntington handlers in a more favorable competitive position for Class I sales and thereby maintain Class I outlets in the Charleston-Huntington district for producer supplies that have historically moved to that district.

Three Athens-Scioto district handlers and a cooperative from which they obtain milk opposed the elimination of the pricing districts. Opponents contended that more time is needed to evaluate the appropriateness of the present pricing arrangement. Also, handlers argued that the present 8-cent price difference between districts, or perhaps even a greater amount, is needed to cover the cost of moving packaged milk from the Athens-Scioto district to the population centers in the Charleston-Huntington district.

Prior to March 1, 1968, the order provided for three pricing districts with Class I differentials of $1.60 for the Charleston-Huntington district, $1.50 for the Gallipolis-Scioto district, and $1.40 for the Athens district. On the basis of the August 1967 hearing, the latter two pricing districts were combined effective March 1, 1968, and designated the Athens-Scioto district with a Class I differential of $1.47. The Class I differential for the Charleston-Huntington district was reduced to $1.55.

This record does not show any marketing development since the adoption of the present pricing arrangement that would necessitate a further change in the price structure for the market at this time. Although it was contended that the present pricing arrangement is causing Charleston-Huntington handlers to lose Class I sales, handlers in this district have not experienced any significant loss of Class I sales since the realignment of prices in the market.

The marketing situation presented by proponents at this hearing relative to the price issue is in many ways similar to the prevailing situation at the time of the August 1967 hearing. Such marketing conditions were fully considered in arriving at the pricing amendments that became effective March 1. Any different pricing arrangement at this time does not appear warranted. For these reasons, the proposals for a single Class I price for the market are denied.

(d) *Elimination of supply-demand adjustor.* The supply-demand adjustor provisions should be deleted from the order.

The order now provides that the Class I price shall be adjusted monthly to reflect any change in the supply of milk in the market relative to fluid milk sales. When milk supplies are more than adequate in relation to Class I sales, the Class I price is lowered. Conversely, when supplies are less than adequate relative to sales, the Class I price is increased.

The supply-demand adjustments were minus 3 cents for January and February 1967 and zero for the remaining 10 months of the year. Such adjustments in 1968, all of which reduced the price, averaged minus 7 cents.[1]

The three principal cooperatives in the market advocated the deletion of the supply-demand adjustor. There was no opposition to the proposal at the hearing.

The supply-demand adjustor is not achieving its intended purpose of adjusting producers' returns in response to changes in the supply-sales balance in the market. The supply-demand adjustor can have a significant influence on producers' returns only when the Class I price that is subject to the operation of the adjustor is the effective price in the market. In the Tri-State market, the effective Class I price presently is an over-order, or premium, price. Thus, the premium price rather than the supply-demand adjustor is influencing the supply-sales balance in the market.

Tri-State handlers are paying premium Class I prices of $6.33 in the Charleston-Huntington district and $6.25 in the Athens-Scioto district. For the most recent 6 months, July through December 1968, premium prices have been more than order prices by an average of 36 cents per hundredweight. During this period the supply-demand adjustments averaged minus 11 cents per hundredweight. Premiums are thus ne-

[1] Official notice is taken of the market administrator's price announcements for the Tri-State order that were issued for November and December 1968.

gating any effect of the supply-demand adjustor.

(e) *Price for milk used in cottage cheese.* Producer milk used in the manufacture of cottage cheese should continue to be priced at the present Class II price, which is the basic formula price (Minnesota-Wisconsin price series) for the month plus 15 cents. This price level became effective under the Tri-State order on March 1, 1968, when the price for milk used in cottage cheese was increased 15 cents per hundredweight.

Several Tri-State handlers proposed that the March 1, 15-cent price increase for cottage cheese milk no longer apply. They contend that the higher price places them at a disadvantage competitively in their market with handlers in the nearby federally regulated Cincinnati, Columbus, and Eastern Ohio-Western Pennsylvania markets who sell cottage cheese in the Tri-State area. Several Tri-State handlers indicated that since the March 1 price increase they have experienced a decrease in cottage cheese sales.

Milk used by Tri-State handlers in making cottage cheese averaged 2.59 million pounds monthly (March through October) since the March 1 amendments. This is 6 percent less than the 2.76 million pounds of milk used in cottage cheese in the same 1967 period. Whether this decrease in cottage cheese production is attributable to the higher price for cottage cheese milk cannot be determined from the record. However, the claim by Tri-State handlers that the present Class II price is placing them at a competitive disadvantage relative to nonpool handlers on cottage cheese sales in the Tri-State market is not substantiated by the record.

The major ingredient cost for cottage cheese is that for skim milk. For the 8-month period of March through October 1968, the present order provisions resulted in an average Class II skim milk value of $1.71 per hundredweight. This was the average cost to Tri-State handlers for producer skim milk used in making cottage cheese. The comparable cost during that time for handlers regulated under the Eastern Ohio-Western Pennsylvania, Columbus, and Cincinnati Federal orders was $1.52 per hundredweight.[3] Based on a yield of 15 pounds of curd per hundredweight of skim milk, the ingredient cost of cottage cheese curd for Tri-State handlers was 11.4 cents per pound. The ingredient cost for handlers in the other three markets was 10.1 cents per pound of curd.

Major processing centers in the neighboring markets include the cities of Cincinnati, Columbus, and Pittsburgh. Although the record does not indicate the present sources, cottage cheese sales in the Tri-State market by handlers in these other markets may be expected to emanate from such cities.

Considerable distances are involved in moving cottage cheese from Cincinnati, Columbus, and Pittsburgh to the Tri-State market. The distance from Cincinnati to Portsmouth, Ohio, is 100 miles. Columbus is 89 miles from Portsmouth and 77 miles from Athens, Ohio. Pittsburgh is 131 miles from Marietta, Ohio. Huntington and Charleston, W. Va., are even more distant from these cities in the other markets. The cost of transporting cottage cheese from the distant areas to outlets in the Tri-State market thus would be expected to negate the 1.3-cent cost advantage per pound of curd which handlers in the nearby markets have over Tri-State handlers on the cost of skim milk.

As at the time the present Class II price was adopted, local producers still represent the cheapest source of cottage cheese milk for Tri-State handlers. Ungraded fresh skim milk delivered from a manufacturing plant to any plan in the Tri-State market was quoted at $2.40 per hundredweight, 69 cents more than the average cost of $1.71 per hundredweight for producer skim milk. Dry curd could be obtained from a Columbus source at 19 cents per pound, plus transportation. The cost for local producer milk at Tri-State plants recently averaged 11.4 cents per pound of dry curd.

Nonfat dry milk, which may be reconstituted for use in cottage cheese production, likewise costs more on a skim equivalent basis than producer skim milk. Non-Grade A and Grade A powder were quoted at 23.75 cents and 25.5 cents per pound, respectively, f.o.b. the market. With a yield of 8.5 pounds of nonfat dry milk per hundredweight of skim milk, the cost of nonfat solids in the two grades of powder would be about $2.02 and $2.17 per hundredweight of skim equivalent.

It is necessary, of course, that producer milk disposed of in manufacturing uses be priced unded the order at a level which results in the orderly marketing of such milk. Within this concept, 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 of 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 present Class II price represents a reasonable return to producers for supplying Grade A milk on a regular basis for cottage cheese production. It would be inappropriate, therefore, to lower the Class II price as proposed by handlers.

(f) *Revision of location adjustments.* The location adjustment provisions of the order should be changed to reflect current marketing conditions.

The order now provides for reducing the Class I and uniform prices at plants outside the marketing area and more than 45 miles from designated measuring points by 2 cents for each 10 miles up to 100 miles and 1.5 cents for each 10 miles over 100 miles that the plant is from the nearest measuring point. The measuring points are Ashland, Paintsville, and Pikeville in Kentucky; Athens, Gallipolis, Jackson, Marietta, and Portsmouth in Ohio; and Charleston, Hinton, Huntington, and Williamson in West Virginia.

The location adjustment provisions should be revised so that no location differential would apply at a plant within 100 miles of the designated measuring points. At more distant locations, the reduced 15 cents plus an additional 1.5 cents for each 10 miles in excess of 110 miles that the plant is from the nearest measuring point. Coshocton, Ohio, and Bluefield, W. Va., should be designated as additional measuring points for deter- Class I and uniform prices should be mining location adjustments. Athens, Ohio, which would serve no purpose because of its geographical location, should no longer be a designated measuring point.

The present location differentials do not reflect the current efficiencies in moving milk long distances. Technological changes in recent years, such as larger tank trucks, better refrigeration, and improved roads, have resulted in the more efficient movement of milk. Such efficiency has tended to reduce unit hauling costs for both producers and handlers. Because of this, milk is being moved considerable distances by producers from farms to processing plants and by handlers from plants to resale outlets.

The location differentials also do not reflect the recent changes in the supply and distribution patterns in the Tri-State market resulting from the more efficient movement of milk. Since these differentials were adopted, the one supply plant that had been regulated under the order for a number of years is no longer operating as a supply plant for Grade A milk. This plant is located at Circleville, Ohio, about 50 miles from Jackson, the nearest measuring point. As described earlier in this decision a Tri-State handler has relocated his processing facilities at Athens in a new distributing plant at Coshocton, Ohio. Milk is distributed from this plant not only in the Tri-State market but also in several neighboring markets.

Providing for location adjustment credits only at plants 100 miles or more from designated measuring points, as proposed by producers, recognizes the technological improvements in moving milk greater distances in this market. The 100-mile distance from measuring points is a reasonable and appropriate standard under current conditions as a minimum distance for establishing location adjustments.

The 1.5-cent rate proposed herein reflects the cost of moving milk efficiently under present conditions in the Tri-State market. It is the rate most applicable in Federal orders throughout the United States and is recognized as an appropriate and representative rate for transporting milk to the market. Because of its wide applicability, it will insure a reasonable alignment of prices between this and other orders at the various locations at which handlers under the different orders compete.

The Coshocton handler opposed any change in the location adjustment provi-

[3] Official notice is taken of the market administrator's price announcements for the Columbus and Cincinnati orders that were issued for March through October 1968.

sions except a reduction in the 2-cent adjustment rate per 10 miles to 1.5 cents. He claimed that the plant was located in a major production area and that adequate supplies should be available at the price now applicable at the plant.

Under the change proposed herein, the Class I and uniform prices at Coshocton would be at the same level as such prices at Athens. Thus, the handler operating the Coshocton plant would pay the same Athens-Scioto district Class I price which he paid at his Athens plant. Similarly, producers supplying either plant would receive the same uniform price. The present order provisions result in a location adjustment at Coshocton of minus 16 cents per hundredweight.

The location differentials proposed herein are appropriate in view of the changed marketing conditions. The Class I price that would apply at the Coshocton plant would be in reasonable alignment with Class I prices applicable elsewhere in the Tri-State market and in other markets. The Coshocton plant competes with handlers in the Columbus and Eastern Ohio-Western Pennsylvania markets for a substantial quantity of milk. The price level that would result from the amendments proposed herein is necessary to assure an adequate supply of milk for the Coshocton plant. A spokesman for the cooperatives supplying the plant indicated that a lower price would not attract an adequate supply of milk or maintain market stability within the procurement area.

Designating Coshocton and Bluefield as measuring points for determining location adjustments recognizes the increasing distances that milk is moved not only from farms to plants and for distribution from such plants but also in diverting producer milk to nonpool plants. When the milk of producers regularly supplying Tri-State handlers is not needed by them, it must be moved by the producers' cooperatives to nonpool plants for manufacturing purposes.

There are a limited number of manufacturing plants in the area to which milk may be diverted. A plant at Orrville, Ohio, approximately 50 miles north of Coshocton, is expected to serve as a plant to which milk will be diverted from the farms of producers supplying plants in the northern part of the Tri-State market. In the southern part of the marketing area, a manufacturing plant at Independence, Va., about 75 miles from Bluefield, is the nearest available outlet for diverted milk.

Adding the above two measuring points and enlarging the mileage from the various measuring points that milk may be diverted without incurring a location adjustment, thereby facilitating the diversion of producer milk, will tend to insure the maintenance of orderly marketing under current conditions in the Tri-State market.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties. These briefs, proposed findings and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.

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

(a) The tentative marketing agreements and the orders, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effecuate the declared policy of the Act;

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

(c) The tentative marketing agreements and the orders, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, the marketing agreements upon which hearings have been held.

Recommended marketing agreements and orders amending the orders. The following orders amending the orders as amended regulating the handling of milk in the Tri-State, Clarksburg, W. Va., and Eastern Ohio-Western Pennsylvania marketing areas are recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreements are not included in this decision because the regulatory provisions thereof would be the same as those contained in the orders, as hereby proposed to be amended:

1. In Part 1036, *Milk in the Eastern Ohio-Western Pennsylvania Marketing Area*, § 1036.6, paragraph (c) is revised to read as follows:

§ 1036.6 Eastern Ohio-Western Pennsylvania marketing area.

* * * * *

(c) In West Virginia:

(1) The following counties in their entirety:

Brooke.	Marshall.
Hancock.	Monongalia.
Harrison.	Ohio.
Marion.	

(2) Grafton magisterial district in Taylor County;

(3) Philippi magisterial district in Barbour County;

(4) Leadsville magisterial district in Randolph County;

(5) The city of Buckhannon in Upshur County;

(6) The city of Weston in Lewis County; and

(7) The town of Kingwood in Preston County.

2. Section 1036.20 is revised to read as follows:

§ 1036.20 Pittsburgh district.

"Pittsburgh district" means all the territory in the marketing area that is either within West Virginia or within 80 miles (by the shortest hard-surfaced highway distance as determined by the market administrator) of the Pittsburgh, Pa., city hall.

3. Section 1036.51 is revised to read as follows:

§ 1036.51 Class prices.

Subject to the provisions of §§ 1036.52 and 1036.53, the class prices per hundredweight for the month shall be as follows:

(a) *Class I price.* For each month through December 1969, the Class I price shall be the basic formula price for the preceding month plus $1.67 for plants in the Cleveland-Erie district and $1.77 for plants in the Pittsburgh district, plus 20 cents for each district. At a plant outside the marketing area, add the amount applicable pursuant to this paragraph at the location of the city hall of the following cities that is nearest (by the shortest hard-surfaced highway distance as determined by the market administrator) such plant: Canton and Cleveland, Ohio; Erie, Pittsburgh, and Uniontown, Pa.; and Clarksburg, W. Va.

(b) *Class II price.* The Class II price shall be the basic formula price for the month: *Provided,* That such Class II price shall not be more than the price computed pursuant to subparagraphs (1), (2), and (3) of this paragraph:

(1) Multiply by 4.2 the Chicago butter price;

(2) Multiply by 8.2 the weighted average of carlot prices per pound of nonfat dry milk solids, spray process, for human consumption, f.o.b. manufacturing plants in the Chicago areas, as published for the period from the 26th day of the preceding month through the 25th day of the current month by the Department; and

(3) From the sum of the results arrived at under subparagraphs (1) and (2) of this paragraph subtract 48 cents, and round to the nearest cent.

1. In Part 1005 Milk in the Tri-State Marketing Area; § 1005.16 is revised to read as follows:

§ 1005.16 Producer milk.

"Producer milk" means the skim milk and butterfat contained in Grade A milk:

(a) Received at a pool plant directly from a dairy farmer, a reload point or a handler pursuant to § 1005.13(d);

(b) Diverted from a pool plant to a nonpool plant other than an other order plant or a producer-handler plant: *Provided*, That:

(1) Such milk shall be deemed to have been received by the diverting handler at the location of the plant to which diverted;

(2) To the extent that it would result in nonpool plant status for the pool plant from which diverted, milk diverted for the account of a cooperative association from the pool plant of another handler shall not be producer milk;

(3) In any month of August through March, the quantity of milk of any producer diverted to nonpool plants that exceeds that delivered to pool plants shall not be producer milk; and

(4) The diverting handler shall designate the dairy farmers' deliveries that are not producer milk pursuant to this paragraph. If the handler fails to make such designation, no milk diverted by him to a nonpool plant shall be producer milk; or

(c) Diverted from a pool plant to an other order plant if a Class III classification (or its equivalent) is designated for such milk pursuant to the provisions of another order issued pursuant to the Act and such milk is not subject to the pricing and pooling provisions of such order. The provisos in paragraph (b) of this section shall apply to this paragraph as if set forth fully herein.

2. In § 1005.51, paragraph (a) is revised to read as follows:

§ 1005.51 Class prices.

* * * * *

(c) *Class I price.* The Class I price shall be the basic formula price for the preceding month plus $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. At a plant outside the marketing area add the amount applicable pursuant to this paragraph at the location of the city hall of the following cities that is nearest such plant:

KENTUCKY

Ashland. Pikeville.
Paintsville.

OHIO

Coshocton. Marietta.
Gallipolis. Portsmouth.
Jackson.

WEST VIRGINIA

Bluefield. Huntington.
Charleston. Williamson.
Hinton.

* * * * *

3. In § 1005.53, paragraph (a) is revised to read as follows:

§ 1005.53 Location adjustments to handlers.

(a) Except as provided in paragraph (b) of this section, the Class I price for producer milk and other source milk (for which a location adjustment is applicable) at a plant outside the marketing area and more than 100 miles (by the shortest hard-surfaced highway distance as determined by the market administrator) from all the cities listed in § 1005.51 (a) shall be reduced 15 cents and an additional 1.5 cents for each 10 miles or fraction thereof in excess of 110 miles (by the shortest hard-surfaced highway distance as determined by the market administrator) that such plant is from the city hall of the nearest of the cities listed in § 1005.51(a).

* * * * *

Signed at Washington, D.C., on March 5, 1969.

JOHN C. BLUM,
Deputy Administrator,
Regulatory Programs.

[F.R. Doc. 69-2865; Filed, Mar. 7, 1969; 8:50 a.m.]

[7 CFR Part 1103]

[Docket No. AO346-A10]

MILK IN MISSISSIPPI MARKETING AREA

Notice of Hearing on Proposed Amendments to Tentative Marketing Agreement and 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), notice is hereby given of a public hearing to be held at the Holiday Inn Southwest, 2649 Highway 80 West, Jackson, Miss., beginning at 10 a.m., on March 25, 1969, with respect to proposed amendments to the tentative marketing agreement and to the order, regulating the handling of milk in the Mississippi marketing area.

The public hearing is for the purpose of receiving evidence with respect to the economic and emergency marketing conditions which relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreement and to the order.

The proposal relative to a redefinition of the marketing area raises the issue whether the provisions of the present order would tend to effectuate the declared policy of the Act, if they are applied to the marketing area as proposed to be redefined and, if not, what modifications of the provisions of the order would be appropriate.

The proposed amendments, set forth below, have not received the approval of the Secretary of Agriculture.

Proposed by Dairymen, Inc., Mississippi and Gulf Divisions:

Proposal No. 1. Amend § 1103.6 to include the Mississippi counties of George, Greene, Hancock, Harrison, Jackson, Pearl River, and Stone.

Proposal No. 2. Revise § 1103.53(a)(1) relating to location adjustments to read "For milk received at a pool plant located in the Mississippi marketing area except that part in George, Greene, Hancock, Harrison, Jackson, Pearl River, and Stone Counties..... 16.0".

Proposal No. 3. In § 1103.15(b), concerning diversion of producer milk, delete the proviso which reads as follows: "*Provided*, That this diversion privilege shall be applicable only to the milk of those dairy farmers whose milk was delivered for ten days of production during each of the two immediately preceding months to pool plants, or who held producer status throughout the entire two immediately preceding months, or a dairy farmer who does not meet these qualifications but has made a delivery of milk to a pool plant during the current December–August period on a farm pickup route on which all other dairy farmers on such route have diversion eligibility on the basis of the preceding provisions of this paragraph; except that only for the purpose of determining eligibility for diversion during any month of December through August a dairy farmer who was in noncompliance with the Grade A requirements of a duly constituted health authority during any part of the two immediately preceding months shall be considered to have maintained producer status during the period of such noncompliance."

Proposed by the Dairy Division, Consumer and Marketing Service:

Proposal No. 4. Make such changes as may be necessary to make the entire marketing agreement and the order conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the order may be procured from the Market Administrator, Cleo C. Taylor, 322 North Mart Plaza, Post Office Box 9747, Northside Station, Jackson, Miss. 39206, or from the Hearing Clerk, Room 112-A, Administration Building, U.S. Department of Agriculture, Washington, D.C. 20250, or may be there inspected.

Signed at Washington, D.C., on March 5, 1969.

JOHN C. BLUM,
Deputy Administrator,
Regulatory Programs.

[F.R. Doc. 69-2866; Filed, Mar. 7, 1969; 8:50 a.m.]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Parts 25, 27, 33]

[Docket No. 9464; Notice No. 69-7]

FIRE DETECTORS AND ENGINE POWER RESPONSE

Notice of Proposed Rule Making

The FAA is considering amending Parts 25, 27, and 33 of the Federal Aviation Regulations to expand the requirements for fire detector devices in transport category airplanes; to require a fire detector system in normal category turbine-powered rotorcraft; and to establish more specific requirements concerning engine response to throttle control movement under various load conditions.

Interested persons are invited to participate in the making of the proposed

rule by submitting such written data, views, or arguments as they may desire. Communications should identify the docket or notice number and be submitted in duplicate to the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue NW., Washington, D.C. 20590. All communications received on or before June 6, 1969, will be considered by the Administrator before taking action on the proposed rule. The proposal contained in this notice may be changed in light of comments received. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons.

In its evaluation of numerous false fire warnings that occurred with large jet transport airplanes for the years between 1963 and 1966, the FAA determined that the malfunctions occurring with fire detector systems were due primarily to mechanical difficulties following the performance of maintenance on the powerplant, and the unique vibrations associated with engines mounted in pods. The malfunctions consisted of short circuiting of the detector system and breaks in the system causing a partially or completely fouled system or system deterioration leading to a false fire warning or an inoperative system. In order to prevent these difficulties, it is necessary to protect the detector element from damage that might occur as a result of routine maintenance on the powerplant and to provide a means for supporting the element. Moreover, operational safety dictates that the system be installed to prevent a single break in the element from diluting the function of the system; and that there be a means provided to alert the pilot in the event there is a short circuit in the system.

In the past, various types of shields have been used by aircraft manufacturers to protect the sensitive part of the fire detector. However, service experience has shown that while protection was provided, either the shielding used or the installation with the shielding increased the response time beyond that approved for the fire detectors. The FAA therefore proposes to require that in providing the necessary protection for the sensitive element of the fire detector, the alarm activation time cannot be increased beyond that approved for the detector using the response time criteria specified in the appropriate Technical Standard Order for the detector. Such a requirement is within the current state of the art for fire detector systems. Test for the response time of fire detectors having the protection required by the regulation must be made using a system in the configuration in which it is to be installed in the airplane.

The current regulations do not require fire detectors for either reciprocating engine powered or turbine engine powered rotorcraft in the normal category. Turbine engines have extensive surface areas which remain at a high enough temperature to ignite fuel under certain conditions. The amount of fuel carried in a turbine engine powered helicopter is greater than that carried for piston engine helicopters of comparable size, and the fuel is carried through numerous lines around the engine. These characteristics of turbine engines increase the likelihood of fire in flight with helicopters using such engines. All turbine engine powered rotocraft certificated in the transport category are required to have quick acting fire detectors. It is proposed to establish the same requirement for turbine rotorcraft in the normal category.

Part 33 of the FARs does not contain minimum design standards for, or sufficient information about, the power or thrust response characteristics of turbine engines under varying conditions simulating service loads which may be anticipated when the engine is used in an aircraft. The proposed amendment to § 33.73 would impose additional design and construction requirements for turbine engines covering conditions likely to be encountered inflight. The amendment to § 33.89 would add additional requirements to the operational tests for turbine aircraft engines. The new required tests include the "jam acceleration" case considered to be necessary to insure engine power or thrust response after rapid power control lever movement.

