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FEDERAL REGISTER

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List of CFR Parts Affected

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

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1969, and specifies how they are affected.

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 11464

MODIFYING RATES OF INTEREST EQUALIZATION TAX

WHEREAS, I have determined that the rates of tax prescribed under section 1 of Executive Order No. 11368, dated August 28, 1967, with respect to acquisitions of stocks of foreign issuers and debt obligations of foreign obligors made after August 29, 1967, are higher than the rates of tax necessary to limit the acquisitions by United States persons of stocks of foreign issuers and debt obligations of foreign obligors within a range consistent with the balance-of-payments objectives of the United States;

NOW, THEREFORE, by virtue of the authority vested in me by section 4911(b)(2) of the Internal Revenue Code of 1954, and as President of the United States, it is hereby ordered as follows:

SECTION 1. Section 1 of Executive Order No. 11368, dated August 28, 1967, is hereby amended to read as follows:

"SECTION 1. *Rates of Tax.*

"(a) *Rates applicable to acquisitions of stock.* The tax imposed by section 4911 of the Internal Revenue Code of 1954 on the acquisition of stock shall be equal to 11.25 percent of the actual value of the stock.

"(b) *Rates applicable to acquisitions of debt obligations.* The tax imposed by section 4911 of the Internal Revenue Code of 1954 on the acquisition of a debt obligation shall be equal to a percentage of the actual value of the debt obligation measured by the period remaining to its maturity and determined in accordance with the following table:

If the period remaining to maturity is:	*The tax, as a percentage of actual value, is:*
At least 1 year, but less than 1¼ years	0.79 percent
At least 1¼ years, but less than 1½ years	0.98 percent
At least 1½ years, but less than 1¾ years	1.13 percent
At least 1¾ years, but less than 2¼ years	1.39 percent
At least 2¼ years, but less than 2¾ years	1.73 percent
At least 2¾ years, but less than 3½ years	2.06 percent
At least 3½ years, but less than 4½ years	2.66 percent
At least 4½ years, but less than 5½ years	3.26 percent
At least 5½ years, but less than 6½ years	3.83 percent
At least 6½ years, but less than 7½ years	4.35 percent
At least 7½ years, but less than 8½ years	4.88 percent
At least 8½ years, but less than 9½ years	5.33 percent
At least 9½ years, but less than 10½ years	5.78 percent
At least 10½ years, but less than 11½ years	6.23 percent
At least 11½ years, but less than 13½ years	6.83 percent
At least 13½ years, but less than 16½ years	7.73 percent
At least 16½ years, but less than 18½ years	8.51 percent
At least 18½ years, but less than 21½ years	9.19 percent
At least 21½ years, but less than 23½ years	9.79 percent
At least 23½ years, but less than 26½ years	10.31 percent
At least 26½ years, but less than 28½ years	10.76 percent
28½ years or more	11.25 percent"

SEC. 2. With respect to acquisitions of stock of foreign issuers and debt obligations of foreign obligors made under the rules of a national securities exchange registered with the Securities and Exchange Commission or under the rules of the National Association of Securities Dealers, Inc., this order shall be effective for acquisitions made after April 4, 1969, but only if the trade-date was after April 4, 1969. In the case of other acquisitions of stock of foreign issuers and debt obligations of foreign obligors, this order shall be effective for acquisitions made after April 4, 1969.

Richard Nixon

THE WHITE HOUSE,
April 3, 1969.

[F.R. Doc. 69-4127; Filed, Apr. 4, 1969; 2:59 p.m.]

Rules and Regulations

Title 7—AGRICULTURE

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

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

[Amdt. 5]

PART 718—DETERMINATION OF ACREAGE AND COMPLIANCE

Miscellaneous Amendments

Basis and purpose. This amendment is issued pursuant to the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1281 et seq.), for the purpose of adding rules for handling certain cases where measured wheat acreage on the farm exceeds the acreage certified to by the farm operator; revising certain crop disposition dates; and designating certain additional counties as certification counties.