In consideration of the foregoing, it is proposed to amend Parts 25, 27, and 33 of the Federal Aviation Regulations as follows:

1. By amending § 25.1203 by amending paragraph (b) and by adding a new paragraph (g) to read as follows:

§ 25.1203 Fire-detector system.

* * * * *

(b) The fire detector system must be designed and installed so that—

(1) It will remain in an operable condition in the event it is severed at one point; and

(2) There is a means provided to alert the pilot in the event a short circuit occurs in the detector system.

* * * * *

(g) Each fire detector must be constructed or protected so that when it is in the configuration for installation it will withstand the vibration, inertia, and other loads to which it may be subjected to in operation and withstand mechanical damage that might occur as a result of routine maintenance performed on the powerplant, without increasing the alarm activation time beyond that approved for the detector using the response time criteria specified in the appropriate Technical Standard Order for the detector.

2. By amending Part 27 by adding a new § 27.1195 titled "Fire Detector Systems" following § 27.1193 to read as follows:

§ 27.1195 Fire detector systems.

Each turbine engine powered rotorcraft must have approved quick acting fire detectors in numbers and locations insuring prompt detection of fire in the engine compartment which cannot be readily observed in flight by the pilot in the cockpit.

3. By amending Part 33 as follows:

(a) By amending § 33.73 to read as follows:

§ 33.73 Power or thrust response.

The design and construction of the engine must enable an increase—

(a) From minimum to maximum rated power or thrust with the maximum bleed air and power extraction to be permitted in an aircraft, without overtemperature, surge, stall, or other detrimental factors occurring to the engine whenever the power control lever is moved from the minimum to the maximum position in not more than 1 second, except that the Administrator may allow additional time increments for different regimes of control operation requiring control scheduling; and

(b) From the fixed minimum flight idle power lever position when provided, or if not provided, from not more than 15 percent of the maximum rated takeoff power or thrust available to 95 percent maximum rated takeoff power or thrust in not over 5 seconds. The 5 second power or thrust response must occur from a stabilized static condition using only the bleed air and accessories loads necessary to run the engine.

(b) By amending § 33.89 to read as follows:

§ 33.89 Operation test.

The operation test must include testing found necessary by the Administrator to demonstrate—

(a) Starting, idling, acceleration, overspeeding, ignition, functioning of the propeller (if the engine is designated to operate with a propeller);

(b) compliance with the engine response requirements of § 33.73; and

(c) the minimum power or thrust response time to 95 percent rated takeoff power or thrust, from power lever positions representative of minimum idle and of minimum flight idle, starting from stabilized idle operation, under the following engine load conditions:

(1) No bleed air and power extraction for aircraft use.

(2) Maximum allowable bleed air and power extraction for aircraft use.

(3) An intermediate value for bleed air and power extraction representative of that which might be used as a maximum for aircraft during approach to a landing.

This amendment is proposed under the authority of section 313(a), 601, and 603 of the Federal Aviation Act of 1958 (49 U.S.C. 1354, 1421, and 1423) and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Washington, D.C., on March 4, 1969.

JAMES F. RUDOLPH,
Director,
Flight Standards Service.

[F.R. Doc. 69-2834; Filed, Mar. 7, 1969; 8:48 a.m.]

[14 CFR Parts 71, 73]

[Airspace Docket No. 68-SW-92]

RESTRICTED AREA AND CONTROLLED AIRSPACE

Proposed Designation and Alteration

The Federal Aviation Administration is considering amendments to Parts 71 and 73 of the Federal Aviation Regulations that would designate a joint-use restricted area near White Sands Proving Grounds, N. Mex., and alter the description of the continental control area to reflect the establishment of the restricted area.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Southwest Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, Post Office Box 1689, Fort Worth, Tex. 76101. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendments. The proposal contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C. 20590. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

The Department of the Air Force (AF) has requested the designation of additional restricted airspace in the White Sands Proving Grounds complex in New Mexico. This new restricted area would be used in conjunction with Restricted Areas R-5107B, R-5107C, and R-511A to contain the flight of the Aerobee 350 rocket. The Aerobee 350 rocket is an advanced phase of the National Aeronautic and Space Administration's sounding rocket program, the objective of which is the scientific investigation of the upper atmosphere by means of rocket-borne instrumentation.

The Aerobee 350 rocket is a fin stabilized, unguided sounding rocket, designed to lift a variety of scientific payloads weighing from 150 to 500 pounds to altitudes of 222 to 313 statute miles. The launches would be made from a site within R-5107B and the new proposed restricted area, with portions of R-5111A and R-5107C would contain flight to impact of the booster, payload, and sustainer.

The launch rate of the Aerobee 350 rocket would be projected at two per quarter, with a maximum flight time of 700 seconds per launch. Therefore, the proposed area would be withdrawn from public use not more than 30 minutes for each launch.

The AF has stated that action as necessary, including radar surveillance, land use agreements, and land evacuation would be taken to assure the protection of persons and property during the launches. Additionally, the Missile Flight Surveillance Office at White Sands Missile Range would have the capability of terminating flight of the Aerobee 350 rocket anytime up through sustainer burnout. This capability, in conjunction with instantaneous impact predictors, would prevent impacts outside the appropriate areas.

In consideration of the foregoing, the Federal Aviation Administration proposes the airspace actions as hereinafter set forth.

1. R-5107E White Sands Proving Grounds, N. Mex., would be designated as follows:

Boundaries. From the point where an arc of 19-nautical-mile radius centered at lat. 33°45'00" N., long. 106°26'30" W., intersects the western boundary of R-5107C, to lat. 33°54'00" N., long. 106°46'30" W.; to lat. 33°32'45" N., long. 106°58'45" W.; to lat. 33°26'50" N., long. 107°00'00" W., to lat. 33°35'00" N., long. 106°48'00" W.; to the point of beginning.

Designated altitudes. Surface to unlimited.

Time of use. As published in NOTAMs at least 12 hours in advance.

Controlling agency. FAA, Albuquerque ARTC Center.

Using agency. Commander, Air Force Missile Development Center, Holloman AFB, N. Mex.

2. The description of the continental control area would be altered to include R-5107E.

These amendments are proposed under the authority of sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348) and of sec. 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Washington, D.C., on February 28, 1969.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[F.R. Doc. 69-2833; Filed, Mar. 7, 1969; 8:48 a.m.]

FEDERAL HOME LOAN BANK BOARD

[12 CFR Parts 523, 531]

[No. 22,594]

FEDERAL HOME LOAN BANK SYSTEM

Liquidity

FEBRUARY 18, 1969.

Resolved that the Federal Home Loan Bank Board considers it advisable to amend Parts 523 and 531 of the regulations for the Federal Home Loan Bank System (12 CFR Parts 523, 531) for the purpose of implementing section 4 of Public Law 90-505, approved September 21, 1968, which amended section 5A of the Federal Home Loan Bank Act (Sec. 5A, 64 Stat. 256, as amended; 12 U.S.C. 1425a), to prescribe regulations regarding liquidity requirements for members of the Federal Home Loan Bank System. Accordingly, it is proposed to amend said Parts 523 and 531 as follows:

1. Amend the heading after § 523.9 to read as follows: Holdings of Liquid Assets by Members.

2. Revoke the present provisions of §§ 523.12 and 531.6.

3. Add new §§ 523.10 through 523.14 to read as follows:

§ 523.10 Definitions.

For the purpose of this section, § 523.11 and § 523.12.

(a) *Liquid assets.* The term "liquid assets" means the total of cash on hand and the following unpledged assets:

(1) Deposits in a Federal Home Loan Bank (or in a State bank performing similar functions continuously since Oct. 15, 1932) and demand deposits in a bank whose deposits are insured by the Federal Deposit Insurance Corporation, provided that such bank is not under the control or in the possession of any supervisory authority;

(2) Obligations of:

(i) The United States, or

(ii) An agency or instrumentality of the United States if such obligations are by statute fully guaranteed as to principal and interest by the United States;

(3) Obligations, participations, or other instruments of, or issued by:

(i) A Federal Home Loan Bank or Banks,

(ii) The Federal National Mortgage Association,

(iii) The Government National Mortgage Association,

(iv) A Bank or Banks for Cooperatives, including the Central Bank for Cooperatives,

(v) A Federal Land Bank or Banks,

(vi) A Federal Intermediate Credit Bank or Banks,

(vii) The Tennessee Valley Authority, or

(viii) The Export-Import Bank of Washington;

(4) Time deposits in a bank whose deposits are insured by the Federal Deposit Insurance Corporation and which is not under the control or in the possession of any supervisory authority if:

(i) The total of all time deposits of the same member in the same bank does not exceed the greater of (a) one-fourth of 1 percent of the total deposits of such bank (calculated as of the date the deposit is made or acquired by the member on the basis of total deposits of such bank as shown by the last published statement of condition preceding the date such deposit is made or acquired by a member), or (b) $15,000;

(ii) No consideration is received by the member from a third party in connection with the making or acquiring of such deposit by the member; and

(iii) The maturity date of such deposit is not more than 1 year from the date as of which such deposit is included in the liquid assets, or, in the case of a time deposit which may not be withdrawn without notice, the notice period does not exceed 90 days;

(5) Bankers' acceptances of a bank whose deposits are insured by the Federal Deposit Insurance Corporation and

which is not under the control or in the possession of any supervisory authority if:

(i) The total of all such acceptances of the same bank held by the same member does not exceed one-fourth of 1 percent of the total deposits of such bank (calculated as of the date the acceptance is acquired by the member on the basis of total deposits of such bank as shown by its last published statement of condition preceding the date of such acquisition);

(ii) No consideration is received by the member from a third party in connection with the acquisition of the acceptance; and

(iii) The maturity date of the acceptance is not more than 6 months from the date on which such acceptance is included in liquid assets;

(6) General obligations of any State or political subdivision thereof if:

(i) The obligation, as of the time of inclusion in liquid assets, is rated in one of the four highest grades as shown by the most recently published rating made of such obligation by a nationally recognized investment rating service; and

(ii) The maturity date of the obligation is not more than 2 years from the date as of which such obligation is included in liquid assets;

(b) *Short-term liquid assets.* The term "short-term liquid assets" means the total of cash on hand and the following:

(1) Deposits specified in subparagraph (1) of paragraph (a) of this section;

(2) Assets specified in subparagraphs (2) and (3) of paragraph (a) of this section which mature in not more than 18 months from the date as of which such obligations are included in short-term liquid assets;

(3) Time deposits specified in subparagraph (4) of paragraph (a) of this section which;

(i) Are negotiable and mature in not more than 6 months from the date as of which such time deposits are included in short-term liquid assets; or

(ii) May not be withdrawn without notice and the notice period does not exceed 90 days; and

(4) Bankers' acceptances specified in subparagraph (5) of paragraph (a) of this section.

§ 523.11 Liquidity requirements.

Except as otherwise provided in § 523.13, the liquidity requirements for each member shall be the following:

(a) *Liquid assets of member other than an insurance company.* For each calendar month, each member, other than an insurance company, shall maintain an average daily balance of liquid assets equal to not less than 6½ percent of the average daily balance for the preceding calendar months of its withdrawable accounts and of its borrowings which are payable on demand or which are due for payment in one year or less.

(b) *Short-term liquid assets of member other than an insurance company.* For each calendar month, each member, other than an insurance company, shall maintain an average daily balance of short-term liquid assets equal to not less than 2½ percent of the average daily balance for the preceding calendar month of its withdrawable accounts and of its borrowings which are payable on demand or which are due for payment in 1 year or less.

(c) *Liquid assets of member insurance company.* For each calendar month, each member insurance company shall maintain an average daily balance of liquid assets equal to not less than 6½ percent of the average daily balance for the preceding calendar month of its policy reserve required by State law and of its borrowings which are payable on demand or which are due for payment in one year or less.

(d) *Calculation of average daily balances.* For the purpose of this section and § 523.12, the "average daily balance of withdrawable accounts and borrowings" and "average daily balance of policy reserve required by State law and borrowings" shall be calculated by:

(1) Adding the amounts of the member's withdrawable accounts, or in the case of a member insurance company its policy reserve required by State law, as of the close of each business day in a calendar month and, for any nonbusiness day, as of the close of the nearest preceding business day;

(2) Adding the amounts of the member's borrowings which are payable on demand or which are due for payment in 1 year or less as of the close of each business in the calendar month and, for any nonbusiness day, as of the close of the nearest preceding business day;

(3) Adding the amounts obtained pursuant to subparagraphs (1) and (2) of this paragraph; and

(4) Dividing the total amount obtained pursuant to subparagraph (3) of this section by the number of days in such month.

For the purpose of this section and § 523.12, the "average daily balance of liquid assets" and "average daily balance of short-term liquid assets", respectively, shall be calculated by adding the amount of the member's liquid assets, or short-term liquid assets, respectively, as of the close of each business day in a calendar month and, for any nonbusiness day, as of the close of the nearest preceding business day and by dividing the total amount obtained by the number of days in such month.

§ 523.12 Deficiencies and penalties.

(a) *Calculation of deficiency.* A member's liquid assets for any calendar month are deficient in the amount that the member's average daily balance of liquid assets for such calendar month are less than 6½ percent of the member's average daily balance of its withdrawable accounts or, in the case of a member insurance company its policy reserve required by State law, and borrowings for the preceding calendar month. In the case of a member other than an insurance company, a member's short-term liquid assets for any calendar month are deficient in the amount that the member's average daily balance of short-term liquid assets for such calendar month are less than 2½ percent of the member's average daily balance of its withdrawable accounts and borrowings for the preceding calendar month, except as otherwise provided in the next sentence of this paragraph. Until January 1, 1970, a member's short-term liquid assets shall be deemed to comply with the requirements of § 523.11 regarding short-term liquid assets if such member maintains for a particular calendar month an average daily balance of short-term liquid assets in an amount not less than the amount of such assets held by such member as of the close of business on March 3, 1969.

(b) *Calculation of penalty.* The penalty for any deficiency calculated pursuant to paragraph (a) of this section shall be calculated monthly by multiplying the amount of such deficiency by 1/12 of the sum of 2 percent and the annual interest rate for advances of 1 year or less charged by the member's bank on the last day of the month in which such deficiency occurred. If there is a deficiency in the same calendar month in both the average daily balance of liquid assets and short-term liquid assets, the penalty shall be calculated only on the larger deficiency. No penalty shall be calculated on any deficiency of $5,000 or less unless the Board shall otherwise direct in a specific case.

(c) *Assessment of penalty; compromise, remission, or mitigation.* The Board hereby assesses a penalty against each member in the amount of the penalty calculated pursuant to paragraph (b) of this section and, except as hereinafter provided with respect to compromise, remission, or mitigation, directs each Bank to make a written charge against its members for all penalties herein assessed. Each member shall make prompt payment of such charges to the Bank. For good cause shown, the Board may upon application by a member submitted through the Bank of which it is a member, compromise, remit, or mitigate in whole or in part any penalty herein assessed before collection thereof.

§ 523.13 Reduction and suspension of liquidity requirements.

Whenever the Board deems it advisable in order to enable a member to meet withdrawals or to pay obligations, the Board may, to such extent and subject to such conditions as it may prescribe, permit the member to reduce its liquidity below the minimum amount prescribed in § 523.11. Whenever the Board determines that conditions of national emergency or unusual economic stress exists, the Board may suspend any part or all of the liquidity requirements prescribed in § 523.11 for such period as the Board may prescribe. Any such suspension, unless sooner terminated by its terms or by the Board, shall terminate at the expiration of 90 days next after its commencement, but nothing in this sentence prevents the Board from again suspending any part or all of such liquidity requirements before, at, or after any such termination.

§ 523.14 Reports and records; examinations and investigations.

(a) *Reports and records.* Each member shall submit to the Bank of which it is a member a monthly report of its operations under § 523.11 not later than the 5th day of the month following the month for which the report is made. Such reports shall be filed on forms supplied by such Bank. Each member shall maintain such records as may be required to verify such monthly reports.

(b) *Examinations and investigations.* The Board will make such examinations and conduct such investigations of each member, for the purpose of determining compliance with §§ 523.10, 523.11, and 523.12 of this part in accordance with general policies from time to time established by the Board or as deemed necessary or advisable by the Board.

(Sec. 4, Public Law 90-505, 82 Stat. 856, 857, 858; 12 U.S.C. 1425a)

Resolved further that interested persons are invited to submit written data, views, and arguments to the Office of the Secretary, Federal Home Loan Bank Board, 101 Indiana Avenue NW., Washington, D.C. 20552, by May 1, 1969, as to whether this proposal should be adopted, rejected, or modified. Written material submitted will be available for public inspection at the above address unless confidential treatment is requested or the material would not be made available to the public or otherwise disclosed under § 505.6 of the general regulations of the Federal Home Loan Bank Board (12 CFR 505.6).

By the Federal Home Loan Bank Board.

[SEAL] JACK CARTER, *Secretary.*

[F.R. Doc. 69-2843; Filed, Mar. 7, 1969; 8:48 a.m.]

[No. 22,595]

[12 CFR Parts 545, 556]

FEDERAL SAVINGS AND LOAN SYSTEM

Liquidity and Investments in Securities

FEBRUARY 18, 1969.

Resolved that the Federal Home Loan Bank Board considers it advisable to amend Parts 545 and 556 of the rules and regulations for the Federal Savings and Loan System (12 CFR Parts 545, 556) for the purpose of implementing (1) section 4 of Public Law 90-505, approved September 21, 1968, which amended section 5A of the Federal Home Loan Bank Act (sec. 5A, 64 Stat. 256, as amended; 12 U.S.C. 1425a) relating to liquidity and (2) section 5 of said Public Law 90-505, which amended section 5 of the Home Owners' Loan Act of 1933 (sec. 5, 48 Stat. 132, as amended; 12 U.S.C. 1464) relating to investments. Accordingly, it is proposed to amend said Parts 545 and 556 as follows:

1. Revise § 545.6-21 to read as follows:

§ 545.6-21 Loans on securities.

A Federal association which has a Charter in the form of Charter K (rev.) or Charter N may invest in loans secured by the type of obligations, participations, or other instruments which would be liquid assets of the association pursuant to the provisions of subparagraphs (2) and (3) of paragraph (a) of § 523.10 of this chapter, if owned by the association, and may invest in loans secured by obligations, participations, or other instruments fully guaranteed as to principal and interest by an agency or instrumentality of the United States named in subparagraph (3) of paragraph (a) of § 523.10 of this chapter, subject to the following conditions:

(a) The borrower is a financial institution the accounts of which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or is a broker or dealer registered with the Securities and Exchange Commission;

(b) The market value of the securities for each such loan is at least equal to the amount of such loan at the time it is made; and

(c) The loan takes the form of a purchase of securities by the Federal association with an agreement by the association to release the securities, and by the borrower to reacquire the securities at a specified price.

§ 545.8-2 [Revoked]

2. Revoke the present provisions of § 545.8-2.

3. Revise § 545.9 to read as follows:

§ 545.9 Investments in securities.

Any Federal association may, to the extent that is has legal authority to do so and in accordance with the provisions of this section, invest in the following securities: (a) Any investment which, at the time of the making of the investment, becomes a liquid asset within the meaning of the term "liquid assets" as defined in paragraph (a) of § 523.10 of Part 523 of Subchapter B of this Chapter V, (b) any obligation, participation, or other instrument fully guaranteed as to principal and interest by an agency or instrumentality of the United States named in subparagraph (c) of paragraph (a) of § 523.10 of this chapter, (3) any general obligation of any State or of any political subdivision thereof if such obligation, at the time of making the investment, is in the four highest grades as shown by the most recently published ratings made of such obligations by a nationally recognized investment service, (d) any general obligation of any political subdivision, other than a State, in which political subdivision the association's home office or branch office is located; but such investments in such obligations which are not in the four highest grades as shown by the most recently published ratings made by a nationally recognized investment rating service shall be limited to an aggregate amount of not more than 1 percent of the association's assets at the time of the making of the investment, (e) the stock of a Federal Home Loan Bank, or (f) the stock of the Federal National Mortgage Association. For the purposes of this section, the term "State" shall include the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

§ 545.9-3 [Deleted]

4. Delete the present provisions of § 545.9-3.

§ 556.1 [Deleted]

5. Delete the present provisions of § 556.1.

(Sec. 5, 48 Stat. 132, as amended; 12 U.S.C. 1464. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1947 Supp.)

Resolved further that interested persons are invited to submit written data, views, and arguments to the Office of the Secretary, Federal Home Loan Bank Board, 101 Indiana Avenue NW., Washington, D.C. 20552, by May 1, 1969, as to whether this proposal should be adopted, rejected, or modified. Written material submitted will be available for public inspection at the above address unless confidential treatment is requested or the material would not be made available to the public or otherwise disclosed under § 505.6 of the general regulations of the Federal Home Loan Bank Board (12 CFR 505.6).

By the Federal Home Loan Bank Board.

[SEAL] JACK CARTER, *Secretary.*

[F.R. Doc. 69-2844; Filed, Mar. 7, 1969; 8:48 a.m.]

[12 CFR Parts 561, 571]

[No. 22,596]

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Definition of Terms "Specified Assets," "Cash," and "Government Obligations"

FEBRUARY 18, 1969.

Resolved that the Federal Home Loan Bank Board hereby proposes that Parts 561 and 571 of the rules and regulations for Insurance of Accounts (12 CFR Parts 561, 571) be amended for the purposes of (1) redefining the terms "specified assets" and (2) deleting the definition of the terms "cash" and "Government obligations". Accordingly, it is proposed to amend said Parts 561 and 571 as follows:

1. Amend paragraph (a) of § 561.17 to read as follows:

§ 561.17 Specified assets.

(a) The term "specified assets" means the total assets of an insured institution less the institution's liquid assets and accrued interest thereon within the meaning of the term "liquid assets" as defined in paragraph (a) of § 523.10 of Part 523 of Subchapter B of this Chapter V, Fed-

eral Home Loan Bank stock, obligations, participations or other instruments fully guaranteed as to principal and interest by an agency or instrumentality of the United States named in subparagraph (3) of paragraph (a) of § 523.10 of Part 523 of Subchapter B of this Chapter V, prepaid Federal Savings and Loan Insurance Corporation premiums, loans secured by the type of obligations, participations or other instruments which qualify as liquid assets of the institution pursuant to the provisions of subparagraphs (2) and (3) of paragraph (a) of § 523.10 of this chapter, loans in process, loans on the security of the institution's share accounts, investments (other than in capital stock) in other institutions insured by the Federal Savings and Loan Insurance Corporation and in institutions insured by the Federal Deposit Insurance Corporation and less 80 percent of the institution's actual investments in insured and guaranteed loans and guaranteed obligations.

§ 561.18 [Deleted]

2. Delete the present provisions of § 561.18.

§ 561.19 [Deleted]

3. Delete the present provisions of § 561.19.

§ 571.2 [Deleted]

4. Delete the present provisions of § 571.2.

(Secs. 402, 403, 48 Stat. 1256, 1257, as amended; 12 U.S.C. 1725, 1726. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR 1943–48 Comp., p. 1071)

Resolved further that interested persons are invited to submit written data, views, and arguments to the Office of the Secretary, Federal Home Loan Bank Board, 101 Indiana Avenue NW., Washington, D.C. 20552, by May 1, 1969, as to whether this proposal should be adopted, rejected or modified. Written material submitted will be available for public inspection at the above address unless confidential treatment is requested or the material would not be made available to the public or otherwise disclosed under § 505.6 of the general regulations of the Federal Home Loan Bank Board (12 CFR 505.6).

By the Federal Home Loan Bank Board.

[SEAL] JACK CARTER, *Secretary.*

[F.R. Doc. 69–2845; Filed, Mar. 7, 1969; 8:48 a.m.]

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

[33 CFR Part 401]

SEAWAY REGULATIONS AND RULES

Notice of Proposed Rule Making

Notice is hereby given that the St. Lawrence Seaway Development Corporation, acting jointly with The St. Lawrence Seaway Authority of Canada pursuant to provisions of its enabling act (33 U.S.C. 981 et seq.), proposes to adopt miscellaneous amendments with respect to Subpart A—Regulations and Subpart B—Rules of 33 CFR Part 401.

Interested parties may submit written data, views, or arguments in regard to the amendments proposed herein to the St. Lawrence Seaway Development Corporation, Seaway Circle, Massena, N.Y. (Attention: Counsel). All relevant matter received not later than 30 days after publication of this notice will be considered. Formal adoption of these amendments by the Corporation is contemplated during the 1969 navigation season of the St. Lawrence Seaway.

The proposed amendments in Subpart A—Regulations and Subpart B—Rules of 33 CFR Part 401, as revised by 28 F.R. 3754–62 and further amended by 29 F.R. 5034–35, 30 F.R. 6580–81, 31 F.R. 8062–64, 32 F.R. 6394–96, and 33 F.R. 7083–84 are set forth below.

I. It is proposed that the Regulations of Subpart A, concerning Definitions in § 401.2 be amended to clarify the area of jurisdiction by reflecting the extension of traffic control in the connecting channels; as follows:

§ 401.2 **Definitions.**

* * * * *

(g) "Seaway" means that portion of the deep waterway between the Port of Montreal and Lake Erie that is under the jurisdiction of the Authority and includes all canals, works and connecting channels that are part of the deep waterway and all other canals and works, wherever located, the management, administration and control of which have been entrusted to the Authority.

* * * * *

II. It is proposed that the rules of subpart B be amended to effect the deletion of references to the Lachine, Cornwall, and Third Welland Canals as follows: §§ 401.101–5 (Security for tolls) by deletion of the words "Lachine, Cornwall, Welland and"; 401.102–4 (Masts) by deletion of the phrase "and no vessel shall transit the Lachine Canal if a mast on the vessel extends more than 59 feet above water level"; 401.104–1 (Navigation season) by deletion of reference to the opening and closing of the Lachine Canal; 401.104–5 (Maximum draft for Lachine, etc.) by deletion of the words "Lachine, Cornwall and" and the words "Lachine, Cornwall or" from the heading and in the body of the section; 401.104–8 (Furnishing information re. masts) by deletion of the phrase "and vessels, whose masts extend more than 54 feet, shall not transit the Lachine Canal until the same condition has been fulfilled", 401.104–18 (Stopping over mitre sills) by deletion of the words "Lachine, Cornwall or"; by deletion of §§ 401.104–20 (Entering Iroquois Lock or Lock 8) and 401.104–21 (Entering Locks of Lachine, Cornwall, Sault Ste. Marie Canals); 401.104–30 (Turning basins) by deletion of the words "the Lachine Canal", "Cornwall Canal", and "Third Welland Canal"; 401.104–37 (Combined beams) by deletion of the words "40 feet in the case of transit of the Lachine or Cornwall Canals" and 401.107–6 (Pleasure craft) by deletion of the words "Lachine, Cornwall, Third Welland, and". The closure of the Lachine, Cornwall, and Third Welland Canals at the end of the 1968 navigation season will make reference to these second line canals superfluous.

III. It is proposed that the rules of Subpart B be further amended in §§ 401.102–10 (Radiotelephone equipment) and 401.103–2 (Radiotelephone frequencies) by replacement of the abbreviations "Mcs and Kcs" by the abbreviations "Mhz and Khz" as required; §§ 401.103–1 (Listening watch), 401.103–3 (Location of stations) and 401.103–7 (Calling-in points) by replacement of the words "Dispatch Area" by the words "Traffic Control Sector", as required; § 401.104–11 (Passing Restrictions), 401.104–13 (Order of passing through), 401.104–31 (Dropping anchor or tying to canal bank), 401.104–33 (Reporting position at anchor, wharf, etc., and resuming transit), 401.104–41 (Towing more than one vessel) and 401.104–43 (Loss of anchor) by replacement of the word "Dispatcher" with the words "Vessel Traffic Controller"; § 401.104–29 (Leaving a lock) by replacement of the word "fenders" with the words "ship arresters"; and § 401.104–30 (Turning basins) by replacement of the words "Bridge 9" by the words "Guard Gate"; to reflect changes in the designation of certain positions, modifications in the Traffic Control System and, in one case, the removal of a Seaway structure.

IV. It is further proposed that the Rules of Subpart B concerning Condition of Vessels, §§ 401.102–1 to 401.102–25 be amended by amplifying § 401.102–11 (on mooring lines) to obtain a higher degree of standardization and to preclude the use of inadequate mooring lines; § 401.102–12 (on fairleads) by adding direction to eliminate the mounting of fairleads flush with the hull, which may result in mooring lines being pinched between the vessel and a wall; § 401.102–18 (on propeller direction alarms and r.p.m. indicators) by deleting the phrase "effective January 1, 1969" since it will no longer be meaningful; §§ 401.102–19 (sewage disposal systems) and 401.102–20 (oily-water separators) by prescribing required rather than recommended equipment, consistent with antipollution regulations; and § 401.102–21 (rudder angle indicators) by deleting the phrase "effective January 1, 1968" since it is no longer meaningful, as follows:

§ 401.102–11 **Mooring lines.**

(a) Mooring lines must be uniform throughout their length, fitted with an eye not less than 8 feet long and must have sufficient strength to check the vessel. They must be arranged so that they may be led to either side of the vessel as required.

(b) Synthetic lines may be used for mooring at approach walls, tie-up walls and docks within the Seaway provided they have an appropriate breaking strength. Wire rope mooring lines must

be used for securing in lock chambers unless otherwise permitted.

(c) The following table sets out minimum specifications for mooring lines:

Ship's overall length	Length of mooring line	Breaking strength
125 feet to 200 feet	360 feet	15 tons.
200 feet to 300 feet	360 feet	21 tons.
300 feet to 500 feet	360 feet	28 tons.
500 feet to 730 feet	360 feet	35 tons.

§ 401.102–12 Fairleads.

* * * * *

When mounted flush with the hull, fairleads should be fendered to prevent the lines from being pinched between the vessel and a wall.

§ 401.102–18 Propeller direction alarms and r.p.m. indicators.

Vessels in excess of 260 feet in overall length shall be equipped with propeller direction and shaft r.p.m. indicators or visible and audible wrong-way propeller direction alarms located in the wheelhouse and the engineroom.

§ 401.102–19 Sewage disposal systems.

It is strongly recommended, and will become a mandatory requirement effective January 1, 1970, that vessels not otherwise equipped with containers for ordures shall be equipped with an approved sewage disposal system.

§ 401.102–20 Oily-water separators.

Vessels which cannot contain waste oil products or bilge water containing waste oil products, shall be equipped with oily-water separators or other such equipment for the extraction of oil products from waste water before discharge.

§ 401.102–21 Rudder angle indicators.

Vessels in excess of 260 feet in overall length shall be equipped with rudder angle indicators located in the wheelhouse.

V. It is further proposed that the rules of Subpart B respecting Radio Communications, §§ 401.103–1 to 401.103–8 be amended by revising § 401.103–2 (on radio telephone frequencies) by deleting the reference to Channel 52 which will only be used for emergency work upon directions from the Seaway stations; § 401.103–3 (on location of stations) by adding a new Seaway station between VDX21 and VDX22 to accommodate the establishment of new Traffic Control Sectors between Iroquois Lock and the Welland; § 401.103–4 (calling-in) to eliminate confusion caused by the use of abbreviated reports by standardizing reporting procedures at each Calling-in Point; by deleting § 401.103–5 (calling-in on entering Montreal) since the information is obtained by the Seaway Controller from the Montreal Harbor Dispatch Station; § 401.103–7 (Calling-in Points) by inserting two new calling-in points to further accommodate the establishment of New Traffic Control Sectors between Iroquois Lock and the Welland; and § 401.103–8 (communication at Canadian Sault Ste. Marie Canal) to accommodate the extension of radio communication control at the Canadian Sault which previously was arranged with the Lockmaster at the U.S. St. Mary's Falls Canal; as follows:

§ 401.103–2 Radiotelephone frequencies.

The Seaway stations operate on the following assigned VHF frequencies:

156.8 Mhz (Channel 16) Safety and calling.
156.7 Mhz (Channel 14) Working (Canadian stations).
156.6 Mhz (Channel 12) Working (Eisenhower station).

The Seaway stations maintain a listening watch, for emergency only, on 2182 Khz (Channel 51).

§ 401.103–3 Location of stations.

The Seaway stations are for vessel traffic control purposes only, and are located as follows:

Call letters	Call sign	Location
* * *	* * *	* * *
VDX 21	Seaway Iroquois	Iroquois Lock (Traffic Control Sector No. 3).
WAG (WAG Clayton).	Clayton, N.Y.	Traffic Control Sector No. 4.
VDX 22	Seaway Welland	Welland Canal Headquarters (Traffic Control Sector No. 6).

§ 401.103–4 Calling-in.

Vessels intending to, or in transit, must report on the assigned frequency to the designated station when opposite Calling-in-Points, giving the following information:

Name of vessel.
Position.
Destination.
Sailing Draft Fore and Aft.
Cargo.

At calling-in points 14A and 14B, vessels must also report their estimated time of arrival at the next calling-in point.

§ 401.103–5 [Deleted]

§ 401.103–7 Calling-in points.

	Traffic control sector	Station call sign
UPBOUND VESSELS		
* * *	* * *	* * *
No. 12—Robertson's Point—Buoy No. 98—Lake St. Lawrence (order of passing through established here).	No. 3	VDX21.
No. 14A—Whaleback Shoal—Buoy 153—St. Lawrence River	No. 4	WAG.
No. 14B—Tibbetts Point—Lake Ontario	No. 4	WAG.
No. 15—Reporting Buoy, 22½ miles off entrance piers—Port Weller, Lake Ontario (order of passing through established here).	No. 6	VDX22.
DOWNBOUND VESSELS		
No. 16—Three Mile Fairway Buoy—off Port Colborne Harbor—Lake Erie (order of passing through established here).	No. 6	VDX22.
No. 14B—Tibbetts Point—Lake Ontario	No. 4	WAG.
No. 14A—Whaleback Shoal—Buoy 153—St. Lawrence River	No. 3	VDX21.
No. 14—Maitland—Fairway Buoy—St. Lawrence River	No. 3	VDX21.
* * *	* * *	* * *

§ 401.103–8 Communication at Canadian Sault Ste. Marie Canal.

Vessels intending to enter the Canadian Sault Ste. Marie Canal will call VDX23, which operates on the same frequencies as the Canadian Seaway Stations. The Calling-In Points are at Six Mile Point for upbound vessels and at Brush Point for downbound vessels.

VI. It is further proposed that the rules of Subpart B respecting Transit Instructions, §§ 401.104–1 through 401.104–48, be amended by revising § 401.104–9 (Speed) to clarify the regulatory power which may be exercised over open channels through a Seaway Notice; § 401.104–15 (limit of approach to a lock) by deleting the words "at the Lock" to provide appropriate coverage for display of signal lights located elsewhere than at the Lock; § 401.104–34 (signaling approach to bridge) and § 401.104–35 (limit of approach to a bridge) to further clarify regulatory power regarding Seaway Notices; § 401.104–37 (combined beam) by changing the 72 feet limitation to 75 feet 6 inches since the restriction of the total beam of a vessel and tug to less than that of a single vessel is unnecessary; § 401.104–39 (two tugs) by deleting the restriction on pusher barges, enabling operational discretion to be exercised on the merits of special instructions issued on all tows; and the addition of § 401.104–49 (Deck Cargo) to insure the safety of Seaway installations and vessels, as follows:

§ 401.104–9 Speed.

Maximum speed for vessels in designated areas of the Seaway may be prescribed in a Seaway Notice. Subject to such other * * *.

§ 401.104–15 Limit of approach to a lock.

The stem of a vessel approaching a lock or guard gate shall not pass the indicated sign signifying the limit of approach until the signal light shows green.

§ 401.104–34 Signaling approach to bridge.

Unless the vessel's approach has been recognized by a flashing red signal light, three distinct blasts shall be sounded * * *.

§ 401.104–35 Limit of approach to a bridge.

A vessel shall not pass the "Limit of Approach" sign at any movable bridge until such bridge is in fully open position and the light shows green, and it shall not pass the sign at the twin railway bridges on the South Shore Canal at Caughnawaga, on the Welland Canal, or at Bridges 20 and 21 on the Welland Canal, until both bridges are in a fully open position and both lights show green.

§ 401.104–37 Combined beam.

A tug shall not be fastened alongside a vessel so that the total beam exceeds 55 feet in the case of the Sault Ste. Marie (Canada) Canal or 75 feet, 6 inches in the case of any other canal.

§ 401.104–39 Two tugs.

Where two tugs are required by special instructions for towing a particular vessel, one shall be on a line ahead of the towed vessel and the other on a line astern. (Two adequate tugs shall be required for a tow in excess of 200 feet, except that specially constructed low barges designed to be pushed by a tug at the center of the stern, may be permitted to transit with only one tug.)

§ 401.104–49 Deck cargo.

Cargo or containers carried on deck, either forward or aft, shall be stowed in a manner which permits an unrestricted view from the bridge for the purpose of navigation.

VII. It is lastly proposed that the rules of Subpart B concerning Pleasure Craft, §§ 401.107–1 to 401.107–8 be amended by revising § 401.107–7 (payment of tolls) and deleting § 401.107–8 (preclearance and excess toll accounts for larger crafts) to discontinue the prescription against cash payments and incorporate the assessment of pleasure craft in excess of 350 tons in accordance with the special Welland charges, as follows:

§ 401.107–7 Payment of tolls.

Payment of tolls shall be made by the person in charge of a pleasure craft while the craft is within the lock chamber. All pleasure craft in excess of 350 tons are subject to the regular tolls applicable to cargo and passenger vessels.

§ 401.107–8 [Deleted]

(68 Stat. 93–97, 33 U.S.C. 981–990, as amended)

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION,
[SEAL] JOSEPH H. MCCANN,
Administrator.

[F.R. Doc. 69–2835; Filed, Mar. 7, 1969; 8:48 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Parts 230, 270]

[Releases Nos. IC–5628 and 33–4954]

CERTAIN SEPARATE ACCOUNTS OF INSURANCE COMPANIES IN WHICH EMPLOYER OR EMPLOYEE CONTRIBUTIONS UNDER QUALIFIED PENSION AND PROFIT-SHARING PLANS ARE HELD AND INVESTED AND TRANSACTIONS INVOLVING SUCH SEPARATE ACCOUNTS

Notice of Proposed Rule Making

Notice is hereby given that the Securities and Exchange Commission has under consideration the adoption of Rule 6e–1 (17 CFR 270.6e–1) under the Investment Company Act of 1940 ("Investment Company Act") which would exempt from the registration requirements of the Investment Company Act certain separate accounts established by life insurance companies upon the condition that such accounts comply with all but certain designated provisions of the Act and meet other requirements set forth in the proposed rule. The proposed rule would be adopted pursuant to the authority granted to the Commission in sections 6(c), 6(e), and 38(a) of the Investment Company Act.

Notice is also given that the Commission has under consideration an amendment to Rule 156 (17 CFR 230.156) under the Securities Act of 1933 ("Securities Act"), relating to the proposed Rule 6e–1. Rule 156 defines "transactions by an issuer not involving any public offering" in section 4(2) of the Securities Act to include certain transactions involving separate accounts which are now exempt from Rule 3c–3 (17 CFR 270.3c–3) under the Investment Company Act. The proposed amendment would extend that definition to certain transactions involving separate accounts which meet the conditions set forth in proposed Rule 6e–1 and would also provide that no "sale," "offer," "offer to sell," and "offer for sale" would be deemed to be involved, for purposes only of section 5 of the Securities Act, in certain defined circumstances. The amendment would be adopted pursuant to the authority granted to the Commission in section 19(a) of the Securities Act.

On January 7, 1963 the Commission adopted Rule 3c–3 (Investment Company Act Release No. 3605 (28 F.R. 402)) under the Investment Company Act exempting from the provisions of that Act certain transactions of insurance companies involving group annuity contracts which provide for the allocation of employer's contributions to separate accounts established and maintained pursuant to State legislation which permits the income, gains, and losses, whether or not realized, from assets allocated to such account to be credited to or charged against such account without regard to other income, gains or losses of the insurance company. Transactions so exempt from the Investment Company Act by Rule 3c–3 were also given the status of "transactions by an issuer not involving any public offering" in section 4(2) of the Securities Act, provided certain conditions were met, by the adoption by the Commission on August 1, 1963 of Rule 156 under the Securities Act (Securities Act Release No. 4627 (28 F.R. 8208)).

On July 2, 1964, the Commission amended Rule 3c–3 (Investment Company Act Release No. 4007 (29 F.R. 9434)) to extend the exemption provided by that rule to group annuity contracts which met all the conditions of the original Rule 3c–3 other than the requirement that benefits be payable only in fixed-dollar amounts. Thus, under the amended Rule 3c–3, certain transactions involving group contracts which provide for retirement benefits that vary to reflect the investment experience of a separate account are also entitled to exemption, provided those benefits derive solely from contributions of the employer. The amended rule continued the condition of the original rule that the contract must prohibit the allocation to the separate account of any payment or contribution made by an employee.

Since the adoption and amendment of Rules 3c–3 and 156 (30 F.R. 2022) the Commission has continued to consider the appropriateness of new rules which would permit certain exemptions from the Investment Company Act and the Securities Act for insurance company separate accounts to which employee contributions may be allocated, subject to appropriate restrictions for the protection of investors.

Rule 6e–1 (17 CFR 270.6e–1). Proposed Rule 6e–1 would apply to separate accounts which hold assets attributable only to pension and profit-sharing plans which meet the requirements for qualification under either section 401 or 404(a)(2) of the Internal Revenue Code. These are commonly referred to as "qualified plans." They include plans established for self-employed persons pursuant to the provisions of the Self-Employed Individuals Tax Retirement Act of 1962 ("Smathers-Keogh plans"), since those plans also meet the requirements of section 401 or 404(a)(2). Unlike Rule 3c–3, the proposed rule does not condition the exemption by requiring a prohibition against the allocation of employee contributions to the separate account. Thus, separate accounts which meet the more restrictive conditions for exemption under Rule 3c–3 will continue to enjoy the much more extensive exemption from the Investment Company Act provided by that rule while, on the other hand, a wider variety of pension and profit-sharing plans will be able to be funded through contracts participating in separate accounts which qualify for the narrower exemption under proposed Rule 6e–1.

Proposed Rule 6e–1 provides that certain separate accounts are exempt from section 7 (of the Act) which effectively prohibits an unregistered investment company from operating, and section 8 (of the Act), which provides for the method of registration and the content of the registration statement. In place of the notification of registration provided for by section 8(a) (of the Act), an insurance company may file a notification of claim of exemption under Rule 6e–1 on Form N–6E–1 to be promulgated. In place of the registration statement required by section 8(b), the insurance company will file a report on Form N–6E–2 to be promulgated.

The proposed Rule 6e–1 would also provide that such separate accounts must comply with every provision of the Investment Company Act as if they were registered open-end investment companies, except for a number of specified sections of the Investment Company Act. In addition to sections 7 and 8 (of the Act), exemption would be granted from section 18(i) (of the Act) so that persons who hold participating interests in the separate account will not be required to be given any voting rights. In consequence, and since such separate accounts will not have a separate board of directors, exemption would also be granted from the other provisions of the Act which, broadly speaking, provide the opportunity for shareholder participation in the management of registered investment companies. These provisions include sections 10 (other than subsection (f) thereof), 15, 16, 20 (a) and (b), and 32 (a) and (b) (of the Act). A conditional exemption would be granted from section 13(a) (of the Act) which requires majority shareholder approval of any change in the fundamental investment policy of a registered investment company. Instead the Commission must be notified in writing at least 60 days prior to any proposed change in the investment policy of a separate account. The change may then be made unless the Commission, within 30 days of the receipt of such notice, conditions or limits the exemption provided by the rule.

A partial exemption from section 9 (of the Act) is proposed which would make the restrictions of that section applicable only to officers and directors of the insurance company and to other employees who participate either in the administration of the separate account or in the sale of participating contracts.

A limited exemption from the provisions of section 14(a) (of the Act) is provided in order to afford separate accounts claiming exemptions from the provisions of the Investment Company Act under Rule 6e–1 with the same treatment which the Commission has proposed in Investment Company Act Release No. 5586 (Jan. 24, 1969 (34 F.R. 1910)) for registered separate accounts having assets derived solely from pension and profit-sharing plans meeting the requirements of section 401, 403(b), or 404(a) of the Internal Revenue Code. That is, exemption from the minimum capital requirements of section 14(a) (of the Act) would be afforded by Rule 6e–1 where the insurance company has a combined capital and surplus or an unassigned surplus of at least $1 million.

A narrow exemption from section 17 (d) (of the Act) is proposed. Most life insurance companies currently invest some portion of their general funds in common stocks and it is anticipated that many companies will establish more than one separate account that will qualify for exemption under Rule 3c–3 or the proposed Rule 6e–1. While the investment policies of these separate accounts may differ, there will be times when an insurance company will wish simultaneously to purchase the same security or sell the same security, on behalf of its general accounts and one or more of its separate accounts. Proposed Rule 6e–1 would grant exemption from section 17(d) (of the Act) to permit contemporaneous purchases or contemporaneous sales of the same class or series of securities of the same issuer on behalf of separate accounts and the general account of the insurance company. Except to the extent provided by this exemption, section 17(d) (of the Act) will be applicable to transactions of separate accounts claiming exemption under this rule exactly as if such accounts were registered investment companies.

The proposed rule would grant an exemption from section 17(f) (of the Act) to allow securities held in a separate account claiming exemption under the rule to be held in the custody of the insurance company. Exemption from section 19 (of the Act) is proposed since separate accounts do not pay dividends in the sense in which the term is used in this section.

Because of the manner in which insurance companies negotiate and sell contracts respecting interests in separate accounts for funding pension and profit-sharing plans, the Commission believes that it is not necessary to impose all the requirements of section 22 (of the Act) on such separate accounts. Thus exemptions from sections 22 (a), (b), (d), (e), and (f) are proposed. No exemption is proposed, however, from section 22(c), so that the Commission will retain jurisdiction to prescribe means of pricing of interests in such accounts and prevent the imposition of unconscionable or grossly excessive sales loads. Similarly, no exemption from section 22(g) is proposed, since the Commission believes there is no reason why separate accounts should not observe the prohibitions of this section.

Since most contracts that participate in a separate account meeting the conditions of Rule 6e–1 will be exempt from the registration requirements of the Securities Act, under the amendment to Rule 156 that is simultaneously being proposed, the provisions of section 24 of the Investment Company Act, other than subsection (b), would not be meaningful as applied to such accounts. However, exemption from the entire section is proposed, including section 24(b), since the proposed rule, in paragraph (b), would impose separate specific filing requirements with respect to literature prepared by the insurance companies that relate to the operations of such separate accounts. These requirements are discussed below. Similarly, exemption is proposed from sections 30 and 31(a) (of the Act), which require periodic reporting to the Commission and to stockholders and the keeping of prescribed records. In place of these requirements the proposed rule will require reports and records in a form which takes into account the nature of the contracts issued through such separate accounts and the manner in which such accounts are administered.

An exemption from section 27(c) (of the Act) is proposed in recognition of the fact that annuity contracts with life contingencies are necessarily nonredeemable during the pay-out period.

Paragraph (b) of proposed Rule 6e–1 sets forth the several report and recordkeeping requirements that have already been mentioned. Subparagraphs (1) and (2) require the filing of initial reports which correspond to the notification of registration and the registration statement filed by investment companies. Subparagraph (3) requires the filing of such annual and other reports and the maintenance of such records with respect to separate accounts as the Commission shall prescribe as appropriate.

Subparagraph (b)(4) requires the insurance company to furnish a written statement to every employer to which a contract participating in the separate account has been issued, if the retirement plan provides for benefits which vary to reflect the investment results of the separate account. That statement must explain, to the extent applicable to the particular employer's retirement plan, that the benefits to be received by employees will not be paid in any fixed dollar amount but will vary to reflect the investment experience of the separate account, and that the assets held in the account will include common stocks and other equity investments. In addition, the statement must describe how the insurance company will determine the dollar amount of each periodic payment to be made to the covered employees pursuant to the plan. A copy of the statement must be filed with the Commission within 10 days after it is delivered to any employer.