Since farmers need to know of these changes in the rules as soon as possible, it is hereby found and determined that compliance with the notice, public procedure, and 30-day effective date requirement of 5 U.S.C. 553 (80 Stat. 383) is impracticable and contrary to the public interest. Accordingly, these changes will be effective upon publication of this amendment in the FEDERAL REGISTER. The Regulations Governing Determination of Acreage and Compliance, as amended (32 F.R. 9069, 9507, 11755, 17513, and 33 F.R. 8722, 15857), are further amended as follows:

1. Section 718.21 is amended by changing paragraph (g)(2) and adding a new paragraph (h) to read as follows:

§ 718.21 Reports of acreage in certification counties.

* * * * *

(g) *Overstatement of crop acreage under certification.* (1) * * *

(2) If the acreage certified by the farm operator under the wheat, feed grain, or upland cotton program exceeds the actual acreage planted to the crop by more than the larger of 2 acres or 10 percent of such certified acreage, and such overstated acreage would have resulted in the producers' receiving wheat marketing certificates or price support payments to which they are not entitled, no price support payment, or wheat marketing certificate shall be made with respect to the farm except as may be authorized under the provisions of Part 791 of this chapter, as amended.

(h) *Understatement of crop acreage under certification for farms enrolled in both the wheat and feed grain programs.* (1) If the farm operator, in advance of his certification of acreage for corn or grain sorghums, files a certification of acreage for wheat which is less than the actual acreage planted to the crop, he may be considered to have made a good faith effort to file an accurate certification of wheat acreage, provided the actual wheat acreage does not exceed the certified acreage by more than the larger of 2 acres or 5 percent of such certified acreage, not to exceed 15 acres.

(2) If the wheat acreage certified by the farm operator, in advance of his certification of acreage for corn or grain sorghums, is less than the actual acreage planted to the crop by more than the larger of 2 acres or 5 percent of the certified acreage, not to exceed 15 acres, no wheat marketing certificate or diversion payment under the wheat program shall be made with respect to the farm except as may be authorized under the provisions of Part 791 of this chapter, as amended.

2. Paragraph (b) of § 718.27 is amended by revising, deleting and adding the following subparagraphs and subdivisions for certain States:

Alabama—revise entire subparagraphs (2) and (3).
Connecticut—revise all subparagraphs.
Delaware—revise subparagraphs (1) and (2) and add a new subparagraph (3).
Iowa—revise subparagraphs (1), (2), and (3) and add a new subparagraph (4).
Louisiana—revise subparagraphs (1) and (2) and add new subparagraphs (3) and (4).
Maine—revise all subparagraphs.
Maryland—revise subparagraphs (1), (2), and (3) and add a new subparagraph (4).
Mississippi—revise entire subparagraph (3).
Nebraska—revise entire subparagraph (3).
New Mexico—revise all subparagraphs.
Oregon—revise all subparagraphs.
Rhode Island—revise all subparagraphs.
Tennessee—revise entire subparagraphs (1) and (2).
Texas—revise entire subparagraphs (1), (2), (3), and (4) and delete subparagraph (5).
Virginia—revise entire subparagraph (4).
Washington—revise all subparagraphs.

The revised provisions listed above read as follows:

§ 718.27 Crop disposition dates.

* * * * *

(b) *Crop disposition dates.*

ALABAMA

* * * * *

(2) *Cotton, corn, and grain sorghums.* (i) *July 1.* Autauga, Baldwin, Barbour, Bullock, Butler, Chambers, Chilton, Choctaw, Clarke, Coffee, Conecuh, Coosa, Covington, Crenshaw, Dale, Dallas, Elmore, Escambia, Geneva, Greene, Hale, Henry, Houston, Lee, Lowndes, Macon, Marengo, Mobile, Monroe, Montgomery, Perry, Pickens, Pike, Russell, Sumter, Tallapoosa, Tuscaloosa, Washington, and Wilcox.