The insurance company must recommend to the employer that this statement should be transmitted to each covered employee. While it appears desirable that each employee be given a copy of such a statement, it is the employer, rather than the funding agency, that controls what communications are delivered to its employees. Accordingly, it would not be feasible to impose such an obligation upon the insurance company. Although this section is not intended to impose any duty upon employers to transmit copies of this required statement to their employees, responsible employers will, of course, wish to be certain that their employees are given the information set forth in this required statement.

Subparagraph (b)(5) would also impose upon insurance companies claiming exemption under the proposed rule the requirement to file certain other documents with the Commission. Virtually every employer that establishes a pension or profit-sharing plan will provide its covered employees with a booklet or brochure describing the principal features of the plan. Sometimes a copy of the plan itself is distributed. In some cases this description is prepared entirely by the employer. In many cases the funding agency will participate in its preparation, supplying information for part of the brochure. In other cases the funding agency will be entirely responsible for the preparation and printing of this descriptive material. This subparagraph does not require any participation by the insurance company in the preparation of this explanatory literature. It does require, if the funding agency does furnish the employer with all or some portion of a document that is transmitted to employees, or if it provides the employer with material that may reasonably be expected to be transmitted to employees, that a copy of what has been furnished the employer, if it relates in any way to the separate account, be filed with the Commission within 10 days after it is first delivered to an employer.

Subparagraph (c) of the proposed rule sets forth two conditions that must be met by a separate account in order to be exempt under the rule. The first is that the separate account be legally segregated and not subject to claims which arise out of any other business of the insurance company. Because the value of the assets held in separate accounts will be related not only to investment performance but also to the longevity of covered employees, formulation of this condition has required the use of insurance terminology. The reserve and other contract liabilities under all contracts that participate in a separate account, which is the equivalent of the value of all present and future payments that the insurance company is obligated to make under the contracts, can be determined only by actuarial computations. This amount, moreover, will vary from time to time to take into account the deaths of persons who were entitled to payment of benefits under the contracts. To the extent that the market value of the assets in a separate account exceeds the reserve and other contract liabilities of the account, the excess is part of the surplus of the insurance company. Subparagraph (c)(1) of the proposed rule recognizes that this portion of the assets held in a separate account must be subject to claims arising out of other business of the insurance company. The subparagraph also provides that the value of the assets of the account must not be less than the reserve and other contract liabilities of the account. Thus the insurance company is free to transfer any or all of the excess from a separate account to its general funds. If, however, the value of the assets should fall below the amount of the reserve and other contract liabilities, the insurance company is required to eliminate the deficiency by transferring funds to the account.

Under the laws of many of the States which authorize the establishment of separate accounts by life insurance companies, such accounts will either be legally segregated to the extent required by this subparagraph or can readily be made segregated through the addition of appropriate provisions in the participating contracts. Some States require legal segregation but other States do not require nor permit such segregation. This condition will be satisfied if an arrangement is made which will ensure, in the event of bankruptcy of the insurance company, that claims of creditors that arise out of other business of the insurance company will not be satisfied out of assets held to meet the separate account contract obligations. This might be accomplished, for example, through some form of insurance with a different insurance company, or by provision of a superior lien under applicable State law. Because insurance companies in some States may find it difficult to make the necessary arrangements to comply with this condition, it is provided that the condition need not be satisfied until 6 months after the effective date of the rule.

The second condition is that every contract which participates in a separate account claiming exemption under the rule must authorize the contract holder to direct that the assets held pursuant to his contract be withdrawn or transferred. This will enable a contract holder, if he chooses, to utilize a different funding agency for the investments of the funds supporting his plan. This withdrawal privilege would not, however, apply to funds allocated to provide benefits to individual employees who have retired, since the insurance company would in such cases have assumed direct contractual obligations to pay those benefits. In some cases these benefits might be payable to persons other than employees, as in the case of a plan which provides for the payment of an annuity to an employee and his spouse so long as either shall live. Amounts held to provide for the payment of benefits to the spouse of a deceased employee under such an arrangement would also not be required to be made subject to this withdrawal provision.

Many existing contracts already contain such a provision. These usually provide for a limitation upon the amount that may be withdrawn in any 1 month. This is to protect against a large drain upon the assets of the account, causing a forced liquidation of some of the securities, to the possible disadvantage both to the withdrawing contract holder and to other contract holders. Such a limitation is authorized under the proposed rule, provided that the contract must permit the withdrawal of at least $1 million in any 1 month, or, where the value of the contract holder's interest in the separate account at the time the request for withdrawal or transfer is made is in excess of $20 million, at least 5 percent of the value of that interest.

The proposed rule also provides that no surrender charge in excess of 2 percent may be made in connection with any such withdrawal or transfer. Many contracts employed for the purpose of funding pension and profit-sharing plans impose no sales load at all in connection with purchase payments but do impose what would be the equivalent of a sales load in connection with withdrawals or the payment of benefits. In order to accommodate these arrangements, subparagraph (c)(2) permits a surrender charge in excess of 2 percent but only if the sales load and the surrender charge under the contract in the aggregate do not exceed 6 percent.

Section 6(c) of the Investment Company Act provides that the Commission by rule, regulation, or order may conditionally or unconditionally exempt any person, security, or transaction, or any class of persons, securities, or transactions, from any provision or provisions of the Investment Company Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Investment Company Act. Section 6(e) of the Investment Company Act provides that if, in connection with any rule, regulation, or order under section 6 exempting any investment company from any provision of section 7, the Commission deems it necessary or appropriate in the public interest or necessary for the protection of investors that certain specified provisions of the Investment Company Act shall be applicable in respect of such company, the provisions so specified shall apply to such company and to other persons in their transactions and relations with such company, as though such company were a registered investment company. Section 38(a) of the Investment Company Act authorizes the Commission to issue rules necessary or appropriate to the exercise of the powers conferred upon the Commission in the Investment Company Act.

Rule 156 (17 CFR 230.156). Rule 156 under the Securities Act, as presently in force, defines as "transactions by an issuer not involving any public offering" in section 4(2) of that Act transactions which are exempted from the Investment Company Act by Rule 3c-3 (17 CFR 270.3c-3) provided that certain additional conditions are met.

In connection with its proposal to adopt Rule 6e-1 (17 CFR 270.6e-1) the Commission also proposes to amend Rule 156. Paragraph (a) generally follows the present rule but would cover transactions involving contracts which relate to separate accounts claiming exemption either under Rule 3c-3 or Rule 6e-1, instead of only under Rule 3c-3. This paragraph continues to cover only transactions with employers and has no applicability to any transaction whereby an employee acquires an interest in a separate account.

The present Rule 156 is applicable only to contracts which are negotiated with an employer for the benefit of at least

25 employees because this is one of the conditions for exemption under Rule 3c–3. Since the proposed Rule 6e–1 would not have any such condition, it is proposed to make such a requirement an explicit condition in subparagraph (a)(1) of the amended Rule 156.

The term "employer" is defined, as it is in the present Rule 156, to mean "an employer, employers or persons acting on their behalf." This would include within the definition of transactions not involving any public offering, the sale of group contracts to trustees or associations representing several employers in a single industry. In several industries, pension, and profit-sharing plans are established in connection with collective bargaining between industry-wide management representatives and unions, and these plans permit covered employees to change from one employer to another while remaining eligible for benefits under the plan. A group annuity contract issued for the purpose of funding such a plan would not, under the amended rule, as it does not now under the present rule, have to be registered under the Securities Act, if the other conditions of the rule are met.

A different test would apply, however, to contracts issued for the purpose of funding Smathers-Keogh plans. Where a contract is to cover a sole proprietorship or a partnership involving 25 or more employees, the transaction would be regarded under the rule as a transaction not involving a public offering. But where a contract is issued covering the employees of several separate enterprises, as would be the case with a contract issued to a bar or medical association, permitting participation thereunder by members of the association, this would be regarded as constituting a public offering if any member of the association employed less than 25 persons. As a practical matter it would therefore appear that virtually all Smathers-Keogh contracts would be subject to the registration requirements of the Securities Act.

Paragraph (b) of the proposed amendment to Rule 156 is new. Since Rule 3c–3 provides an exemption from the Investment Company Act only for transactions involving contracts which prohibit the allocation of employee contributions to a separate account, paragraph (b) would be applicable only where allocations of employee contributions are made to a separate account which is entitled to exemption under Rule 6e–1, as part of a transaction that is regarded as not involving a public offering under Rule 156(a).

Subparagraph (b) provides that no sale or offer shall be deemed to be involved where employee contributions are allocated to a separate account under the foregoing circumstances if two conditions are met. First, there must not be any individual solicitation of employees either to participate in the plan or to elect to participate in the portion that utilizes the separate account rather than in other aspects of the plan. Second, the employer must make a "substantial contribution" to the overall pension and profit-sharing program of which the contract participating in the separate account is a part. Each of these conditions is described more fully below.

The first condition is set forth in subparagraphs (b)(1) and (b)(2). It is recognized, of course, that employees who are offered an opportunity to make contributions under a retirement program must be told about the plan and about the terms and nature of their participation. Booklets describing the plan may be distributed by the employer or the insurance company. Regular employees of the employer, in its labor relations, personnel, or comparable divisions may meet with employees either in groups or singly, to discuss and explain the plan and to make whatever recommendations are thought appropriate. Where a pension consultant has been retained by the employer, he may participate in this activity.

It is common practice, when a retirement plan is first established or a significant change made, or new features added, to provide oral explanations to groups of employees at meetings arranged for that purpose. Representatives of the insurance company or, where an independent broker has participated in the sale of the contract, representatives of the broker, may appear at and participate in such meetings. If the provisions of subparagraph (b) are to be available, these representatives must be salaried employees and may not receive commissions based upon the extent of participation under the separate account contract. Such representatives may not, however, engage in discussions with individual employees for the purpose of inducing participation in or explaining the plan. Nor may the employer engage anyone for the purpose of inducing participation.

The "substantial contribution" condition is set forth in subparagraph (b)(3). The employer must make a contribution under the program, of which the plan funded by the separate account contract is a part, that can be expected, over the life of the plan, to be at least one-half that made by the employees. Because employers enjoy considerable flexibility in determining the amount and timing of their contributions under qualified pension and profit-sharing plans, demonstration of satisfaction of this condition presents certain difficulties. For this reason the test set forth in subparagraph (b)(3) has been included.

It should be noted that the amended rule would continue to provide an exemption only from section 5 of the Securities Act and would not, therefore, afford any exemption from the antifraud sections of the Securities Act.

I. The text of proposed Rule 6e–1 (17 CFR 270.6e–1) under the Investment Company Act reads as follows:

§ 270.6e–1 Exemption for certain separate accounts of insurance companies.

(a) A separate account which issues only interests or participations in a fund of securities, pursuant to contracts made in connection with pension or profit-sharing plans which meet the requirements either for qualification under section 401 of the Internal Revenue Code or for deduction of the employer's contributions under section 404(a)(2) of said Code, shall, except for the following sections of the Act, be subject to all provisions of the Act as though such separate account were a registered open-end investment company:

(1) Section 7 of the Act;

(2) Section 8 of the Act except to the extent made applicable by paragraph (b) of this section;

(3) Section 9 of the Act but only to the extent that a company shall not be subject to the restrictions of section 9(a)(3) of the Act by virtue of the status of persons who do not participate in any way in the operations of or sales of interests in the separate account;

(4) Section 10 of the Act but not paragraph (f) thereof;

(5) Section 13(a) of the Act provided that the Commission is notified in writing at least 60 days prior to any proposed change in investment policy, and the Commission does not in its discretion within 30 days of receipt of such notice condition or limit, in respect of the proposed change in investment policy, the exemption otherwise provided by this section;

(6) Section 14(a) of the Act provided the insurance company of which the separate account is a part shall have (i) a combined capital and surplus, if a stock company, or (ii) an unassigned surplus, if a mutual company, of not less than $1 million at the time of the filing of the notification provided for by paragraph (b)(1) of this section;

(7) Section 15 of the Act;

(8) Section 16 of the Act;

(9) Section 17(d) of the Act to the extent necessary to permit contemporaneous purchases or contemporaneous sales on behalf of the separate account and other separate accounts and the general account of the insurance company of the same class or series of securities of the same issuer;

(10) Section 17(f) of the Act;

(11) Section 18(i) of the Act;

(12) Section 19 of the Act;

(13) Section 20 (a) and (b) of the Act;

(14) Section 22 of the Act other than paragraphs (c) and (g) thereof;

(15) Section 24 of the Act;

(16) Section 27(c) of the Act;

(17) Sections 30 and 31(a) of the Act except as provided by paragraph (b) of this section 270.6e–1; and

(18) Section 32 (a) and (b) of the Act.

(b) Any insurance company which maintains or proposes to maintain a separate account with respect to which exemption from registration under this section is claimed shall:

(1) File with the Commission, within 30 days after the effective date of this section or within 30 days after the establishment of such separate account, whichever is later, a notification on

Form N–6E–1 (§ 274.301 of this chapter) which identifies such separate account.

(2) File with the Commission, a report on Form N–6E–2 (§ 274.107 of this chapter) within 3 months after filing the notification referred to above: *Provided*, That if the fiscal year of the separate account ends within this 3-month period, the Form N–6E–2 report may be filed within 3 months after the end of such fiscal year.

(3) File with the Commission, such annual and other reports and shall maintain such records with respect to such separate account as the Commission shall prescribe by rules pursuant to sections 30 and 31 of the Act as appropriate in view of the character of the separate account and its operations and as necessary or appropriate in the public interest or for the protection of investors: *Provided*, That, except as may otherwise be provided in either such rules or in this § 270.6e–1 or in the forms for reports prescribed by the Commission, the provisions of Regulation 8B (§§ 270.8b–1 et seq. of this chapter) under the Act shall be applicable. Records required to be maintained pursuant to such rules shall be subject to the requirements of section 31(b) of the Act.

(4) In the case of a contract that provides for the allocation of contributions to the separate account in connection with a pension or profit-sharing plan that provides for employee benefits which may vary to reflect the investment results of the separate account, such insurance company shall deliver to every employer to which such a contract has been issued a copy of a statement in writing setting forth, to the extent applicable, (i) that the benefits to be received by the employees will not be paid in any fixed dollar amount, and will vary to reflect the investment experience of the separate account; (ii) that the investments held in the separate account will include common stocks and other equity investments which may be changed from time to time; and (iii) the essential features of the procedure to be followed by the insurance company in determining the dollar amount of such variable benefits. The insurance company shall recommend to the employer that such statement should be transmitted to covered employees, and file such statement with the Commission within 10 days after delivery to any employer, and

(5) File with the Commission, within 10 days after delivery to an employer, a copy of every document, or portion thereof, relating to the separate account or the interests or participations therein that has been furnished by the insurance company to an employer for transmission or which may reasonably be expected to be transmitted to employees;

(c) A separate account shall be entitled to the exemptions provided by paragraph (a) of this section only if:

(1) The separate account is a legally segregated asset account, the assets of which have a value at least equal to the reserves and other contract liabilities with respect to such account, and that portion of such assets, which has a value equal to the reserves and other contract liabilities of such account, is not chargeable with liabilities arising out of any other business which the insurance company may conduct; provided that this condition need not be satisfied until 6 months after the effective date of this section.

(2) Any contract which provides for allocation of contributions to the separate account, authorizes the contract holder to direct that assets held in the separate account applicable to the contract (other than amounts which, pursuant to the contract, have been allocated to provide retirement benefits to individual employees) be withdrawn or transferred, although such contract may (i) limit the amount that may be transferred in any one month to the greater of (*a*) $1 million or (*b*) 5 percent of the value of the contract holder's interest in the separate account at the time the original request for withdrawal or transfer is made and (ii) impose a surrender charge not to exceed 2 percent of the amount transferred, provided that a surrender charge in excess of 2 percent of the amount transferred may be imposed if the sales load and surrender charge, in the aggregate, do not exceed 6 percent.

(d) "Separate account," as used in this section 270.6e–1 shall mean a fund established and maintained by an insurance company pursuant to the law of any State or territory of the United States or the District of Columbia, under which income, gains, and losses, whether or not realized, from assets allocated to such fund, are, in accordance with the applicable contract, credited to or charged against such fund without regard to other income, gains, or losses of the insurance company.

(e) "Insurance company," as used in this section shall have the same meaning as that prescribed in section 2(a)(17) of the Act.

II. The text of the proposed amended Rule 156 (17 CFR 230.156) under the Securities Act reads as follows:

§ 230.156 Definition of "transactions by an issuer not involving any public offering" in section 4(2) of the Act and of "sale," "offer," "offer to sell," and "offer for sale" for purposes of section 5 of the Act, in connection with separate accounts exempted by § 270.3c–3 or § 270.6e–1 of this chapter.

(a) The phrase "transactions by an issuer not involving any public offering" in section 4(2) of the Act shall include any transaction with an employer, employers or persons acting on their behalf (herein called the "employer") whereby an insurance company offers, pursuant to a contract, interests or participations in a separate account, which meets the conditions and limitations set forth in § 270.3c–3 or § 270.6e–1 of this chapter: *Provided*, That:

(1) Such contract is negotiated with such employer for the benefit of at least 25 employees, provided further that, in the case of a contract which covers self-employed individuals and owner-employees some or all of whom are employees within the meaning of section 401(c) of the Internal Revenue Code, each partnership or sole proprietor employs at least 25 employees including such self-employed individuals and owner-employees; and

(2) Such contract is not advertised in any written communication which, insofar as it relates to interests or participations in a separate account, does more than identify the insurance company, state that it is engaged in the business of writing such contracts, sets forth a brief description of the nature of the separate account and of the basic provisions of the contract, and invites inquiries in regard thereto. The limitations of this clause shall not apply to disclosure made in the course of direct discussion or negotiation of such contract.

(b) For purposes only of section 5 of the Act, no "sale," "offer," "offer to sell," or "offer for sale" shall be deemed to be involved so far as an employee is concerned (whether or not there is a public offering to the employer), where allocations of employee contributions are made to a separate account entitled to the exemptions provided by § 270.6e–1 of this chapter pursuant to a contract which meets the conditions and limitations set forth in subparagraph (1) of paragraph (a) of this section: *Provided*, That:

(1) The employer does not engage any person for the purpose of inducing employees to participate under such contract or in a plan based on such contract or of inducing any elections on the part of employees under such contract or in such plan; and

(2) Any solicitation of individual employees by or on behalf of the insurance company is limited to discussions with the employer and to furnishing the employer with explanatory documents as required or contemplated by § 270.6e–1 of this chapter, or giving oral explanations, including answering of questions, at meetings of groups of employees arranged by the employer and no commissions are paid to the persons responsible for drafting the explanatory documents or for inducing any election on the part of the employee; and

(3) The employer makes a substantial contribution to the overall pension and profit-sharing program of which the contract is a part. An employer's contribution shall be deemed "substantial," as used in this section if the overall pension and profit-sharing program applicable to the employees covered by the program can be reasonably expected to provide for a contribution by the employer, over a period for which the program may reasonably be expected to be in operation, which in the aggregate is at least half as much as the contributions made by the employees. The foregoing requirement shall be deemed to have been satisfied if the employer has in the preceding 5 fiscal years, or since the inception of the program, if less than such 5 years, contributed in the aggregate at least half as much under such program as have the employees and the basis for determining contributions has not been changed since such past contributions were made to re-

duce the employer's anticipated contributions. At the inception of a program and at any time thereafter, notwithstanding that the aggregate contributions by the employer during such 5-year (or shorter) period do not amount to at least half as much under such program as was contributed by the employees, or that the basis for determining contributions has changed, a written certificate by a member of the American Academy of Actuaries, prepared in accordance with generally accepted actuarial standards, stating that the employer's contribution can reasonably be expected to be at least half as much as contributions to be made by the employees over a period for which the plan may reasonably be expected to be in operation and stating the basis thereof, shall be prima facie evidence of satisfaction of the requirement of this subparagraph at that time and for the ensuing year. A copy of each such certificate shall be filed with the Commission as an exhibit to the notification or report next following such certificate, filed pursuant to paragraph (b) of § 270.6e–1 of this chapter.

(Secs. 4, 19, 48 Stat. 77, 85, as amended, 15 U.S.C. 77d, 77s; secs. 6, 38(a), 54 Stat. 800, 841, 15 U.S.C. 80a–6, 80a–37)

All interested persons are invited to submit views and comments on proposed Rule 6e–1 under the Investment Company Act and the proposed amendment to Rule 156 under the Securities Act. Written statements of views and comments in respect of the proposed rule and the proposed amendment should be submitted to the Securities and Exchange Commission, Washington, D.C. 20549 on or before April 8, 1969. All such communications will be available for public inspection.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

MARCH 6, 1969.

[F.R. Doc. 69–2909; Filed, Mar. 7, 1969; 8:50 a.m.]

Notices

ATOMIC ENERGY COMMISSION

[Docket No. 27-45]

X-RAY INDUSTRIES, INC.

Notice of Issuance of Byproduct Material License

No request for a hearing or petition for leave to intervene having been filed following publication of the notice of proposed issuance of Byproduct Material License, the Atomic Energy Commission has this date issued License No. 21-5472-3 authorizing X-Ray Industries, Inc., to receive and possess packaged waste byproduct material in any State of the United States except in Agreement States, as defined in § 30.4(c), 10 CFR Part 30, to store the packages at its facility located at 18721 John R Street, Detroit, Mich., and to dispose of the packaged waste byproduct material by transfer to authorized land burial sites. The license is in the form set forth in the notice of proposed issuance published in the FEDERAL REGISTER on February 4, 1969, 34 F.R. 1702.

Dated at Bethesda, Md., on March 4, 1969.

For the Atomic Energy Commission.

J. A. McBRIDE,
Director,
Division of Materials Licensing.

[F.R. Doc. 69-2837; Filed, Mar. 7, 1969; 8:48 a.m.]

SECURITIES AND EXCHANGE COMMISSION

TEXAS URANIUM CORP.

Order Suspending Trading

MARCH 4, 1969.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Texas Uranium Corp., 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 March 5, 1969, through March 14, 1969, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 69-2818; Filed, Mar. 7, 1969; 8:46 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

DEPUTY AREA DIRECTOR, ANADARKO AREA OFFICE, OKLA.

Redelegation of Authority

1. The Deputy Area Director, Bureau of Indian Affairs, Anadarko Area Office, Anadarko, Okla., is hereby authorized to exercise all the power and authority of the Area Director of the Anadarko Area Office as delegated by the Commissioner of Indian Affairs in line with Secretarial Order No. 2508 and as provided in 10 BIAM 3.

2. In the absence of the Area Director and the Deputy Area Director, persons authorized to act in their stead may exercise any and all authority conferred upon the Area Director by the Commissioner of Indian Affairs.

3. Delegation of authority included herein is not construed as depriving the Area Director of the authority conferred upon him by the Commissioner of Indian Affairs.

4. The effective date of this delegation will be the date of signature by the Area Director.

SIDNEY M. CARNEY,
Area Director, Bureau of Indian Affairs, Anadarko Area Office, Anadarko, Okla.

FEBRUARY 24, 1969.

[F.R. Doc. 69-2812; Filed, Mar. 7, 1969; 8:45 a.m.]

DEPUTY AREA DIRECTOR, MUSKOGEE AREA OFFICE, OKLA.

Redelegation of Authority

1. The Deputy Area Director, Bureau of Indian Affairs, Muskogee Area Office, is hereby authorized to exercise all the power and authority of the Area Director of the Muskogee Area Office, as delegated by the Commissioner of Indian Affairs in 10 BIAM 3.

2. The effective date of this delegation is the date of signature by the Area Director.

Dated: February 27, 1969.

VIRGIL N. HARRINGTON,
Area Director.