(ii) *July 15.* Bibb, Blount, Calhoun, Cherokee, Clay, Cleburne, Colbert, Cullman, De Kalb, Etowah, Fayette, Franklin, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, Randolph, St. Clair, Shelby, Talladega, Walker, and Winston.

(3) *Flue-cured tobacco. June 1.* All counties.

* * * * *

CONNECTICUT

(1) *Wheat and rye. June 1.* All counties.
(2) *Oats and barley. May 15.* All counties.
(3) *Corn and grain sorghums. August 15.* All counties.

DELAWARE

(1) *Wheat, barley, oats (winter), and rye. May 31.* All counties.

(2) *Oats (spring-seeded). June 15.* All counties.

(3) *Corn and grain sorghums. August 1.* All counties.

* * * * *

IOWA

(1) *Wheat, barley, and rye. June 10.* All counties.
(2) *Oats (winter). June 25.* All counties.
(3) *Spring-seeded oats. July 10.* All counties.
(4) *Corn and grain sorghums. July 15.* All counties.

* * * * *

LOUISIANA

(1) *Wheat, barley, oats, and rye. April 15.* All parishes.
(2) *Corn and cotton. August 1.* All parishes.
(3) *Rice. July 10.* All parishes.
(4) *Grain sorghums. July 15.* All parishes.

MAINE

(1) *Fall-seeded wheat, barley, and rye. June 15.* All counties.
(2) *Spring-seeded wheat, barley, oats, and rye. July 15.* All counties.
(3) *Corn and grain sorghums. August 1.* All counties.

MARYLAND

(1) *Wheat.* (i) *June 15.* Allegany, Baltimore, Carroll, Frederick, Garrett, Harford, Howard, Montgomery, and Washington.
(ii) *May 31.* All other counties.
(2) *Barley, oats, and rye.* (i) *June 15.* Garrett County.
(ii) *May 31.* All other counties.
(3) *Spring-seeded oats. June 30.* Garrett County.
(4) *Corn and grain sorghums. August 1.* All counties.

* * * * *

MISSISSIPPI

* * * * *

(3) *Rice. June 25.* All counties.

* * * * *

NEBRASKA

* * * * *

(3) *Corn and grain sorghums. July 15.* All counties.

* * * * *

NEW MEXICO

(1) *Wheat, barley (except spring-seeded), oats, and rye.*

(i) *May 20.* Chaves, Curry, De Baca, Dona Ana, Eddy, Guadalupe, Hidalgo, Lea, Lincoln, Luna, Otero, Quay, Roosevelt, and Sierra.
(ii) *June 15.* Bernalillo, Catron, Colfax (except August 10 for oats), Grant, Harding, McKinley, Mora, Rio Arriba, Sandoval, San

Juan, San Miguel, Santa Fe, Socorro, Taos, Torrance, Union, and Valencia.

(2) *Barley (spring-seeded). June 30.* Chaves, Curry, De Baca, Dona Ana, Eddy, Grant, Harding, Hidalgo, Lea, Luna, Otero, Quay, Roosevelt, Sierra, Socorro, and Valencia.

(3) *Corn and grain sorghums.* (i) *August 10.* Chaves, Dona Ana, Eddy, Grant, Hidalgo, Lea, Luna, Otero, Sierra, and Soccorro.

(ii) *September 1.* Bernalillo, Catron, Colfax, Curry, De Baca, Guadalupe, Harding, Lincoln, McKinley, Mora, Quay, Rio Arriba, Roosevelt, Sandoval, San Juan, San Miguel, Santa Fe, Taos, Torrance, Union, and Valencia.

(4) *Cotton.* (i) *August 10.* Chaves, Dona Ana, Eddy, Grant, Hidalgo, Lea, Luna, Otero, Sierra, and Socorro.

(ii) *September 1.* Curry, De Baca, Harding, Quay, and Roosevelt.