[F.R. Doc. 69-2813; Filed, Mar. 7, 1969; 8:46 a.m.]

Bureau of Land Management

[A 3552]

ARIZONA

Notice of Proposed Withdrawal and Reservation of Land

The Forest Service, U.S. Department of Agriculture has filed an application, Serial No. A 3552, for the withdrawal of lands under the Act of July 9, 1962 (76 Stat. 140; 43 U.S.C. 315g-1).

Subject to valid existing rights the following described lands, acquired in an exchange made pursuant to section 8 of the Taylor Grazing Act of June 28, 1934 (48 Stat. 1272; 43 U.S.C. 315g) as amended, would be added to and made a part of the Sitgreaves National Forest and would be subject to all laws and regulations applicable to said national forest:

GILA AND SALT RIVER MERIDIAN, ARIZONA

T. 13 N., R. 13 E.,
Sec. 5, lots 1, 2, 3, 4, S½N½, and S½;
Sec. 25, SE¼SW¼ and SE¼;
Sec. 31, lots 1 to 14 inclusive, NE¼, and N½SE¼.

The areas described aggregate approximately 1,603 acres in Coconino County.

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, 3022 Federal Building, Phoenix, Ariz. 85025.

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

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.

Dated: February 28, 1969.

RILEY E. FOREMAN,
Acting State Director.

[F.R. Doc. 69-2814; Filed, Mar. 7, 1969; 8:46 a.m.]

[A 3535]

ARIZONA

Notice of Proposed Withdrawal and Reservation of Lands

The Bureau of Reclamation, Department of the Interior, has filed an application, Serial No. A 3535, for withdrawal of the lands described below, from all forms of entry or disposition including the mining; but not the mineral leasing laws.

The Bureau of Reclamation desires these lands for the implementation and construction of the Buttes Dam and Reservoir for the Colorado River Basin Project, part of the Central Arizona Project.

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, 3022 Federal Building, Phoenix, Ariz. 85025.

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

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.

The lands involved in the application are as follows:

GILA AND SALT RIVER MERIDIAN, ARIZONA

T. 4 S., R. 11 E.,
Sec. 18, lots 1, 2, 3, and 4, E½W½ and E½.
T. 4 S., R. 13 E.,
Sec. 9, lot 1261B (MS), excepting Mineral Patent No. 29747.

The total areas of lands involved aggregate approximately 646.60 acres.

Dated: February 28, 1969.

RILEY E. FOREMAN,
Acting State Director.

[F.R. Doc. 69-2815; Filed, Mar. 7, 1969; 8:46 a.m.]

National Park Service

[Order 1]

ADMINISTRATIVE OFFICER ET AL.

Delegation of Authority Regarding Execution of Contracts and Purchase Orders for Supplies, Equipment, or Services

1. *Administrative Officer.* The Administrative Officer, Boston National Park Service Group, may execute, approve, and administer contracts not in excess of $10,000 for supplies, equipment, or services in conformity with applicable regulations and statutory authority and subject to the availability of appropriations. This authority may be exercised by the Administrative Officer in behalf of any unit under the administration of the Boston National Park Service Group.

2. *Revocation.* This order supersedes Order No. 1 issued March 25, 1963, for Minute Man National Historical Park Project, and Order No. 1 issued March 25, 1963, for Salem Maritime National Historic Site.

(National Park Service Order No. 34 (31 F.R. 4255), as amended; 39 Stat. 535, 16 U.S.C., sec. 2; Northeast Region Order No. 5 (31 F.R. 8135))

Dated: February 6, 1969.

BENJAMIN J. ZERBEY,
General Superintendent, Boston National Park Service Group.

[F.R. Doc. 69-2816; Filed, Mar. 7, 1969; 8:46 a.m.]

Office of the Secretary

NATIVE FISH AND WILDLIFE

List of Endangered Species

In accordance with section 1(c) of the Endangered Species Preservation Act of October 15, 1966 (80 Stat. 926; 16 U.S.C. 668aa(c)), I find, after consulting with the States, interested organizations, and individual scientists, that the following listed native fish and wildlife are threatened with extinction:

MAMMALS

Indiana Bat	*Myotis sodalis.*
Utah Prairie Dog	*Cynomys parvidens.*
Delmarva Peninsula Fox Squirrel	*Sciurus niger cinereus.*
Eastern Timber Wolf	*Canis lupus lycaon.*
Texas Red Wolf	*Canis rufus rufus.*
San Joaquin Kit Fox	*Vulpes macrotis mutica.*
Black-footed Ferret	*Mustela nigripes.*
Florida Panther	*Felis concolor coryi.*
Caribbean Monk Seal	*Monachus tropicalis.*
Guadalupe Fur Seal	*Arctocephalus philippi townsendi.*
Florida Manatee or Florida Sea Cow	*Trichechus manatus latirostris.*
Key Deer	*Odocoileus virginianus clavium.*
Columbian White-tailed Deer	*Odocoileus virginianus leucurus.*
Sonoran Pronghorn	*Antilocapra americana sonoriensis.*

BIRDS

Hawaiian Dark-rumped Petrel	*Pterodroma phaeopygia sandwichensis.*
California Least Tern	*Sterna albifrons browni.*
Hawaiian Goose (Nene)	*Branta sandvicensis.*
Aleutian Canada Goose	*Branta canadensis leucopareia.*
Tule White-fronted Goose	*Anser albifrons gambelli.*
Laysan Duck	*Anas laysanensis.*
Hawaiian Duck (or Koloa)	*Anas wyvilliana.*
Mexican Duck	*Anas diazi.*
California Condor	*Gymnogyps californianus.*
Florida Everglade Kite (Florida Snail Kite)	*Rostrhamus sociabilis plumbeus.*
Hawaiian Hawk (or Io)	*Bueto solitarius.*
Southern Bald Eagle	*Haliaeetus l. leucocephalus.*
American Peregrine Falcon	*Falco peregrinus anatum.*
Attwater's Greater Prairie Chicken	*Tympanuchus cupido attwateri.*
Masked Bobwhite	*Colinus virginianus ridgwayi.*
Whooping Crane	*Grus Americana.*
Yuma Clapper Rail	*Rallus longirostris yumanensis.*
Light-footed Clapper Rail	*Rallus longirostris levipes.*
Hawaiian Gallinule	*Gallinula chloropus sandvicensis.*
Hawaiian Coot	*Fulica americana alai.*
Eskimo Curlew	*Numenius borealis.*
Hawaiian Stilt	*Himantopus himantopus knudseni.*
Puerto Rican Plain Pigeon	*Columba inornata wetmorei.*
Puerto Rican Parrot	*Amazona vittata.*
American Ivory-billed Woodpecker	*Campephilus p. principalis.*
Northern Red-cockaded Woodpecker	*Dendrocopus b. borealis.*
Southern Red-cockaded Woodpecker	*Dendrocopus borealis hylonomus.*
Hawaiian Crow (or Alala)	*Corvus tropicus.*
Small Kauai Thrush (Puaiohi)	*Phaeornia palmeri.*
Nihoa Millerbird	*Acrocephalus kingi.*
Kauai Oo (or Oo Aa)	*Moho braccatus.*
Crested Honeycreeper (or Akohekohe)	*Palmeria dolei.*
Molokai Creeper (or Kakawahie)	*Loxops maculata flammea.*
Akiapolaau	*Hemignathus wilsoni.*
Kauai Akialoa	*Hemignathus procerus.*
Kauai Nukupuu	*Hemignathus lucidus hanapepe.*
Maui Nukupuu	*Hemignathus lucidus affinis.*
Laysan Finch	*Psittirostra c. cantans.*
Nihoa Finch	*Psittirostra cantans ultima.*
Ou	*Psittirostra psittacea.*
Palila	*Psittirostra bailleui.*
Maui Parrotbill	*Pseudonestor xanthophrys.*
Bachman's Warbler	*Vermivora bachmanii.*
Kirtland's Warbler	*Dendroica kirtlandii.*
Dusky Seaside Sparrow	*Ammospiza nigrescens.*
Cape Sable Sparrow	*Ammospiza mirabilis.*

REPTILES AND AMPHIBIANS

American Alligator	*Alligator mississippiensis.*
Blunt-nosed Leopard Lizard	*Crotaphytus wislizenii silus.*
San Francisco Garter Snake	*Thamnophis sirtalis tetrataenia.*
Puerto Rican Boa	*Epicrates inornatus.*
Santa Cruz Long-toed Salamander	*Ambystoma macrodactylum croceum.*
Texas Blind Salamander	*Typhlomolge rathbuni.*
Black Toad, Inyo County Toad	*Bufo exsul.*
Houston Toad	*Bufo houstonensis.*

FISHES

Shortnose Sturgeon	*Acipenser brevirostrum.*
Longjaw Cisco	*Coregonus alpenae.*
Piute Cutthroat Trout	*Salmo clarki seleniris.*
Greenback Cutthroat Trout	*Salmo clarki stomias.*
Montana Westslope Cutthroat Trout	*Salmo clarki.*
Gila Trout	*Salmo gilae.*
Arizona (Apache) Trout	*Salmo* sp.
Desert Dace	*Eremichthys acros.*
Humpback Chub	*Gila cypha.*
Moapa Dace	*Moapa coriacea.*
Colorado River Squawfish	*Ptychocheilus lucius.*
Cui-ui	*Chasmistes cujus.*
Devils Hole Pupfish	*Cyprinodon diabolis.*
Comanche Springs Pupfish	*Cyprinodon elegans.*
Owens River Pupfish	*Cyprinodon radiosus.*
Pahrump Killifish	*Empetrichythys latos.*
Big Bend Gambusia	*Gambusia gaigei.*
Clear Creek Gambusia	*Gambusia heterochir.*
Gila Topminnow	*Poeciliopsis occidentalis.*
Maryland Darter	*Etheostoma sellare.*
Blue Pike	*Stizostedion vitreum glaucum.*

FEBRUARY 17, 1969.

WALTER J. HICKEL,
Secretary of the Interior.

[F.R. Doc. 69-2811; Filed, Mar. 7, 1969; 8:45 a.m.]

Southeastern Power Administration

ADMINISTRATIVE OFFICER AND ADMINISTRATIVE ASSISTANT, OFFICE OF THE ADMINISTRATOR

Delegation of Authority With Respect to Entering Into Certain Contracts for Supplies or Services

1. The Administrative Officer, Office of the Administrator, may exercise the authority delegated to the Administrator under Chapter 205 DM 11 of the Departmental Manual with respect to:

Entering into contracts for supplies or services (excepting personal services) in conformity with applicable regulations and statutory requirements and subject to the availability of appropriations when the amount involved is not in excess of $2,500.

2. The authority delegated under paragraph 1 hereof may be exercised by the Administrative Assistant, Office of the Administrator, when the amount involved is not in excess of $1,000.

3. This notice supersedes the delegation of authority dated October 29, 1962 (27 F.R. 10862).

CHAS. W. LEAVY,
Administrator

FEBRUARY 25, 1969.

[F.R. Doc. 69-2817; Filed, Mar. 7, 1969; 8:46 a.m.]

DEPARTMENT OF COMMERCE

Business and Defense Services Administration

NATIONAL INSTITUTES OF HEALTH

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 Scientific Instrument Evaluation Division, Department of Commerce, Washington, D.C.

Docket No. 69-00224-33-46040. Applicant: National Institutes of Health, 9000 Rockville Pike, Bethesda, Md. 20014. Article: Electron microscope, Model Elmiskop 101, spare parts and accessory. Manufacturer: Siemens AG, West Germany. Intended use of article: The article will be used for studies centered around mutant strains of simian virus-40 and polyoma virus. Temperature sensitive and host range mutants have been isolated and a large number of additional mutants will be obtained. The primary sequence of nucleic acid in wild and mutant strains of virus-40 and polyoma virus is being investigated. The biological properties of these viruses will also be investigated with the aim of correlating specific changes in the nucleic acid with phenotypic changes. One of the major approaches in characterizing the mutant viruses will be electron microscopic examination of cells that have been infected at the restrictive temperature or during an infectious cycle with a restrictive host. 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, was being manufactured in the United States at the time the applicant placed the order for the foreign article (June 19, 1968). Reasons: (1) The foreign article has a guaranteed resolving power of 3.5 angstroms. The only known comparable domestic instrument which was available prior to July 1, 1968, was the Model EMU-4 electron microscope manufactured by the Radio Corporation of America (RCA). The RCA Model EMU-4 had a guaranteed resolution of 8 angstroms. (The lower the numerical rating in terms of angstroms, the better the resolving capabilities.) For the purposes for which the foreign article is intended to be used, the highest possible resolving power must be utilized. Therefore, the additional resolving capabilities of the foreign article are pertinent. (2) The foreign article provides accelerating voltages of 40, 60, 80, and 100 kilovolts, whereas the RCA Model EMU-4 provided only 50- and 100-kilovolt accelerating voltages. It has been experimentally established that the lower accelerating voltage of the foreign article offers optimum contrast for thin unstained biological specimens and that the voltage intermediate between 50 and 100 kilovolts affords optimum contrast for negatively stained specimens. The research program with which the foreign article is intended to be used involves experiments on both unstained and negatively stained specimens.

Therefore, the additional accelerating voltages provided by the foreign article are pertinent. For these reasons, we find that the RCA Model EMU-4 was 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 such purposes as this article is intended to be used, which was being manufactured in the United States and available at the time the applicant placed the order for the foreign article.

CHARLEY M. DENTON,
Assistant Administrator for Industry Operations, Business and Defense Services Administration.

[F.R. Doc. 69-2804; Filed, Mar. 7, 1969; 8:45 a.m.]

STATE UNIVERSITY OF NEW YORK

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 Scientific Instrument Evaluation Division, Department of Commerce, Washington, D.C.

Docket No. 69-00168-01-00200. Applicant: State University of New York at Albany, 1400 Washington Avenue, Albany, N.Y. 12203. Article: Ultraviolet absorptiometer, Model LKB 8300A Uvicord II. Manufacturer: LKB Produckter AB, Sweden. Intended use of article: The article is intended to be used in conjunction with the LKB 7000 Fraction Collector for studies concerning bacterial enzymes which become denatured during purification at room temperature. In addition, projects involved in separating derivatives of antibiotic bacitracin will be undertaken. 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: For the purposes for which the foreign article is intended to be used the applicant requires an instrument that can be used in a cold laboratory (4° centigrade) or in a refrigerator. The foreign article is equipped with hermetically sealed electronics which significantly reduce corrosion that could lead to failures and ruined experiments. We are advised by the Department of Health, Education, and Welfare (HEW), in its memorandum dated December 5, 1968, that experience with the foreign article and comparable domestic instruments in laboratory environments, where temperature and humidity change intermittently, clearly demonstrates the superior reliability of the foreign article. The corrosion resistance of the foreign article is therefore pertinent.

For this reason, we find that domestic ultraviolet absorptiometers are not of equivalent scientific value to the foreign article, for such purposes as this 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,
Assistant Administrator for Industry Operations, Business and Defense Services Administration.

[F.R. Doc. 69-2805; Filed, Mar. 7, 1969; 8:45 a.m.]

UNIVERSITY OF PENNSYLVANIA 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, Scientific Instrument Evaluation Division, 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 Scientific Instrument Evaluation Division, Department of Commerce, Washington, D.C.

A copy of each comment filed with the Director of the Scientific Instrument Evaluation Division 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. 69-00421-00-46040. Applicant: University of Pennsylvania, Department of Pathology, 36th and Spruce Streets, Philadelphia, Pa. 19106. Article: Electronic shutter with exposure meter for Elmiskop IA electron microscope. Manufacturer: Siemens AG, West Germany. Intended use of article: The article will be used on an existing electron microscope to measure the exact exposure time. Application received by Commissioner of Customs: February 13, 1969.

Docket No. 69-00423-33-46040. Applicant: Tulane University, 6823 St. Charles Avenue, New Orleans, La. 70118. Article: Electron microscope, Model EM 300 with spare parts and accessories. Manufacturer: Philips Electronic Instruments, The Netherlands. Intended use of article: The article will be used for research which include the following investigations:

1. Virology: Certain intracellular parasites are being investigated.

2. Protozoology: Ultrastructural studies of organisms of uncertain classification are being studied to understand either the taxonomic position or the biology of such parasites.

3. Reproduction in nematodes: This research is concerned with the chemically resistant shell layers which form about the oocytes of various nematodes immediately following sperm penetration.

4. Function of various cells and tissues of parasites.

Application received by Commissioner of Customs: February 14, 1969.

Docket No. 69-00424-98-28200. Applicant: Mississippi State University, Box 5167, State College, Miss. 39762. Article: Electron spin resonance spectrometer, Model JES-3BS-X. Manufacturer: Japan Electron Optics Laboratory Co., Japan. Intended use of article: The article will be used to introduce undergraduate physics majors to modern research problems in electron spin resonance spectroscopy. The experiments to be undertaken are as follows:

1. The study of free radicals formed in synthetic polypeptides after exposure to hydrogen atoms;

2. The examination of the resonance of colloidal particles of cesium in a cesium chloride crystal;

3. Future studies of the effects of chemical protectors when solutions of biological molecules are exposed to ultraviolet radiation.

Application received by Commissioner of Customs: February 14, 1969.

CHARLEY M. DENTON,
Assistant Administrator for Industry Operations, Business and Defense Services Administration.

[F.R. Doc. 69-2806; Filed, Mar. 7, 1969; 8:45 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

DRUGS FOR HUMAN USE; DRUG EFFICACY STUDY IMPLEMENTATION

Pyrazinamide

The Food and Drug Administration has evaluated reports received from the National Academy of Sciences—National Research Council, Drug Efficacy Study Group, on the following drug: Pyrazinamide; 0.5 gram per tablet; marketed by Merck, Sharp & Dohme Products, Division of Merck & Co., Inc., Sumneytown Pike, West Point, Pa. 19486 (NDA 9-551).

The drug continues to be regarded as a new drug (21 U.S.C. 321(p)). Supplemental new-drug applications are required to revise the labeling in and to update "deemed approved" applications providing for this drug. A new-drug application is required from any person marketing such drug without approval.

The Food and Drug Administration is prepared to approve new-drug applications and supplements to previously approved new-drug applications under conditions described in this announcement.

PYRAZINAMIDE

A. *Effectiveness classification.*

1. The Food and Drug Administration has considered a report of the National Academy of Sciences—National Research Council, Drug Efficacy Study Group, and regards pyrazinamide as an effective

bacteriostatic agent against *Myobacterium tuberculosis* that when used with other effective antituberculous drugs is suitable for treatment of active tuberculosis after failure of treatment with primary drugs.

2. The drug is regarded as lacking substantial evidence of effectiveness for its use alone for any condition and, particularly, to protect patients against tuberculosis complications following tuberculosis surgical procedures and to facilitate later reinstatement of therapeutic regimens with other antituberculous drugs.

B. *Form of drug.* Pyrazinamide preparations are in tablet form suitable for oral administration and contain per dosage unit an amount appropriate for administration in the dosage range described in the labeling conditions in this announcement.

C. *Previously approved applications.*

1. Each holder of a "deemed approved" new-drug application (that is, an application which became effective on the basis of safety prior to Oct. 10, 1962) for such drug is requested to seek approval of the claims of effectiveness and bring the application into conformance by submitting supplements containing:

a. Revised labeling as needed to conform with the labeling conditions described herein for the drug.

b. Adequate data to assure the biologic availability of the drug in the formulation which is marketed; if such data are already included in the application, specific reference thereto may be made.

c. Updating information as needed to make the application current in regard to items 6 (components) and 7 (composition) of the new-drug application form FD-356H and, to the extent described below for new applications, item 8 (methods, facilities, and controls) of FD-356H.

2. Such supplements should be submitted within the following time periods after the date of publication of this notice in the FEDERAL REGISTER:

a. 60 days for revised labeling—the supplement should be submitted under the provisions of § 130.9 (d) and (e) of the new-drug regulations (21 CFR 130.9 (d) and (e)) which permit certain changes to be put into effect at the earliest possible time.

b. 180 days for biologic availability data.

c. 60 days for updating information.

3. Marketing of the drug may continue until the supplemental applications submitted in accordance with subparagraphs 1 and 2 above are acted upon provided that within 60 days after the date of this publication, the labeling of the preparation shipped within the jurisdiction of the Federal Food, Drug, and Cosmetic Act is in accord with the labeling conditions described herein.

D. *New applications.*

1. Any other person who distributes or intends to distribute such a drug intended for the conditions of use for which it has been shown to be effective, as described in paragraph A–1 above, should submit a new-drug application meeting the conditions specified in this announcement.

2. Such applications should include:

a. Proposed labeling which is in accord with the labeling conditions herein.

b. Adequate data to assure the biologic availability of the drug in the formulation marketed or proposed for marketing.

c. Satisfactory information of the kinds described in items 1 (table of contents), 4 (label and all other labeling), 5 (R_x or OTC statement), 6 (components), and 7 (composition) of the new-drug application form FD–356H and, in lieu of full information described under item 8 (methods, facilities, and controls) of FD–356H, brief statements that:

i. Identify the place where the drug will be manufactured, processed, packaged, and labeled.

ii. Identify any person other than the applicant who performs a part of those operations and designate the part.

iii. Include certification from the applicant and from any person identified in ii above that the methods used in, and the facilities and controls used for, the manufacture, processing, packing, and holding of the drug are in conformity with current good manufacturing practice as prescribed by Part 133 (21 CFR Part 133).

iv. Assure that the drug dosage form and components will comply with the specifications and tests described in an official compendium, if such article is recognized therein, or if not listed, or if the article differs from the compendium drug, that the specifications and tests applied to the drug and its components are adequate to assure their identity, strength, quality, and purity.

v. Outline the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of the drug.

3. Distribution of any such preparation currently on the market without an approved new-drug application may be continued provided that:

a. Within 60 days from the date of publication of this announcement in the FEDERAL REGISTER, the labeling of such preparation shipped within the jurisdiction of the Act is in accord with the labeling conditions described herein.

b. The manufacturer, packer, or distributor of such drug submits, within 180 days from the publication date of this announcement, a new-drug application to the Food and Drug Administration.

c. The applicant submits within a reasonable time additional information that may be required for approval of the application as specified in a written communication from the Food and Drug Administration.

d. The application has not been ruled incomplete or unapprovable.

E. *Labeling conditions.*

1. The label bears the statement "Caution: Federal law prohibits dispensing without prescription."

2. The drug is labeled to comply with all requirements of the Federal Food, Drug, and Cosmetic Act and regulations promulgated thereunder and those parts of its labeling indicated below are substantially as follows (optional additional information, applicable to the drug, may be proposed under other appropriate paragraph headings and should follow the information set forth below):

DESCRIPTION

(Descriptive information to be included by the manufacturer or distributor should be confined to an appropriate description of the physical and chemical properties of the drug and the formulation.)

ACTION

Bacteriostatic against *Mycobacterium tuberculosis.*

INDICATIONS

Failure after adequate treatment with primary drugs (that is, isoniazid, streptomycin, aminosalicylic acid) in any form of active tuberculosis. Pyrazinamide should only be given with other effective antituberculous agents.

CONTRAINDICATION

Severe hepatic damage.

WARNINGS

Pyrazinamide should be used only when close observation of the patient is possible and when laboratory facilities are available for performing frequent reliable liver function tests and blood uric acid determinations.

Pyrazinamide should be discontinued and not be resumed if signs of hepatocellular damage or hyperuricemia accompanied by an acute gouty arthritis become manifest.

USAGE IN CHILDREN: Safe use of this drug in children has not been established. Because of its potential toxicity, its use in children should be avoided unless crucial to therapy.

PRECAUTIONS

Pretreatment examinations should include in vitro susceptibility tests of recent cultures of *M. tuberculosis* from the patient as measured against pyrazinamide and the usual primary drugs; however, there is no reliable in vitro test for pyrazinamide resistance.

Liver function tests (especially SGPT, SGOT determinations) should be carried out prior to and every 2 to 4 weeks during therapy.

This drug should be used with caution in patients with a history of gout or diabetes mellitus, as management may be more difficult.