* * * * *

OREGON

(1) *Wheat, barley, oats (winter), and rye.* (i) *June 15.* Benton, Clackamas, Clatsop, Columbia, Coos, Curry, Douglas, Hood River, Jackson, Josephine, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Washington, and Yamhill.

(ii) *July 1.* Baker (early area), Gilliam (under 2,000 feet elevation), Malheur (under 3,000 feet elevation), Morrow (under 2,000 feet elevation), Sherman (under 2,000 feet elevation), Umatilla (under 2,000 feet elevation), Union (early area), and Wasco (except Antelope, Bakeoven, and Warm Springs communities).

(iii) *July 15.* Baker (late area), Gilliam (over 2,000 feet elevation), Jefferson, Malheur (over 3,000 feet elevation), Morrow (over 2,000 feet elevation), Sherman (over 2,000 feet elevation), Umatilla (over 2,000 feet elevation), Union (late area), and Wasco (Antelope, Bakeoven, and Warm Springs communities).

(iv) *August 1.* Crook, Deschutes, Grant, Harney, Klamath, Lake, Wallowa, and Wheeler.

(2) *Oats (spring). July 15.* Counties listed in (1)(i) above.

(3) *Corn and Grain Sorghums. August 1.* All counties.

* * * * *

RHODE ISLAND

(1) *Wheat, Barley, Oats, and Rye. July 1.* All counties.

(2) *Corn and Grain Sorghums. August 1.* All counties.

* * * * *

TENNESSEE

(1) *Wheat, barley, oats, and rye. May 31.* All counties.

(2) *Corn, cotton, grain sorghums, and rice. July 31.* All counties.

TEXAS

(1) *Wheat, barley, oats, and rye.* (i) *May 15.* Armstrong, Carson, Dallam, Deaf Smith, Gray, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Oldham, Ochiltree, Potter, Randall, Roberts, and Sherman.

(ii) *May 1.* All other counties.

(2) *Corn, cotton, and spring-seeded grain sorghums.* (i) *May 15.* Cameron, Hidalgo, Starr, and Wallacy.

(ii) *June 1.* Aransas, Bee, Brooks, Duval, Jim Hogg, Jim Wells, Kenedy, Kleberg, Nueces, Refugio, San Patricio, and Zapata.

(iii) *June 15.* Atascosa, Austin, Bexar, Brazoria, Caldwell, Calhoun, Colorado, Comal, DeWitt, Dimmit, Fort Bend, Frio, Galveston, Goliad, Gonzales, Guadalupe, Harris, Hays, Jackson, Karnes, Kinney, La Salle, Lavaca, Live Oak, McMullen, Matagorda, Maverick, Medina, Uvalde, Val Verde, Victoria, Waller, Webb, Wharton, Wilson, and Zavala.

(iv) *July 1.* Bastrop, Bell, Bosque, Brazos, Burleson, Ellis, Falls, Fayette, Freestone, Grimes, Hill, Johnson, Lee, Limestone, McLennan, Milam, Navarro, Robertson, Tarrant, Travis, Washington, and Williamson.

(v) *July 15.* Anderson, Angelina, Bandera, Blanco, Bowie, Camp, Cass, Chambers, Cherokee, Collins, Cooke, Crockett, Dallas, Delta, Denton, Edwards, Fannin, Franklin, Gillesple, Grayson, Gregg, Hardin, Harrison, Henderson, Hopkins, Houston, Hunt, Jasper, Jefferson, Kaufman, Kendall, Kerr, Kimble, Lamar, Leon, Liberty, Madison, Marion, Menard, Montgomery, Morris, Nacogdoches, Newton, Orange, Panola, Polk, Rains, Real, Red River, Rockwall, Rusk, Sabine, San Augustine, San Jacinto, Shelby, Smith, Sutton, Titus, Trinity, Tyler, Upshur, Van Zandt, Walker, and Wood.

(vi) *August 1.* Borden, Brewster, Brown, Burnet, Callahan, Clay, Coke, Coleman, Comanche, Concho, Coryell, Culberson, Eastland, El Paso, Erath, Fisher, Garza, Hamilton, Hood, Howard, Hudspeth, Jack, Jeff Davis, Jones, Lampasas, Llano, Loving, McCulloch, Mason, Mills, Mitchell, Montague, Nolan, Palo Pinto, Parker, Pecos, Presidio, Reeves, Runnels, San Saba, Schleicher, Scurry, Shackelford, Somervell, Stephens, Sterling, Taylor, Terrell, Tom Green, Ward, Winkler, Wise, and Young.

(vii) *August 15.* Andrews, Archer, Armstrong, Bailey, Baylor, Briscoe, Carson, Castro, Childress, Cochran, Collingsworth, Cottle, Crane, Crosby, Dallam, Dawson, Deaf Smith, Dickens, Donley, Ector, Floyd, Foard, Gaines, Glasscock, Gray, Hale, Hall, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hockley, Hutchinson, Irion, Kent, King, Knox, Lamb, Lipscomb, Lubbock, Lynn, Martin, Midland, Moore, Motley, Ochiltree, Oldham, Parmer, Potter, Randall, Reagan, Roberts, Sherman, Stonewall, Swisher, Terry, Throckmorton, Upton, Wheeler, Wichita, Wilbarger, and Yoakum.

(3) *Summer-seeded grain sorghums.* (i) *September 1.* Anderson, Andrews, Angelina, Bastrop, Bell, Blanco, Borden, Bosque, Bowie, Brazos, Brewster, Brown, Burleson, Burnet, Caldwell, Callahan, Camp, Cass, Cherokee, Coke, Coleman, Collins, Comal, Comanche, Concho, Cooke, Coryell, Crane, Crockett, Culberson, Dallas, Dawson, Delta, Denton, Eastland, Ector, Edwards, Ellis, El Paso, Erath, Falls, Fannin, Fayette, Fisher, Franklin, Freestone, Gaines, Garza, Gillespie, Glasscock, Grayson, Gregg, Grimes, Hamilton, Hardin, Harrison, Hayes, Henderson, Hill, Hood, Hopkins, Houston, Howard, Hudspeth, Hunt, Irion, Jack, Jasper, Jeff Davis, Johnson, Jones, Kaufman, Kendall, Kerr, Kimble, Kinney, Lamar, Lampasas, Lee, Leon, Limestone, Llano, Loving, Lynn, McCulloch, McLennan, Madison, Marion, Martin, Mason, Menard, Midland, Milam, Mills, Mitchell, Montague, Montgomery, Morris, Nacogdoches, Navarro, Newton, Nolan, Palo Pinto, Panola, Parker, Pecos, Polk, Presidio, Rains, Reagan, Real, Red River, Reeves, Robertson, Rockwall, Runnels, Rusk, Sabine, San Augustine, San Jacinto, San Saba, Schleicher, Scurry, Shackleford, Shelby, Smith, Somervell, Stephens, Sterling, Sutton, Tarrant, Taylor, Terrell, Terry, Throckmorton, Titus, Tom Green, Travis, Trinity, Tyler, Upshur, Upton, Val Verde, Van Zandt, Walker, Ward, Washington, Williamson, Winkler, Wise, Wood, Yoakum, and Young.

(ii) *September 15.* Aransas, Atascosa, Austin, Bandera, Bee, Bexar, Brazoria, Brooks, Calhoun, Cameron, Chambers, Colorado, De Witt, Dimmit, Duval, Fort Bend, Frio, Galveston, Goliad, Gonzales, Guadalupe, Harris, Hidalgo, Jackson, Jefferson, Jim Hogg, Jim Wells, Karnes, Kenedy, Kleberg, La Salle, Lavaca, Liberty, Live Oak, McMullen, Matagorda, Maverick, Medina, Nueces, Orange, Refugio, San Patricio, Starr, Uvalde, Victoria, Waller, Webb, Wharton, Willacy, Wilson, Zapata, and Zavala.