ADVERSE REACTIONS

The principal untoward effect is a hepatic reaction. This varies from a symptomless abnormality of hepatic cell function, detectable only by laboratory tests, through a mild syndrome of fever, anorexia, malaise, liver tenderness, hepatomegaly and splenomegaly to more serious reactions such as clinical jaundice and rare cases of progressive fulminating acute yellow atrophy and death.

Other reactions are active gout, sideroblastica anemia, and adverse effects on the blood-clotting mechanism or vascular integrity.

DOSAGE AND ADMINISTRATION

Pyrazinamide should be administered with at least one other effective antituberculous drug.

Usual adult dose: 20 to 35 milligrams per kilogram per day in 3 to 4 divided doses; 3.0 grams per day should not be exceeded.

F. *Exemption from periodic reporting.* The periodic reporting requirements of §§ 130.35(e) and 130.13(b)(4) of the new-drug regulations (21 CFR 130.35(e), 130.13(b)(4)) are waived in regard to applications approved for this drug for the conditions of use described herein.

G. *Opportunity for a hearing.*

1. An applicant or any person who would be adversely affected by an order requiring deletion of the claims for which the drug lacks substantial evidence of effectiveness, as described in paragraph A–2 above, may request a hearing within 30 days after publication of this announcement in the FEDERAL REGISTER.

2. If no request for a hearing is received, the approval of all previously approved applications providing for such claims will be regarded as withdrawn and the applications will be approved as supplemented in accordance with this announcement. If such request is filed, and announcement will be published in the FEDERAL REGISTER setting forth the provisions of section 505(e) of the Act on the basis of which the Commissioner proposes to withdraw approval of such new-drug applications and all amendments and supplements thereto and staying those parts of this announcement which state that labeling deleting such claims shall be in use within 60 days after the date of this publication.

H. *Unapproved use or form of drug.*

1. If the article is labeled or advertised for use in any condition other than those provided for in this announcement, it will be regarded as an unapproved new drug subject to regulatory proceedings until such recommended use is approved in a new-drug application or is otherwise in accord with this announcement.

2. If the article is proposed for marketing in another form or for a use other than the use provided for in this announcement, appropriate additional information as described in § 130.4 or § 130.9 of the new-drug regulations (21 CFR 130.4, 130.9) may be required, including results of animal and clinical tests intended to show whether the drug is safe and effective.

Representatives of the Administration are willing to meet with any interested person who desires to have a conference concerning proposed changes in the labeling set forth in this announcement. Requests for such meetings should be made to the Special Assistant for Drug Efficacy Study Implementation, at the address given below, within 30 days after the publication hereof in the FEDERAL REGISTER.

A copy of the NAS-NRC report has been furnished to the firm referred to above. Any other manufacturer, packer, or distributor of a drug of similar composition and labeling to the subject or any other interested person may obtain a copy by request to the appropriate office named below.

Communications forwarded in response to this announcement should be directed to the attention of the following appropriate office and addressed to the Food and Drug Administration, 200 C Street SW., Washington, D.C. 20204:

Requests for NAS-NRC report: Press Relations Office (CE–300).

Supplements: Bureau of Medicine.

Original new-drug applications: Bureau of Medicine.

Comments on this announcement: Special Assistant for Drug Efficacy Study Implementation (MD–16), Bureau of Medicine.

This notice is issued pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 502, 505, 52 Stat. 1050–53, as amended; 21 U.S.C. 352, 355) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120).

Dated: February 28, 1969.

HERBERT L. LEY, Jr.,
Commissioner of Food and Drugs.

[F.R. Doc. 69–2809; Filed, Mar. 7, 1969; 8:45 a.m.]

RUMEN BACTERIA

Drugs for Veterinary Use; Drug Efficacy Study Implementation

The Food and Drug Administration has evaluated a report received from the National Academy of Sciences—National Research Council, Drug Efficacy Study Group, on the following preparations:

1. Rufis Super Bio-Concentrate—a dried rumen bacteria concentrate marketed by Poul-An Laboratories, 207 Westport Road, Kansas City, Mo. 64111.

2. Bovinoculum Cap-Tabs and Powder—a dried rumen concentrate (4 billion micro-organisms per gram) marketed by Fort Dodge Laboratories, Inc., Fort Dodge, Iowa 50501.

3. Ru-Bac—a natural and culture concentrate of microflora marketed by Haver-Lockhart Laboratories, Post Office Box 676, Kansas City, Mo. 64141.

The Academy concludes that based on available evidence these products are not effective as rumen stimulators. The Food and Drug Administration concurs with the Academy's conclusion.

Accordingly, the Commissioner of Food and Drugs intends to initiate proceedings to withdraw approval of the new-drug applications for these drugs and any others of similar composition and labeling.

Prior to initiating such action, however, the Commissioner invites the holders of the new-drug applications for such drugs, and any interested person who may be adversely affected by removal of this drug from the market, to submit any pertinent data bearing on the proposal within 30 days from the date of the publication of this announcement in the FEDERAL REGISTER. Submissions should be addressed to the Bureau of Veterinary Medicine, Special Assistant for Drug Efficacy Study Implementation, Food and Drug Administration, 200 C Street SW., Washington, D.C. 20204.

The holders of the new-drug applications for the drugs listed above have been mailed a copy of the NAS-NRC report. Any other interested person may obtain a copy of the report by writing to the Food and Drug Administration, Press Relations Office, 200 C Street SW., Washington, D.C. 20204.

This notice is issued pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 502, 505, 52 Stat. 1050–53, as amended; 21 U.S.C. 352, 355) and under authority delegated to the Commissioner (21 CFR 2.120).

Dated: March 3, 1969.

HERBERT L. LEY, Jr.,
Commissioner of Food and Drugs.

[F.R. Doc. 69–2810; Filed, Mar. 7, 1969; 8:45 a.m.]

Social Security Administration

CZECHOSLOVAKIA

Notice of Finding Regarding Foreign Social Insurance or Pension System

Section 202(t)(1) of the Social Security Act (42 U.S.C. 402(t)(1)) prohibits payment of monthly benefits to aliens, subject to the exceptions described in sections 202(t)(2) through 202(t)(5) of the Social Security Act (42 U.S.C. 402(t)(2) through 402(t)(5)), for any month after they have been outside the United States for 6 consecutive calendar months.

Section 202(t)(2) of the Social Security Act (42 U.S.C. 402(t)(2)) provides that section 202(t)(1) shall not apply to any individual who is a citizen of a foreign country which the Secretary of Health, Education, and Welfare finds has in effect a social insurance or pension system which is of general application in such country and under which (A) periodic benefits, or the actuarial equivalent thereof, are paid on account of old age, retirement, or death, and (B) individuals who are citizens of the United States but not citizens of such foreign country and who qualify for such benefits are permitted to receive such benefits or the actuarial equivalent thereof while outside such foreign country without regard to the duration of the absence.

Pursuant to authority duly vested in him by the Secretary of Health, Education, and Welfare, the Commissioner of Social Security has approved a finding that Czechoslovakia has in effect a social insurance system of general application which meets the requirements of section 202(t)(2)(A) in that it pays periodic benefits on account of old age, retirement, or death. On July 12, 1968, pursuant to an exchange of notes between the United States and Czechoslovakia, Czechoslovakia removed all restrictions on the payment of benefits to qualified U.S. citizens, effective as of July 1, 1968, thus permitting payment of benefits to qualified U.S. citizens while outside the country without regard to the duration of the absence. Therefore, the social insurance system of Czechoslovakia meets the requirements of section 202(t)(2)(B).

Accordingly, it is hereby determined and found that Czechoslovakia has in effect beginning with July 1, 1968, a social insurance system of general application which meets the requirements of section 202(t)(2) (A) and (B) of the Social Security Act (42 U.S.C. 402(t)(2) (A) and (B)).

This revises the finding published in the FEDERAL REGISTER of July 26, 1958 (23 F.R. 5674).

Dated: February 28, 1968.

ROBERT M. BALL,
Commissioner of Social Security.

[F.R. Doc. 69-2859; Filed, Mar. 7, 1969; 8:49 a.m.]

GAMBIA

Notice of Finding Regarding Foreign Social Insurance or Pension System

Section 202(t)(1) of the Social Security Act (42 U.S.C. 402(t)(1)) prohibits payment of monthly benefits to aliens, subject to the exceptions described in sections 202(t)(2) through 202(t)(5) of the Social Security Act (42 U.S.C. 402(t)(2) through 402(t)(5)), for any month after they have been outside the United States for 6 consecutive calendar months.

Section 202(t)(2) of the Social Security Act (42 U.S.C. 402(t)(2)) provides that section 202(t)(1) shall not apply to any individual who is a citizen of a foreign country which the Secretary of Health, Education, and Welfare finds has in effect a social insurance or pension system which is of general application in such country and under which (A) periodic benefits, or the actuarial equivalent thereof, are paid on account of old age, retirement, or death, and (B) individuals who are citizens of the United States but not citizens of such foreign country and who qualify for such benefits are permitted to receive such benefits or the actuarial equivalent thereof while outside such foreign country without regard to the duration of the absence.

Pursuant to authority duly vested in him by the Secretary of Health, Education, and Welfare, the Commissioner of Social Security has approved a finding that The Gambia does not have a social insurance or pension system which is of general application in that only government workers are covered by The Gambia's system.

Accordingly, it is hereby determined and found that The Gambia does not have in effect a social insurance or pension system which meets the requirements of section 202(t)(2) of the Social Security Act (42 U.S.C. 402(t)(2)).

The provisions of subparagraphs (A) and (B) of section 202(t)(4) of the Social Security Act (42 U.S.C. 402(t)(4)(A) and (B)) provide that section 202(t)(1) shall not be applicable to benefits payable on the earnings record of an individual who has 40 quarters of coverage under social security or who has resided in the United States for a period or periods aggregating 10 years or more. However, the provisions of subparagraphs (A) and (B) of section 202(t)(4) shall not apply to an individual who is a citizen of a foreign country that has in effect a social insurance or pension system which is of general application in such country and which satisfies the provisions of subparagraph (A) of section 202(t)(2) but not the provisions of subparagraph (B) of section 202(t)(2).

By virtue of the finding herein, the limitation on payment of monthly benefits to aliens included in section 202(t)(1) does not apply to citizens of The Gambia receiving benefits on the earnings records of individuals who have 40 quarters of coverage under social security or who have resided in the United States for a period or periods aggregating 10 years or more.

Dated: February 28, 1968.

ROBERT M. BALL,
Commissioner of Social Security.

[F.R. Doc. 69-2860; Filed, Mar. 7, 1969; 8:49 a.m.]

HAITI

Notice of Finding Regarding Foreign Social Insurance or Pension System

Section 202(t)(1) of the Social Security Act (42 U.S.C. 402(t)(1)) prohibits payment of monthly benefits to aliens, subject to the exceptions described in sections 202(t)(2) through 202(t)(5) of the Social Security Act (42 U.S.C. 402(t)(2) through 402(t)(5)), for any month after they have been outside the United States for 6 consecutive calendar months.

Section 202(t)(2) of the Social Security Act (42 U.S.C. 402(t)(2)) provides that section 202(t)(1) shall not apply to any individual who is a citizen of a foreign country which the Secretary of Health, Education, and Welfare finds has in effect a social insurance or pension system which is of general application in such country and under which (A) periodic benefits, or the actuarial equivalent thereof, are paid on account of old age, retirement, or death, and (B) individuals who are citizens of the United States but not citizens of such foreign country and who qualify for such benefits are permitted to receive such benefits or the actuarial equivalent thereof while outside such foreign country without regard to the duration of the absence.

Pursuant to authority duly vested in him by the Secretary of Health, Education, and Welfare, the Commissioner of Social Security has approved a finding that Haiti does not have a social insurance or pension system of general application in effect in that benefits are not now payable nor will benefits be payable in the near future under the social insurance system of Haiti.

Accordingly, it is hereby determined and found that Haiti does not have in effect a social insurance or pension system which meets the requirements of section 202(t)(2) of the Social Security Act (42 U.S.C. 402(t)(2)).

The provisions of subparagraphs (A) and (B) of section 202(t)(4) of the Social Security Act (42 U.S.C. 402(t)(4)(A) and (B)) provide that section 202(t)(1) shall not be applicable to benefits payable on the earnings record of an individual who has 40 quarters of coverage or who has resided in the United States for a period or periods aggregating 10 years or more. However, the provisions of subparagraphs (A) and (B) of section 202(t)(4) shall not apply to an individual who is a citizen of a foreign country that has in effect a social insurance or pension system which is of general application in such country and which satisfies the provisions of subparagraph (A) of section 202(t)(2) but not the provisions of subparagraph (B) of section 202(t)(2).

By virtue of the finding herein, the limitation on payment of benefits to aliens included in section 202(t)(1) does not apply to citizens of Haiti receiving benefits on the earnings records of individuals who have 40 quarters of coverage under social security or who have resided in the United States for a period or periods aggregating 10 years or more.

This supplements the finding with respect to Haiti published in the FEDERAL REGISTER of April 6, 1960 (25 F.R. 2939).

Dated: February 28, 1969.

ROBERT M. BALL,
Commissioner of Social Security.

[F.R. Doc. 69-2861; Filed, Mar. 7, 1969; 8:49 a.m.]

CIVIL SERVICE COMMISSION

DEPARTMENT OF AGRICULTURE

Notice of Grant of Authority To Make Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Department of Agriculture to fill by noncareer executive assignment in the excepted service the position of Deputy Under Secretary, Immediate Office of the Secretary.

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

[F.R. Doc. 69-2850; Filed, Mar. 7, 1969; 8:48 a.m.]

DEPARTMENT OF THE TREASURY

Notice of Grant of Authority To Make Noncareer Executive Assignment

Under the authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Department of the Treasury to fill by noncareer executive assignment in the excepted service, the position of Special Assistant to the Secretary (Congressional Relations), Office of the Secretary.

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

[F.R. Doc. 69-2851; Filed, Mar. 7, 1969; 8:49 a.m.]

PFS NURSES, VARIOUS LOCATIONS

Notice of Adjustment of Minimum Rates and Rate Ranges

Under the authority of 5 U.S.C. 5303 and Executive Order 11073, the Civil Service Commission has established special minimum rates and rate ranges for certain PFS–8 nurse positions in five locations as follows:

Note: Special rates authorized for PFS–6 and PFS–7 nurse positions in each location have not been changed. They are repeated here for convenience.

PFS–610 POSTAL FIELD SERVICE NURSE

Geographic coverage: (1) Baltimore, Md., Standard Metropolitan Statistical Area. (2) Boston, Mass., Standard Metropolitan Statistical Area. (3) Seattle, Wash.
Effective date: First day of the first pay period beginning on or after February 22, 1969.

PER ANNUM RATES

Level	1[1]	2	3	4	5	6	7	8	9	10	11	12
PFS–6	$7,408	$7,620	$7,832	$8,044	$8,256	$8,468	$8,680	$8,892	$9,104	$9,316	$9,528	$9,740
PFS–7	7,711	7,937	8,163	8,389	8,615	8,841	9,067	9,293	9,519	9,745	9,971	10,197
PFS–8	8,013	8,258	8,501	8,744	8,987	9,230	9,473	9,716	9,959	10,202	10,445	.....

[1] Corresponding statutory rates: PFS–6—sixth; PFS–7—fifth; PFS–8—fourth.

PFS–610 POSTAL FIELD SERVICE NURSE

Geographic coverage: (1) Washington, D.C., Standard Metropolitan Statistical Area. (2) Detroit, Mich., Standard Metropolitan Statistical Area.
Effective date: First day of the first pay period beginning on or after February 22, 1969.

PER ANNUM RATES

Level	1[1]	2	3	4	5	6	7	8	9	10	11	12
PFS–6	$7,620	$7,832	$8,044	$8,256	$8,468	$8,680	$8,892	$9,104	$9,316	$9,528	$9,740	$9,952
PFS–7	7,937	8,163	8,389	8,615	8,841	9,067	9,293	9,519	9,745	9,971	10,197	10,423
PFS–8	8,258	8,501	8,744	8,987	9,230	9,473	9,716	9,959	10,202	10,455	10,688	.....

[1] Corresponding statutory rates: PFS–6—seventh; PFS–7—sixth; PFS–8—fifth.

[SEAL]

UNITED STATES CIVIL SERVICE COMMISSION,
JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 69–2852; Filed, Mar. 7, 1969; 8:49 a.m.]

FEDERAL MARITIME COMMISSION

NORTH ATLANTIC WESTBOUND FREIGHT ASSOCIATION

Notice of Agreement Filed for Approval

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

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1202; or may inspect agreement at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 10 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. Ronald A. Capone, Kirlin, Campbell & Keating, The Farragut Building, 900 17th Street NW., Washington, D.C. 20006.

Agreement No. 5850–9, between the member lines of the North Atlantic Westbound Freight Association, which was published in Volume 34–32 of the FEDERAL REGISTER on February 15, 1969, further amends Article (4) of the basic agreement to provide "that for transportation in Great Britain and Northern Ireland members may absorb shippers costs as provided for in the Tariff." Article (8) is amended to require unanimous approval of decisions regarding such absorptions.

Dated: March 6, 1969.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 69–2913; Filed, Mar. 7, 1969; 8:50 a.m.]

NORTH ATLANTIC WESTBOUND FREIGHT ASSOCIATION

Notice of Petition Filed for Approval

Notice is hereby given that the following petition has been filed with the Commission for approval pursuant to section 14b of the Shipping Act, 1916, as amended (75 Stat. 762, 46 U.S.C. 814).

Interested parties may inspect a copy of the current contract form and of the petition, reflecting the changes proposed to be made in the language of said contract at the Washington office of the Federal Maritime Commission, 1405 I Street NW., room 1202; or at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to the proposed changes and the petition, including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 10 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the petition (as indicated hereinafter), and the comments should indicate that this has been done.

Notice of addendum to dual rate contract (general cargo) filed for approval by:

Mr. Ronald A. Capone, Kirlin, Campbell & Keating, The Farragut Building, 900 17th Street NW., Washington, D.C. 20006.

The member lines of the North Atlantic Westbound Freight Association, Agreement No. 5850, as amended, have filed the following Addendum to their Exclusive Patronage (Dual Rate) Freight Contract (General Cargo):

To clarify the rights and obligations of the parties to the Freight Contract (General Cargo) of the North Atlantic Westbound Freight Association, it is understood and agreed that the cargo to which the contract applies as far as traffic to U.S.A. ports north of Cape Hatteras is concerned includes cargo moving from a point or port other than the vessels' port of loading, whether or not under a through bill of lading.

By order of the Federal Maritime Commission.

Dated: March 6, 1969.

THOMAS LISI,
Secretary.

[F.R. Doc. 69–2914; Filed, Mar. 7, 1969; 8:50 a.m.]

NORTH ATLANTIC WESTBOUND FREIGHT ASSOCIATION

Notice of Petition Filed for Approval

Notice is hereby given that the following petition has been filed with the Commission for approval pursuant to section 14b of the Shipping Act, 1916, as amended (75 Stat. 762, 46 U.S.C. 814).

Interested parties may inspect a copy of the current contract form and of the petition, reflecting the changes proposed to be made in the language of said contract at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1202; or at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco,

Calif. Comments with reference to the proposed changes and the petition, including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 10 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the petition (as indicated hereinafter), and the comments should indicate that this has been done.

Notice of addendum to dual rate contract (wines and spirits) filed for approval by:

Mr. Ronald A. Capone, Kirlin, Campbell and Keating, The Farragut Building, 900 17th Street NW., Washington, D.C. 20006.

The member lines of the North Atlantic Westbound Freight Association, Agreement No. 5850, as amended, have filed the following Addendum to their Exclusive Patronage (Dual Rate) Freight Contract (Wines and Spirits):

To clarify the rights and obligations of the parties to the Freight Contract (Wines and Spirits) of the North Atlantic Westbound Freight Association, it is understood and agreed that the cargo to which the contract applies as far as traffic to U.S.A. ports north of Cape Hatteras is concerned includes cargo moving from a point or port other than the vessels' port of loading, whether or not under a through bill of lading.

By order of the Federal Maritime Commission.

Dated: March 6, 1969.

THOMAS LISI,
Secretary.

[F.R. Doc. 69-2915; Filed, Mar. 7, 1969; 8:50 a.m.]

FEDERAL POWER COMMISSION

[Docket No. RI69-378]

AZTEC OIL & GAS CO. ET AL.

Order Amending Order Providing for Hearings on and Suspension of Proposed Changes in Rates To Permit Substitute Rate Filings

FEBRUARY 28, 1969.

On November 25, 1968, Aztec Oil & Gas Co. (Operator) et al. (Aztec), filed with the Commission five proposed changes in rates, among others, designated as Supplement Nos. 8, 8, 8, 6, and 8 to Aztec's FPC Gas Rate Schedule Nos. 25, 26, 27, 28, and 29, which pertain to Aztec's jurisdictional sales of natural gas from various fields in San Juan County, N. Mex. (San Juan Basin Area) to El Paso Natural Gas Co. and Southern Union Gathering Co. The Commission by order issued December 30, 1968, in Docket No. RI69-378, suspended for 5 months Aztec's rate filings until June 1, 1969, and thereafter until made effective in the manner prescribed by the Natural Gas Act.

On January 28, 1969, Aztec submitted five revised rate changes, all designated as Supplement No. 1 to the aforementioned supplements to Aztec's FPC Gas Rate Schedules set forth above, to correct presently suspended rate increases to reflect tax reimbursement. Aztec states that it inadvertently omitted tax reimbursement from prior rate increases which were suspended in Docket No. RI69-378 until June 1, 1969. Aztec requests that the suspension periods of the corrected rate changes be limited to the expiration date of the original rate changes. The proposed substitute rate filings are set forth in Appendix A hereto.

Aztec's proposed 15.0636-cent rates exceed the 13.0 cents per Mcf area ceiling rates in the San Juan Basin Area as announced in the Commission's statement of general policy No. 61-1, as amended, as did the previously suspended rate in said docket. Since Aztec's revised filings include tax reimbursement, we conclude that it would be in the public interest to accept the substitute rate filings subject to the suspension proceeding in Docket No. RI69-378, with the suspension periods of such substitute rate filings to terminate concurrently with the suspension periods (June 1, 1969) of the original rate filings in said docket.

The Commission orders:

(A) The suspension order issued December 30, 1968, in Docket No. RI69-378, is amended only so far as to permit Supplement No. 1 to Supplement Nos. 8, 8, 8, 6, and 8 to Aztec's FPC Gas Rate Schedule Nos. 25, 26, 27, 28, and 29, respectively, to supersede Supplement Nos. 8, 8, 8, 6, and 8 to Aztec's aforementioned rate schedules, subject to the suspension proceeding in Docket No. RI69-378. The suspension periods for such substitute filings shall terminate concurrently with the suspension periods (June 1, 1969) presently in effect in said docket.

(B) In all other respects, the order issued by the Commission on December 30, 1968, in Docket No. RI69-378, shall remain unchanged and in full force and effect.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Acting Secretary.

APPENDIX A

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf: Rate in effect	Cents per Mcf: Proposed increased rate	Rate in effect subject to refund in dockets Nos.
RI69-378	Aztec Oil & Gas Co. (Operator) et al.,[1] 2000 First National Bank Bldg., Dallas, Tex. 75202.	25	1 to 8	Southern Union Gathering Co. (Blanco Mesaverde Pool, San Juan County, N. Mex.) (San Juan Basin Area).	$16	1-28-69	[2] 1-1-69	[3] 6-1-69	[3] 15.0	[4] [5] 15.0636	
----do[1]		26	1 to 8	----do----	67	1-28-69	[2] 1-1-69	[3] 6-1-69	[3] 15.0	[4] [5] 15.0636	
----do[1]		27	1 to 8	----do----	24	1-28-69	[2] 1-1-69	[3] 6-1-69	[3] 15.0	[4] [5] 15.0636	
----do[1]		28	1 to 6	El Paso Natural Gas Co. (Blanco Mesaverde and Basin Dakota Pools, San Juan County, N. Mex.) (San Juan Basin Area).	51	1-28-69	[2] 1-1-69	[3] 6-1-69	[3] 15.0	[4] [5] 15.0636	
----do[1]		29	1 to 8	El Paso Natural Gas Co. (Blanco Mesaverde Pool, San Juan County, N. Mex.) (San Juan Basin Area).	127	1-28-69	[2] 1-1-69	[3] 6-1-69	[3] 15.0	[4] [5] 15.0636	

[1] Successor to Acoma Oil Corp. (Operator) et al.
[2] The stated effective date is the effective date requested by Respondent.
[3] Suspended until June 1, 1969, the expiration date of the prior increase suspended in Docket No. RI69-378.
[4] Tax reimbursement increase.
[5] Pressure base is 15.025 p.s.i.a.
[6] Increase from 14 cents to 15 cents suspended in Docket No. RI69-378, 14 cent rate is in effect subject to refund in Docket No. RI64-363.

[F.R. Doc. 69-2807; Filed, Mar. 7, 1969; 8:45 a.m.]

[Docket No. E-7468]

ILLINOIS POWER CO.

Notice of Application

MARCH 5, 1969.

Take notice that on February 20, 1968, a petition was filed with the Federal Power Commission by Illinois Power Co. (Applicant), a corporation organized under the laws of, and operating in 49 counties in, the State of Illinois, with its principal business office in Decatur, Ill., seeking the issuance of a declaratory order finding that the issuance by it of promissory notes under the terms of a revolving credit agreement with certain banks does not require the authorization of the Federal Power Commission under section 204 of the Federal Power Act, together with an Alternative Application for an order authorizing the issuance of unsecured promissory notes of up to $45 million aggregate face value.

The promissory notes will be payable to certain banks from which the Applicant may borrow funds, up to but not exceeding $45 million face amount, at any time or from time to time on or prior to December 31, 1969.

The Applicant proposes to issue the notes for the purpose of securing additional funds required by it for its 1969 construction program. The Applicant's 1969 construction program will require the expenditures of approximately $41,851,000 for electric production, $10,690,000 for electric transmission lines, $10,870,000 for electric substations, $19,335,000 for routine electric extensions and additions, $12,370,000 for routine gas extensions and additions and $8,420,000 for miscellaneous and general utility expenses.

Any person desiring to be heard or to make any protest with reference to said Alternative Application should, on or before March 21, 1969, file with the Federal Power Commission, Washington, D.C. 20426, petitions or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). The Petition or Alternative Application is on file and available for public inspection.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 69-2853; Filed, Mar. 7, 1969; 8:49 a.m.]

NATIONAL COMMISSION ON PRODUCT SAFETY

[Public Law 90-146; 81 Stat. 466]

HOUSEHOLD PRODUCTS PRESENTING HEALTH AND SAFETY RISK

Notice of Hearing and Amendment of Advance Notice of Hearings

Notice is hereby given that pursuant to section 3(a) of Public Law 90-146 the National Commission on Product Safety will hold public hearings at 9:30 a.m., on April 30 and May 1, 1969, in the Ceremonial Courtroom, 25th Floor, Federal Building, 219 South Dearborn Street, Chicago, Ill.

The subject of the hearings will be: How safe are household products? The subject will include consideration of the following:

(i) Evaluation of the existing level of safety of some categories of household products.

(ii) Some product hazards associated with particular age groups, such as the very young and the aged.

(iii) Some product hazards associated with low income groups.

(iv) The adequacy of existing techniques for reporting product-related injury data.

(v) Approaches used by some other nations to improve the safety of household products.

(vi) Appropriate national goals for the safety of household products.

Interested persons are invited to attend and participate by the submission of written statements. Such statements should be furnished to the Commission at its office, 1016 16th Street NW., Washington, D.C. 20036, not later than April 22, 1969. Such statements will be made a part of the record of the hearings and will be available for inspection by the public.

Interested persons desiring to offer oral testimony at these hearings should advise the Commission and file written statements setting forth the substance of their proposed testimony by April 22, 1969. The Commission will attempt to grant such requests to the extent time permits.

Persons desiring to furnish oral testimony or to submit statements at subsequent Commission hearings are invited to so advise the Commission in writing specifying the proposed subject of their testimony and group affiliation, if any.

This notice amends an advance notice of this hearing which appeared in the FEDERAL REGISTER on December 11, 1968, (33 F.R. 18414).

Dated: March 7, 1969.

ARNOLD B. ELKIND,
Chairman.

[F.R. Doc. 69-2951; Filed, Mar. 7, 1969; 9:34 a.m.]

SMALL BUSINESS ADMINISTRATION

MORRIS CAPITAL CORP.

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

Notice is hereby given that 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 Morris Capital Corp., 10950 North May Avenue, Oklahoma City, Okla. 73120 (MCC), a Federal Licensee under the Small Business Investment Act of 1958, as amended ("the Act"), License No. 10/10-0133.

MCC was licensed on November 8, 1963, and as of September 30, 1968, had paid-in capital and paid-in surplus from private sources of $155,000. It has 100,000 shares of issued and outstanding common stock held by Mr. Thomas S. Morris.

Mr. Morris has agreed, subject to SBA approval, to sell 100 percent of the stock of MCC to Pace Co., Main Street at 13th, Duncan, Okla. 73533, a finance company incorporated under the laws of the State of Oklahoma. The following individuals are the proposed new officers and directors:

Name, address, and proposed relationship

[1] Lloyd O. Pace, Main Street at 13th, Duncan, Okla. 73533, president and director.

Donald W. Douglas, 2212 Cedar, Duncan, Okla., vice president and director.

Dosson L. Ray, 617 North 18th Street, Duncan, Okla. 73533, treasurer and director.

Henry C. Booney, 408 North 21st, Duncan, Okla. 73533, secretary and director.

[1] Owns 75 percent of the common stock of Pace Co. directly and an additional 12½ percent indirectly.

The principal office of the Licensee presently will remain in Oklahoma City, Okla.

Matters involved in SBA's consideration of the application include the general business reputation and character of the foregoing individuals 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 10 days from the publication of this notice, 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 transferee in a newspaper of general circulation in Oklahoma City and Duncan, Okla.

For SBA (pursuant to delegated authority).

Dated: February 28, 1969.

JAMES THOMAS PHELAN,
Acting Associate Administrator for Investment.

[F.R. Doc. 69-2819; Filed, Mar. 7, 1969; 8:46 a.m.]

EASTLAND CAPITAL CORP. AND MARGATE CAPITAL CORP.

Cancellation of SBIC Licenses

Notice is hereby given that the Small Business Administration (SBA) has accepted the surrender of License No. 03/04-0086 issued to Eastland Capital Corp., 1031 Kennedy Lane, Falls Church, Va. 22042 (Eastland), and License No. 03/04-0092 issued to Margate Capital Corp., 1925 North Lynn Street, Arlington, Va. 22207 (Margate), authorizing them to operate as small business investment companies under the Small Business Investment Act, as amended, 15 U.S.C. 661 et seq.

Under date of October 18, 1967, SBA concluded a settlement agreement with Eastland and Margate as well as with certain of their principals, which provided for repayment of all indebtedness owing by Eastland and Margate to SBA. The agreement further provided that upon repayment in full of the indebtedness to SBA, Eastland and Margate would surrender their licenses and cease in all respects to operate as licensed small business investment companies.

The indebtedness having been repaid in full, SBA by letter dated February 24, 1969, advised Eastland and Margate that it accepted surrender of the licenses as of that date, pursuant to the settlement agreement.

Pursuant to the foregoing, notice is hereby given that Licenses Nos. 03/04-

0086 and 03/04-0092 and all rights, privileges, and franchises derived therefrom have been canceled and terminated as of February 24, 1969.

Dated: February 28, 1969.

JAMES THOMAS PHELAN,
Acting Associate Administrator for Investment.

[F.R. Doc. 69-2820; Filed, Mar. 7, 1969; 8:46 a.m.]

[Delegation of Authority No. 30 (Midwestern Area) Rev. 2, Amdt. 1]

AREA COORDINATORS ET AL.

Delegation of Authority To Conduct Program Activities in the Midwestern Area

Pursuant to the authority delegated to the Area Administrator by Delegation of Authority No. 30 (Revision 12), 32 F.R. 179 dated January 7, 1967, as amended (32 F.R. 8113, dated June 6, 1967; 33 F.R. 8793 dated June 15, 1968; 33 F.R. 17217 dated Nov. 20, 1968) Delegation of Authority No. 30, Revision 2, Midwestern Area, 33 F.R. 9851 dated July 9, 1968, is hereby amended by revising Items I.E.1., II.C., II.D., II.F.2, II.G.4, and II.G.12 to read as follows:

I. *Area coordinators.*

* * * * *

E. *Financial assistance coordinator.*

1. *Eligibility determinations (for financial assistance only).* To determine eligibility of applicants for assistance under any program of the Agency, except the SBIC and Development Company Assistance Programs, in accordance with Small Business Administration standards and policies. No authority is hereby delegated to declare the nonapplicability of eligibility limitations to a community emergency as set forth in § 120.2(e) of SBA Loan Policy Regulations.

* * * * *

II. *Regional Directors.*

* * * * *

C. *Size determinations.* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

D. *Eligibility determinations.* To determine eligibility of applicants for assistance under any program of the Agency, except the SBIC program, in accordance with Small Business Administration standards and policies. No authority is hereby delegated to declare the nonapplicability of eligibility limitations to a community emergency as set forth in § 120.2(e) of SBA Loan Policy Regulations.

* * * * *

F. *Chiefs, Financial Assistance Divisions (and Assistant Chiefs, if assigned).*

* * * * *

2. *Eligibility determinations for financial assistance only.* To determine eligibility of applicants for assistance under any program of the Agency, except the SBIC and Development Company Assistance Programs, in accordance with Small Business Administration standards and policies. No authority is hereby delegated to declare the nonapplicability of eligibility limitations to a community emergency as set forth in § 120.2(e) of SBA Loan Policy Regulations.

* * * * *

G. *Supervisory Loan Officer and/or Assistance Team Leader.*

* * * * *

4. To enter into business, economic opportunity and disaster loan participation agreements with banks.

* * * * *

12. *Eligibility determinations for financial assistance only.* To determine eligibility of applicants for assistance under any program of the Agency, except the SBIC and Development Company Assistance Programs, in accordance with Small Business Administration standards and policies. No authority is hereby delegated to declare the nonapplicability of eligibility limitations to a community emergency as set forth in § 120.2(e) of SBA Loan Policy Regulations.

* * * * *

Effective Date: December 19, 1968.

RICHARD E. LASSAR,
Area Administrator, Midwestern Area.

[F.R. Doc. 69-2821; Filed, Mar. 7, 1969; 8:46 a.m.]

[Delegation of Authority No. 50-6 (Rev. 5), Southwestern Area, Dallas, Tex.]

AREA COORDINATORS

Delegation of Authority To Conduct Program Activities in Southwestern Area

Pursuant to the authority delegated to the Area Administrators by Delegation of Authority No. 30 (Revision 12), 32 F.R. 179, dated January 7, 1967, Amendment 1, 32 F.R. 8113, dated June 6, 1967, Amendment 2, 33 F.R. 8793, dated June 15, 1968, and Amendment 3, 33 F.R. 17217, dated November 20, 1968, the following authority is hereby redelegated to the positions as indicated herein:

I. *Area Coordinators.*

A. *Development Company Assistance Coordinator.*

1. *Eligibility determinations (for financial assistance only).* To determine eligibility of applicants for assistance under the sections 501 and 502 programs of the Agency in accordance with Small Business Administration standards and policies.

2. *Size determinations (for financial assistance only).* To make initial size determinations in all sections 501 and 502 loans within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for sections 501 and 502 loans only. Product classification decisions for procurement purposes are made by contracting officers.

B. *Liquidation and Disposal Coordinator.*

1. To take all necessary actions in connection with the liquidation and disposal of all loans and other obligations or assets, including collateral purchased; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer, and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates, and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. To take all necessary action in liquidating Economic Development Administration loans and acquired collateral when and as authorized by Economic Development Administration.

d. To advertise regarding the public sale of (1) collateral in connection with the liquidation of loans, and (2) acquired property.

e. Except: (1) 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; (2) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

C. *Supervisory Liquidation and Disposal Officer.*

1. To take all necessary actions in connection with the liquidation and disposal of all loans and other obligations or assets, including collateral purchased; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer, and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. To take all necessary action in liquidating Economic Development Administration loans and acquired collateral when and as authorized by Economic Development Administration.

d. To advertise regarding the public sale of (1) collateral in connection with the liquidation of loans and (2) acquired property.

e. Except: (1) 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; (2) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement; and (3) the cancellation of authority to liquidate.

D. *Area Claims Review Committee.* To consist of the liquidation and disposal coordinator, area counsel and the area supervisory appraiser who will meet and consider reasonable and properly supported compromise proposals of indebtedness owed to the Agency and to take final action on such proposals provided such action represents the majority recommendation of the committee on claims not in excess of $5,000 (including CPC advances but excluding interest), or represents the unanimous recommendation of said committee on claims in excess of $5,000 but not exceeding $100,000 (including CPC advances but excluding interest).

E. *Financial Assistance Coordinator.*

1. *Eligibility determinations (for financial assistance only).* To determine eligibility of applicants for assistance under any program of the Agency, except the SBIC and Development Company Assistance Programs, in accordance with Small Business Administration standards and policies. No authority is hereby delegated to declare the nonapplicability of eligibility limitations to a community emergency as set forth in § 120.2(e) of SBA Loan Policy Regulations.

2. *Size determinations (for financial assistance only).* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, 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.

F. *Procurement and Management Assistance Coordinator.*

1. *Eligibility determinations (for PMA activities only).* To determine eligibility of applicants for assistance under any program of the Agency in accordance with Small Business Administration standards and policies.

2. *Size determinations (for PMA activities only).* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

G. *Area Administrative Officer.*

1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. attorneys in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; and (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of Disaster Loan Offices, to obligate Small Business Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

II. *Regional Directors.*

A. *Financial assistance.*

1. To approve business and disaster loans not exceeding $350,000 (SBA share) and economic opportunity loans not exceeding $25,000 (SBA share).

2. To decline business, economic opportunity and disaster loans of any amount.

3. To close and disburse approved loans.

4. To enter into business, economic opportunity and disaster loan participation agreements with banks.

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

(Name), Administrator
By _____
(Name)
Regional Director,
(City)

6. To cancel, reinstate, modify, and amend authorizations for business, economic opportunity, and disaster loans.

7. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

8. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

9. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding principal balance of construction loans and loans involving accounts receivable and inventory financing.

**10. To establish disaster field offices upon receipt of advice of the designation of a disaster area; to advise on the making of disaster loans; to appoint as a processing representative any bank in the disaster area; and to close disaster field offices when no longer advisable to maintain such offices.

11. To take all necessary actions in connection with the administration, servicing, and collection, other than those accounts classified as "in liquidation"; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer, and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates, and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privilege under the loan guaranty plan.

d. Except: (1) 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 (2) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

B. *Development company assistance.*

** 1. To approve or decline section 501 State Development Company loans and section 502 Local Development Company loans up to $350,000 (SBA share).

2. To close and disburse sections 501 and 502 loans.

3. To extend the disbursement period on sections 501 and 502 loan authorizations or undisbursed portions of sections 501 and 502 loans.

4. To cancel, reinstate, modify, and amend authorizations for sections 501 and 502 loans.

5. To take all necessary actions in connection with the administration, servicing, and collection; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate

the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer, and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates, and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privilege under the loan guaranty plan.

d. Except: (1) 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 (2) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

C. *Size determinations.* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for financial assistance purposes only. Product classification decisions for procurement purposes are made by contracting officers.

D. *Eligibility determinations.* To determine eligibility of applicants for assistance under any program of the Agency, except the SBIC program, in accordance with Small Business Administration standards and policies. No authority is hereby delegated to declare the nonapplicability of eligibility limitations to a community emergency as set forth in § 120.2(e) of SBA Loan Policy Regulations.

E. *Administration.*

1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. attorneys in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits; and (d) issue Government bills of lading.

3. In connection with the establishment of Disaster Loan Offices, to obligate Small Business Administration to reimburse the General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

F. *Chiefs, Financial Assistance Divisions* (and Assistant Chiefs, if assigned).

1. *Size determinations for financial assistance only.* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, 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.

2. *Eligibility determinations for financial assistance only.* To determine eligibility of applicants for assistance under any program of the Agency, except the SBIC and Development Company Assistance Programs, in accordance with Small Business Administration standards and policies. No authority is hereby delegated to declare the nonapplicability of eligibility limitations to a community emergency as set forth in § 120.2(e) of SBA Loan Policy Regulations.

3. To approve business and disaster loans not exceeding $350,000 (SBA share) and economic opportunity loans not exceeding $25,000 (SBA share).

4. To close and disburse approved business, economic opportunity, and disaster loans.

5. To decline business, economic opportunity, and disaster loans of any amount.

6. To enter into business, economic opportunity and disaster loan participation agreements with banks.

7. To execute loan authorizations for Central Office, area, and regional approved loans and loans approved under the delegated authority, said execution to read as follows:

(Name), Administrator

By ----------
(Name)
Title of person signing.

8. To cancel, reinstate, modify, and amend authorizations for business, economic opportunity, and disaster loans.

9. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

10. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

11. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding balance on construction loans and loans involving accounts receivable and inventory financing.

12. To take all necessary actions in connection with the administration, servicing, and collection, other than those accounts classified as "in liquidation"; and to do and to perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer, and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or in part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates, and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privileges under the loan guaranty plan.

d. Except: (1) 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 (2) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

G. *Supervisory Loan Officer and/or Assistance Team Leader.*

1. To approve or decline business and disaster 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, economic opportunity and disaster loan participation agreements with banks.

5. To execute loan authorizations for Central Office, area, and regional approved loans and loans approved under delegated authority, said execution to read as follows:

(Name, Administrator)

By ----------
(Name)
Title of person signing.

6. To cancel, reinstate, modify, and amend authorizations for business, economic opportunity, and disaster loans.

7. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

8. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

9. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding balance on construction loans and loans involv-

ing accounts receivable and inventory financing.

10. To take all necessary actions in connection with the administration, servicing, and collection, other than those accounts classified as "in liquidation"; and to do and to perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer, and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or in part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates, and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privileges under the loan guaranty plan.

d. Except: (1) 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 (2) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

11. *Size determinations for financial assistance only.* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, 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 the SBIC and Development Company Assistance Programs, in accordance with Small Business Administration standards and policies. No authority is hereby delegated to declare the nonapplicability of eligibility limitations to a community emergency as set forth in § 120.2(e) of SBA Loan Policy Regulations.

H. *Loan Officer (financial assistance).*

1. To approve final actions concerning current direct or participation loans.

a. Use of the cash surrender value of life insurance to pay the premium on the policy.

b. Release of dividends of life insurance or consent to application against premiums.

c. Minor modifications in the authorization.

d. Extension of disbursement period.

e. Extension of initial principal payments.

f. Adjustment of interest payment dates.

g. Release of hazard insurance checks not in excess of $500 and endorse such checks on behalf of the Agency where SBA is named as joint loss payee.

h. Release of equipment with or without consideration where the value of equipment being released does not exceed $500.

2. To close and disburse approved business, economic opportunity and disaster loans.

I. *Chief, Development Company Assistance Division.*

1. To close and disburse sections 501 and 502 loans.

2. To extend the disbursement period on sections 501 and 502 loan authorizations or undisbursed portions of sections 501 and 502 loans.

3. To cancel, reinstate, modify, and amend authorizations for sections 501 and 502 loans.

4. To take all necessary actions in connection with the administration, servicing, and collection; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates, and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank application for use of liquidity privilege under the loan guaranty plan.

d. Except: (1) 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 (2) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

J. *Loan Officer (development company assistance).*

1. To close and disburse sections 501 and 502 loans.

2. To extend the disbursement period on sections 501 and 502 loans.

3. To cancel, reinstate, modify, and amend authorizations for sections 501 and 502 loans.

4. To approve final actions concerning current direct, participation, and First Mortgage Plan 502 loans:

a. Use of the cash surrender value of life insurance to pay the premium on the policy.

b. Release of dividends of life insurance or consent to applications against premiums.

c. Minor modifications in the authorization.

d. Extension of disbursement period.

e. Extension of initial principal payments.

f. Adjustment of interest payment dates.

g. Release of hazard insurance checks not in excess of $500 and endorse such checks on behalf of the Agency where SBA is named as joint loss payee.

h. Release of equipment with or without consideration where the value of equipment being released does not exceed $500.

K. *Regional Counsel (reserved).*

L. *Chief, Accounting, Clerical, and Training Division.*

1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. attorney in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of disaster loan offices, to obligate Small Business Administration to reimburse General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

**5. To cancel, reinstate, modify, and amend authorizations for business, economic opportunity and disaster loans.

**6. To extend the disbursement period on all loan authorizations or undisbursed portions of loans, except sections 501 and 502 loans.

**7. To approve final actions concerning current direct or participation loans:

a. Use of the cash surrender value of life insurance to pay the premium on the policy.

b. Release of dividends of life insurance or consent to application against premiums.

c. Minor modifications in the authorization.

d. Adjustment of interest payment dates.

e. Release of hazard insurance checks not in excess of $500 and endorse such

checks on behalf of the Agency where SBA is named as joint loss payee.

f. Release of equipment with or without consideration where the value of equipment being released does not exceed $500.

M. *Assistant Chief, Accounting, Clerical, and Training Division.*

1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. attorney in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. In connection with the establishment of disaster loan offices, to obligate Small Business Administration to reimburse General Services Administration for the rental of office space.

4. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

III. *Branch Manager (Harlingen Branch Office).*

A. *Financial assistance.*

1. To approve business and disaster loans not exceeding $350,000 (SBA share) and economic opportunity loans not exceeding $25,000 (SBA share).

2. To decline business, economic opportunity, and disaster loans of any amount.

3. To close and disburse approved business, economic opportunity, and disaster loans.

4. To enter into business, economic opportunity, and disaster loan participation agreements with banks.

5. To execute loan authorizations for Central Office, area, and regional approved loans and loans approved under the delegated authority, said execution to read as follows:

(Name), Administrator
By ----------
(Name)
Branch Manager
(City)

6. To cancel, reinstate, modify, and amend authorizations for business, economic opportunity, and disaster loans.

7. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

8. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents; and certify to the participating bank that such documents are in compliance with the participation authorization.

9. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding principal balance of construction loans and loans involving accounts receivable and inventory financing.

10. To take all necessary actions in connection with the administration, servicing, and collection, other than those accounts classified as "in liquidation"; and to do and perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer, and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates, and such other instruments in writing may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privilege under the loan guaranty plan.

d. Except: (1) 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 (2) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement, or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

B. *Size determinations (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.

C. *Eligibility determinations (for financial assistance only).* To determine eligibility of applicants for assistance under any program of the Agency, except the SBIC and Development Company Assistance Programs, in accordance with Small Business Administration standards and policies. No authority is hereby delegated to declare the nonapplicability of eligibility limitations to a community emergency as set forth in § 120.2(e) of SBA Loan Policy Regulations.

D. *Administration.*

1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. attorneys in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

E. *Supervisory Loan Officer and/or Assistance Team Leader.*

1. To approve or decline business and disaster 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, economic opportunity, and disaster loan participation agreements with banks.

5. To execute loan authorizations for Central Office, area and regional approved loans, and loans approved under delegated authority, said execution to read as follows:

(Name), Administrator
By ----------
(Name)
Title of person signing.

6. To cancel, reinstate, modify, and amend authorizations for business, economic opportunity, and disaster loans.

7. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

8. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents, and certify to the participating bank that such documents are in compliance with the participation authorization.

9. To approve service charges by participating banks not to exceed 2 percent per annum on the outstanding balance on construction loans and loans involving accounts receivable and inventory financing.