(4) *Rice.* (i) *June 15.* Austin, Brazoria, Calhoun, Colorado, Fort Bend, Galveston, Harris, Jackson, Lavaca, Matagorda, Victoria, Waller, and Wharton.

(ii) *July 1.* Bastrop, Travis, and Washington.

(iii) *July 15.* Chambers, Hardin, Jasper, Jefferson, Liberty, Newton, Orange, Polk, and Walker.

(iv) *September 1.* Bowie.

* * * * *

VIRGINIA

* * * * *

(4) *Grain sorghums. August 1.* All counties.

* * * * *

WASHINGTON

(1) *Wheat, barley, oats, and rye.* (i) *June 20.* Benton (area 1), Franklin, and Klickitat (area 2).

(ii) *June 25.* Adams, Asotin (area 2), Benton (area 2), Columbia (area 1), Garfield (area 1), Grant, Kittitas (area 2), Lincoln (area 1), Walla Walla (under 1,205 feet elevation), and Yakima.

(iii) *July 10.* Douglas (area 1), and Whitman (area 1).

(iv) *July 15.* Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas (area 1), Klickitat (area 1), Lincoln (area 2), Mason, Okanogan (area 2), Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Spokane, Thurston, Wahkiakum, Walla Walla (over 1,205 feet elevation), and Whatcom.

(v) *July 20.* Chelan, Columbia (area 2), and Lewis.

(vi) *July 25.* Asotin (area 1), Garfield (area 2), and Whitman (area 2).

(vii) *August 1.* Douglas (area 2), Pend Oreille, and Stevens.

(viii) *August 15.* Asotin (area 3), Ferry, and Okanogan (area 1).

(2) *Spring-seeded oats. August 10.* Pend Oreille, Spokane, and Stevens.

(3) *Corn and grain sorghums. August 15.* All counties.

* * * * *

3. Section 718.28 is revised to read as follows:

§ 718.28 Designation of certification counties.

The following counties are designated as certification counties.

ALABAMA

All counties.

ARIZONA

All counties.

ARKANSAS

All counties.

CALIFORNIA

All counties except Alpine, Amador, Calaveras, Del Norte, El Dorado, Humboldt, Inyo, Mariposa, Mono, Nevada, San Francisco, San Mateo, Santa Cruz, Trinity, and Tuolumne.

COLORADO

All counties.

DELAWARE

All counties.

FLORIDA

Alachua, Baker, Bradford, Calhoun, Columbia, Dixie, Escambia, Gadsden, Gilchrist, Glades, Hamilton, Hendry, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Marion, Nassau, Okaloosa, Palm Beach, Putnam, Santa Rosa, Sumter, Suwannee, Taylor, Union, Wakulla, Walton, and Washington.

GEORGIA

All counties except Camden, Chattahoochee, Glynn, Jones, McIntosh, Muscogee, and Quitman.

IDAHO

All counties.

ILLINOIS

All counties.

INDIANA

All counties.

IOWA

All counties.

KANSAS

All counties.

KENTUCKY

All counties except Anderson, Bath, Bell, Bourbon, Boyle, Bracken, Breathitt, Carroll, Casey, Clark, Clay, Elliott, Estill, Fayette, Fleming, Floyd, Franklin, Garrard, Grant, Harlan, Harrison, Jackson, Jessamine, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, McCreary, Madison, Magoffin, Marion, Martin, Mason, Menifee, Mercer, Montgomery, Morgan, Nelson, Nicholas, Owen, Owsley, Pendleton, Perry, Pike, Powell, Robertson, Rockcastle, Scott, Trimble, Washington, Whitley, Wolfe, and Woodford.

LOUISIANA

All parishes except Jefferson, Orleans, Plaquemines, and St. Bernard.

MARYLAND

All counties.

MICHIGAN

All counties.