10. To take all necessary actions in connection with the administration, servicing, and collection, other than those accounts classified as "in liquidation"; and to do and to perform and to assent to the doing and performance of, all and every act and thing requisite and proper to effectuate the granted powers, including without limiting the generality of the foregoing:

a. The assignment, endorsement, transfer, and delivery (but in all cases without representation, recourse, or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

b. The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale of special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or in part) of liens, satisfaction pieces, affidavits, proofs of

claim in bankruptcy or other estates, and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing.

c. The approval of bank applications for use of liquidity privileges under the loan guaranty plan.

d. Except: (1) 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 (2) to deny liability of the Small Business Administration under the terms of a participation or guaranty agreement or the assertion of a claim for recovery from a participating bank under any alleged violation of a participation or guaranty agreement.

11. *Size determinations for financial assistance only.* To make initial size determinations in all cases within the meaning of the Small Business Size Standards Regulations, as amended, 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 the SBIC and Development Company Assistance Programs, in accordance with Small Business Administration standards and policies. No authority is hereby delegated to declare the nonapplicability of eligibility limitations to a community emergency as set forth in § 120.2(e) of SBA Loan Policy Regulations.

F. *Loan Officer (financial assistance).*

1. To approve final actions concerning current direct or participation loans:

a. Use of the cash surrender value of life insurance to pay the premium on the policy.

b. Release of dividends of life insurance or consent to application against premiums.

c. Minor modifications in the authorization.

d. Extension of disbursement period.

e. Extension of initial principal payments.

f. Adjustment of interest payment dates.

g. Release of hazard insurance checks not in excess of $500 and endorse such checks on behalf of the Agency where SBA is named as joint loss payee.

h. Release of equipment with or without consideration where the value of equipment being released does not exceed $500.

2. To close and disburse approved business, economic opportunity and disaster loans.

G. *Branch Counsel (Reserved).*

H. *Chief, Accounting, Clerical, and Training Division.*

1. To purchase reproduction of loan documents, chargeable to the revolving fund, requested by U.S. attorney in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

**4. To cancel, reinstate, modify, and amend authorizations for business, economic opportunity, and disaster loans.

**5. To extend the disbursement period on all loan authorizations or undisbursed portions of loans, except sections 501 and 502 loans.

**6. To approve final actions concerning current direct or participation loans:

a. Use of the cash surrender value of life insurance to pay the premium on the policy.

b. Release of dividends of life insurance or consent to application against premiums.

c. Minor modifications in the authorization.

d. Adjustment of interest payment dates.

e. Release of hazard insurance checks not in excess of $500 and endorse such checks on behalf of the Agency where SBA is named as joint loss payee.

f. Release of equipment with or without consideration where the value of equipment being released does not exceed $500.

I. *Assistant Chief, Accounting, Clerical, and Training Division.*

1. To purchase reproductions of loan documents, chargeable to the revolving fund, requested by U.S. attorney in foreclosure cases.

2. To (a) purchase office supplies and equipment, including office machines, and rent regular office equipment and furnishings; (b) contract for repair and maintenance of equipment and furnishings; (c) contract for services required in setting up and dismantling and moving SBA exhibits and (d) issue Government bills of lading.

3. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

IV. The specific authority delegated herein, indicated by double asterisks (**) cannot be redelegated.

V. The authority delegated herein to a specific position may be exercised by an SBA employee designated as Acting in that position.

VI. All previously delegated authority is hereby rescinded without prejudice to actions taken under such Delegations of Authority prior to the date hereof.

Effective date: November 26, 1968.

ROBERT E. WEST,
Area Administrator,
Southwestern Area.

[F.R. Doc. 69-2822; Filed, Mar. 7, 1969; 8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

MARCH 5, 1969.

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

LONG-AND-SHORT HAUL

FSA No. 41575—*Phosphatic fertilizer solution to points in western trunkline territory.* Filed by Western Trunk Line Committee, agent (No. A-2580), for interested rail carriers. Rates on phosphatic fertilizer solution, in tank carloads, from Garfield, Utah, and Don, Idaho, to specified points in Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, and Nebraska.

Grounds for relief—Carrier competition.

Tariff—Supplement 273 to Western Trunk Line Committee, agent tariff ICC A-4411.

FSA No. 41576—*Aluminum sulphate from Roseport, Minn.* Filed by Southwestern Freight Bureau, agent (No. B-17), for interested rail carriers. Rates on aluminum sulphate, dry, or paper makers' alum, dry, in carloads, as described in the application, from Roseport, Minn., to points in southwestern territory.

Grounds for relief—Market competition.

Tariff—Supplement 121 to Southwestern Freight Bureau, agent, tariff ICC 4690.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 69-2854; Filed, Mar. 7, 1969; 8:49 a.m.]

[Investigation and Suspension Docket No. M-22930]

EASTERN CENTRAL TERRITORY

Small Shipment Rate Revision

In the matter of referral for hearing and directing special procedure.

Present: Laurence K. Walrath, Commissioner, to whom the matter which is the subject of this order has been referred for action thereon.

It appearing, That by order dated February 14, 1969, the Commission, Division 2, acting as an Appellate Division, instituted an investigation into and concerning the lawfulness of the rates, charges, and regulations stated in tariff schedules designated in said order and suspended the operation of said schedules to and including September 14, 1969;

And it further appearing, That upon consideration of the record in the above-entitled proceeding, this matter is one which should be referred to a hearing examiner for hearing and that in the interest of expediting the hearing, the

adoption of special procedure is required; and for good cause therefor:

It is ordered, That the above-entitled proceeding be, and it is hereby, referred to a hearing examiner (to be later designated) for hearing.

It is further ordered, That on or before April 15, 1969, the respondents and all interested persons in support thereof shall file with the Commission an original and two copies of the verified statements of their witnesses, in writing, together with any cost or traffic studies to be offered at the hearing with a statement where the underlying work papers to such studies will be available for inspection by parties to the proceeding, and at the same time, serve a copy of such prepared material upon all persons who have already notified the Commission they intend to actively participate and all additional persons who on or before April 7, 1969, notify the Commission and respondents' counsel they intend to actively participate in the proceeding.

It is further ordered, That persons desiring to cross-examine witnesses of respondents or those in support of respondents who have submitted verified statements or other prepared material shall give notice to that effect, in writing, to the affiant and his counsel, if any, on or before April 22, 1969, a copy of such notice to be filed simultaneously with the Commission, together with a request for any underlying data that the witness will be expected to have available for immediate reference at the hearing.

It is further ordered, That a hearing be, and it is hereby, assigned to commence on May 6, 1969, 9:30 a.m., District of Columbia daylight saving time, at the offices of the Interstate Commerce Commission, Washington, D.C., for the purpose of hearing cross-examination of witnesses so requested and such other pertinent evidence which the examiner deems necessary to complete the initial stage of the hearing.

It is further ordered, That on or before June 3, 1969, protestants and all interested persons in support thereof shall file with the Commission an original and two copies of their evidence in the form of verified statements, in writing, and at the same time, serve a copy of such prepared material upon respondents' counsel and all persons who appear and actively participate at the hearing scheduled to commence on May 6, 1969.

It is further ordered, That persons desiring to cross-examine protestants' witnesses who have submitted verified statements or other prepared material shall give notice to that effect, in writing, to the affiant and his counsel, if any, on or before June 10, 1969, a copy of such notice to be filed simultaneously with the Commission, together with a request for any underlying data that the witness will be expected to have available for immediate reference at the hearing.

It is further ordered, That a hearing be, and it is hereby, assigned to commence on June 17, 1969, 9:30 a.m., District of Columbia daylight saving time, at the offices of the Interstate Commerce Commission, Washington, D.C., for the purpose of hearing cross-examination of witnesses so requested on or before June 10, 1969, as provided herein; to afford opportunity for the respondents to present their rebuttal testimony; and to hear such other pertinent evidence which the examiner deems necessary to complete the record.

It is further ordered, That all verified statements and attachments as to which no cross-examination is requested shall be considered as part of the record. Any witness who has been requested to appear for cross-examination but fails to do so subjects his verified statement to a motion to strike.

It is further ordered, That a copy of this order be served upon all respondents and protestants to this proceeding and that a copy be filed in the office of the Secretary of the Commission, Washington, D.C., as notice to all interested persons.

And it is further ordered, That, to avoid future unnecessary service upon those respondents or protestants who are not actively participating in the proceeding, subsequent service herein of notices and orders of the Commission will be limited to those respondents and protestants who:

(1) Have specifically made written request to the Secretary of the Commission to be included on the service list to actively participate and to receive copies of the material to be served as outlined herein, or

(2) Have appeared at a hearing.

Dated at Washington, D.C., this 28th day of February, 1969.

By the Commission, Commissioner Walrath.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 69-2855; Filed, Mar. 7, 1969; 8:49 a.m.]

[Notice 791]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

MARCH 5, 1969.

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 2153 (Sub-No. 40 TA), filed March 3, 1969. Applicant: MIDWEST MOTOR EXPRESS, INC., 12th Street and Front Avenue, Box 1058, Bismarck, N. Dak. 58501. Applicant's representative: F. J. Smith, Post Office Box 1436, Bismarck, N. Dak. 58501. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, and except dangerous explosives, household goods as defined in *Practices of Motor Common Carriers of Household Goods*, 17 MCC 467, commodities in bulk, and commodities requiring special equipment); (1) between Beach, N. Dak., and Glendive, Mont., over U.S. Highway 10 and Interstate Highway 94, serving the intermediate point of Wibaux, Mont.; (2) between Wilton, N. Dak., and Bowdon, N. Dak., from Wilton to Mercer, N. Dak., over North Dakota Highway 41, thence over North Dakota Highway 7 to Bowdon, and return over the same route, serving the intermediate points of McClusky, Denhoff, Goodrich, Hurdsfield, and Chasely, N. Dak.; and (3) between Hurdsfield, N. Dak., and Steele, N. Dak., over North Dakota Highways 7 and 3, serving the intermediate point of Tuttle, N. Dak., for 180 days. NOTE: Applicant states it intends to tack the authority here applied for with present authority held by it under No. MC 2153 and Subs. Supporting shippers: There are approximately 83 statements from supporting shippers attached to the application, which statements may be examined here at the Interstate Commerce Commission, in Washington, D.C., or at the field office named below. Send protests to: District Supervisor J. H. Ambs, Interstate Commerce Commission, Bureau of Operations, 1621 South University Drive, Room 213, Fargo, N. Dak. 58102.

No. MC 30837 (Sub-No. 364 TA), filed February 28, 1969. Applicant: KENOSHA AUTO TRANSPORT CORPORATION, 4200 39th Avenue, Kenosha, Wis. 53140. Applicant's representative: Albert P. Barber (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Stump removers and parts and attachments therefor*, from Pomona, Calif., to points in the United States (except Alaska and Hawaii). (Applicant holds authority to transport street sweepers, chippers, brush cutters, and related commodities, from Pomona, Calif., to points throughout the United States, with certain minor exceptions, and here proposes to transport stump removers in either straight or mixed truckload shipments of street sweepers, chippers, brush cutters, and related commodities), for 180 days. Supporting shipper: Wayne Manufacturing Co., 1201 East Lexington Street, Pomona, Calif. 91766 (S. A. Magee, Traffic Manager). Send protests to: District Super-

visor Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

No. MC 30837 (Sub-No. 365 TA), filed February 28, 1969. Applicant: KENOSHA AUTO TRANSPORT CORPORATION, 4200 39th Avenue, Kenosha, Wis. 53140. Applicant's representative: Albert P. Barber (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Trailers* (except those designed to be drawn by passenger automobiles), from Bellevue, Ohio, and Ebensburg, Pa., to points in the United States, for 180 days. Supporting shipper: Leonard Hynes, Military Traffic Management Terminal Service, Department of Defense, Washington, D.C. Send protests to: District Supervisor Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

No. MC 52460 (Sub-No. 101 TA), filed February 28, 1969. Applicant: HUGH BREEDING, INC., 1420 West 35th, Post Office Box 9515, Tulsa, Okla. 74107. Applicant's representative: Steve B. McCommas (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Anhydrous ammonia*, in bulk, in tank vehicles; (1) from the plantsite and facilities of Hill Chemicals, Inc., located at or near Borger, Tex., to points in Colorado, Kansas, and Oklahoma; restricted to the transportation of shipments which originate at the plantsite and facilities of Hill Chemicals, Inc., located at or near Borger, Tex., and are destined to points in the named destination States; (2) from the terminal located on the ammonia pipeline of MAPCO, Inc. (formerly Mid-America Pipeline Co.), located at or near Conway, Kans., to points in Colorado, Kansas, Missouri, and Nebraska; restricted to the transportation of shipments which originate at the facility of MAPCO, Inc., located at or near Conway, Kans., and are destined to the points in the named destination States; (3) from the terminal located on the ammonia pipeline of MAPCO, Inc., located at or near Greenwood, Nebr., to points in Colorado, Iowa, Kansas, Missouri, Nebraska, South Dakota, and Wyoming; restricted to the transportation of shipments which originate at the facilities of MAPCO, Inc., located at or near Greenwood, Nebr., and are destined to the points in the named destination States; (4) from the terminal located on the ammonia pipeline of MAPCO, Inc., located at or near Whiting, Early, and Garner, Iowa, to points in Illinois, Iowa, Minnesota, Nebraska, North Dakota, South Dakota, and Wisconsin; restricted to the transportation of shipments which originate at the facilities of MAPCO, Inc., located at or near Whiting, Early, and Garner, Iowa, and are destined to points in the named destination States, for 180 days. Supporting shipper: A. E. Macdonald, Manager, Distribution and Traffic, Cominco American, 818 West Riverside Avenue, Spokane, Wash. 99201. Send protests to: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 240 Old Post Office and Courthouse Building, 215 Northwest Third, Oklahoma City, Okla. 73102.

No. MC 107295 (Sub-No. 171 TA), filed February 28, 1969. Applicant: PRE-FAB TRANSIT CO., 100 South Main Street, Post Office Box 146, Farmer City, Ill. 61842. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Laminated products*, from Grand Rapids, Mich., to points in the United States (except Alaska and Hawaii), for 180 days. Supporting shipper: Distco Laminating, 212 Logan SW., Grand Rapids, Mich. 49502. Send protests to: Harold C. Jolliff, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 476, 325 West Adams Street, Springfield, Ill. 62704.

No. MC 107295 (Sub-No. 175 TA), filed March 3, 1969. Applicant: PRE-FAB TRANSIT CO., 100 South Main Street, Post Office Box 146, Farmer City, Ill. 61842. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Floor arches and contractor's equipment and materials*, between Miamitown, Ohio, and points in the United States, for 180 days. Supporting shipper: Gateway Building Products, 3233 West Grand Avenue, Chicago, Ill. 60651. Send protests to: Harold C. Jolliff, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 476, 325 West Adams Street, Springfield, Ill. 62704.

No. MC 111170 (Sub-No. 127 TA), filed February 28, 1969. Applicant: WHEELING PIPE LINE, INC., Post Office Box 1718, El Dorado, Ark. 71730. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Ammonium nitrate fertilizer*, in bulk, from plantsite or storage facilities of Monsanto Co. located at El Dorado, Ark. to points in Oklahoma and Texas, for 180 days. Supporting shipper: Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519, Federal Office Building, 700 West Capitol, Little Rock, Ark. 72201.

No. MC 114533 (Sub-No. 182 TA), filed February 28, 1969. Applicant: BANKERS DISPATCH CORPORATION, 4970 South Archer Avenue, Chicago, Ill. 60632. Applicant's representative: Stanley Komosa (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Data processing systems, components, and parts*, between Chicago, Ill., on the one hand, and, on the other, points in Wisconsin (except Madison, Green Bay, Oshkosh, Appleton, Milwaukee, and Sheboygan), Michigan (except Flint, Saginaw, Kalamazoo, and Detroit), Indiana (except Fort Wayne, Indianapolis, Lafayette, South Bend, and Terre Haute), Missouri (except St. Louis), and Ohio (except Toledo and Cleveland), between Detroit, Mich., on the one hand, and, on the other, points in Indiana and Ohio, for 180 days. Supporting shipper: International Business Machines Corp., 310 West Madison Street, Chicago, Ill. Send protests to: Roger L. Buchanan, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 219 South Dearborn Street, Chicago, Ill. 60604.

No. MC 127799 (Sub-No. 3 TA) (Correction), filed January 31, 1969, published FEDERAL REGISTER, issue of February 14, 1969, and republished as corrected this issue. Applicant: LUPPES TRANSPORT COMPANY, INC., Post Office Box 152, Webster City, Iowa 50595. Applicant's representative: William A. Landau, 1451 East Grand Avenue, Des Moines, Iowa 50306. NOTE: Previous notice, as published in the FEDERAL REGISTER, set forth that protests should be sent to the Federal Highway Administration, Department of Transportation, Washington, D.C. This should have read: Send protests to: Ellis L. Annett, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 677 Federal Building, Des Moines, Iowa 50309.

No. MC 128279 (Sub-No. 6 TA), filed February 28, 1969. Applicant: ARROW FREIGHTWAYS, INC., Post Office Box 3783, 4800 Jefferson NE., Albuquerque, N. Mex. 87110. Applicant's representative: Jerry R. Murphy, 708 LaVeta Drive NE., Albuquerque, N. Mex. 87108. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Specially designed trailers*, from Denver, Colo., to Los Alamos, N. Mex., for 180 days. Supporting shipper: Timpte, Inc., 4300 Second Street NW., Albuquerque, N. Mex. 87107. Send protests to: William R. Murdoch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 10515 Federal Building, U.S. Courthouse, Albuquerque, N. Mex. 87101.

No. MC 133351 (Sub-No. 1 TA) (Correction), filed February 14, 1969, published the FEDERAL REGISTER issue of February 26, 1969, and republished as corrected, this issue. Applicant: ELTON F. PERKINS, doing business as PERKINS LUMBER COMPANY, Greene, Maine 04236. Applicant's representative: Peter L. Murray, 465 Congress Street, Portland, Maine 04111. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Conveyor systems and machinery used in the shoe and textile industries and parts thereof*, from Lewiston, Maine, to points in States east of North and South Dakota, Nebraska, Kansas, Oklahoma, and Texas, for 180 days. NOTE: The purpose of this republication is to clarify the territorial description, which was erroneously shown in previous publication. Supporting shipper: Diamond Machinery Co., River Road, Lewiston, Maine 04240. Send protests to: Donald G. Weiler, District Supervisor, Interstate Commerce Commission, Room 307, 76 Pearl Street, Portland, Maine 04112.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 69-2856; Filed, Mar. 7, 1969; 8:49 a.m.]

[Notice 307]

MOTOR CARRIER TRANSFER PROCEEDINGS

MARCH 5, 1969.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), 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–71070. By order of February 28, 1969, the Motor Carrier Board approved the transfer to Charles Wright and C. Weldon Wright, a partnership, doing business as Charles Wright Lease Work & Construction, Kermit, Tex., of the certificate of registration in No. MC–99320 (Sub-No. 1) issued April 20, 1964, to W. F. Ammons, doing business as Ammons Trucking Co., Wink, Tex., evidencing a right to engage in transportation in interstate or foreign commerce corresponding in scope to the operations authorized by specialized motor carrier certificate No. 5123 dated February 8, 1955, issued by the Railroad Commission of Texas. Glen Williamson, Esq., Finley and Scogin, 211 North Oak Street, Kermit, Tex. 79745, attorney for applicants.

No. MC–FC–71118. By order of February 28, 1969, the Motor Carrier Board approved the transfer to William A. Steele, Inc., Lanesborough, Mass., of certificate of registration No. MC–99807 (Sub-No. 1), issued February 17, 1965, to Elizabeth M. McCormick, doing business as John C. McCormick, Pittsfield, Mass. This certificate of registration evidences the right to engage in transportation pursuant to Irregular Routes Common Carrier Certificate No. 1419, issued July 1, 1964, by the Massachusetts Department of Public Utilities. Charles R. Alberti, 36 Cliffwood Street, Lenox, Mass. 01240, attorney for applicants.

No. MC–FC–71122. By order of February 26, 1969, the Motor Carrier Board approved the transfer to Hart's Terminal & Cartage Co., an Illinois corporation, Chicago, Ill., of certificate of registration No. MC–97660 (Sub-No. 2), issued February 27, 1964, to James Hart, doing business as Hart's Terminal & Cartage, Chicago, Ill., authorizing the transportation of specified commodities in Illinois. Donald S. Mullins, 4704 West Irving Park Road, Chicago, Ill. 60641, representative of applicants.

No. MC–FC–71123. By order of February 25, 1969, the Motor Carrier Board approved the transfer to Paul L. Zamberlan & Sons, Inc., Lewis Run, Pa., of the operating rights in certificates No. MC 118866 and subs thereunder, and in permit No. MC–45500, issued on various dates to Paul L. Zamberlan, Lewis Run, Pa., authorizing the transportation of: Brick, tile, clay products, propane gas, lumber, pipe, and heavy machinery and road building materials from and between specified points in Pennsylvania and New York to points in New York, Pennsylvania, Connecticut, Massachusetts, Vermont, New Jersey, Delaware, Maryland, Virginia, West Virginia, Ohio, Michigan, Indiana, Kentucky, Tennessee, and the District of Columbia. *Involving Dual Authority.* Albert A. Griffin, Esquire, Post Office Box 425, Bradford, Pa. 16701, attorney for applicants.

No. MC–FC–71125. By order of February 25, 1969, the Motor Carrier Board approved the transfer to Fitch Motor Lines, Inc., Scranton, Pa., of certificates Nos. MC–52776 and MC–52776 (Sub-No. 6), issued January 24, 1965, and October 25, 1962, to E. V. Fitch, Jr., doing business as Fitch Motor Lines, Scranton, Pa., authorizing the transportation of: Coal, from points in Lackawanna, Luzerne, and Schuylkill Counties, Pa., to points as specified in New Hampshire, Massachusetts, Vermont, and New York, from points in Lackawanna and Luzerne Counties, Pa., to points as specified in New York; cullet, in bulk, from Jersey City, N.J., and points in Pennsylvania, to Elmira, N.Y.; and scrap iron, steel, and copper, in bulk, from Dickson City Pa., to Roebling, Perth Amboy, and Mahwah, N.J. Kenneth R. Davis, 1106 Dartmouth Street, Scranton, Pa., attorney for applicants.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 69–2857; Filed, Mar. 7, 1969; 8:49 a.m.]

[Notice 307–A]

MOTOR CARRIER TRANSFER PROCEEDINGS

MARCH 6, 1969.

Synopses of orders entered pursuant to Section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), 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.

F.D. No. 25552. By order of March 6, 1969, The Motor Carrier Board approved the transfer to Onondaga Corp., 1 East Wacker Drive, Chicago, Ill., of Certificate No. W–616, issued September 25, 1943, to Gartland Steamship Co., a corporation, same address, authorizing the transportation, in self-propelled vessels, of: Commodities generally, between all ports and points on the Great Lakes, the St. Lawrence River, and interconnecting waterways, not including the New York State Canal System. Steve C. Dune, 1 Wall Street, New York, N.Y. 10005, attorney for applicants.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 69–2908; Filed, Mar. 7, 1969; 8:50 a.m.]

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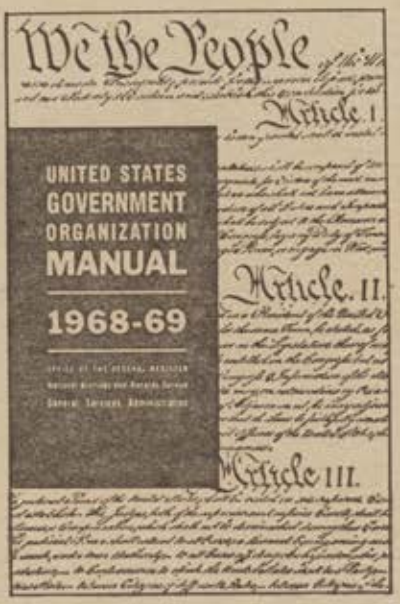

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