MINNESOTA

All counties except Aitkin, Beltrami, Big Stone, Carlton, Clearwater, Cook, Crow Wing, Itasca, Koochiching, Lake, Lake of the Woods, Pine, St. Louis, Traverse, and Wadena.

MISSISSIPPI

All counties except Alcorn, Benton, Calhoun, Chickasaw, Clay, Itawamba, Lafayette, Marshall, Monroe, Panola, Tippah, and Tishomingo.

MISSOURI

All counties.

MONTANA

All counties.

NEBRASKA

All counties.

NEVADA

Churchill, Humboldt, Nye, and Pershing.

NEW JERSEY

All counties except Bergen, Essex, Hudson, Passaic, and Union.

NEW MEXICO

All counties except Bernalillo, Catron, Guadalupe, Lincoln, Los Alamos, McKinley, Mora, Sandoval, San Miguel, and Taos.

NEW YORK

All counties except Bronx, Hamilton, Kings, Nassau, New York, Putnam, Queens, Richmond, Rockland, Suffolk, Warren, and Westchester.

NORTH CAROLINA

All counties.

NORTH DAKOTA

All counties.

OHIO

All counties.

OKLAHOMA

All counties.

OREGON

All counties.

PENNSYLVANIA

All counties.

SOUTH CAROLINA

All counties except Beaufort and Charleston.

SOUTH DAKOTA

All counties.

TENNESSEE

All counties except Campbell, Carter, Cheatham, Claiborne, Clay, Cocke, Fentress, Grainger, Greene, Hamblen, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Macon, Maury, Monroe, Montgomery, Overton, Pickett, Putnam, Robertson, Sevier, Smith, Sullivan, Sumner, Unicoi, Union, Washington, White, and Williamson.

TEXAS

All counties except Hidalgo and Starr.

UTAH

All counties.

VIRGINIA

All counties.

WASHINGTON

All counties.

WEST VIRGINIA

All counties except Boone, Clay, Lincoln, Logan, McDowell, Mingo, Webster, and Wyoming.

WISCONSIN

All counties except Menominee.

WYOMING

All counties except Albany.

(Secs. 373, 374, 375, 52 Stat. 65, as amended, 66, as amended; 7 U.S.C. 1378, 1374, 1375)

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on April 2, 1969.

KENNETH E. FRICK,
Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 69-4069; Filed, Apr. 7, 1969; 8:46 a.m.]

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

SUBCHAPTER G—DETERMINATION OF PROPORTIONATE SHARES

[§ 849.2, Rev. 3, Amdt. 1]

PART 849—DOMESTIC BEET SUGAR PRODUCING AREA PREVENTED ACREAGE CREDIT; 1967 AND SUBSEQUENT CROPS

Prevented Acreage Credit, Scope, Purpose, and Procedure

Pursuant to the provisions of section 302(b) of the Sugar Act of 1948, as amended, § 849.2 (32 F.R. 6432 as amended) is amended by adding to paragraph (e)(2) the following sentence:

§ 849.2 Prevented acreage credit, scope, purpose, and procedure.

* * * * *

(e) * * *

(2) * * * "Notwithstanding the foregoing provisions of this subparagraph, for Orange and Riverside Counties, Calif., information of prevented acreage for the 1968 crop shall be reported or brought to the attention of the ASC county committee not later than April 15, 1969."

* * * * *

Statement of bases and considerations. Because of unusual weather conditions during the planting season in Orange and Riverside Counties, Calif., the period for planting 1968 crop sugar beets in the two counties was extended from December 31, 1968, to February 28, 1969 (34 F.R. 3737).

This amendment extends the period for reporting information of prevented acreage for the 1968 crop of sugar beets in the two counties to April 15, 1969.

Accordingly, I hereby find and conclude that this amendment will effectuate the applicable provisions of the Sugar Act of 1948, as amended.

(Secs. 302, 403, 61 Stat. 930, as amended, 932; 7 U.S.C. 1132, 1153)

Effective date: Date of publication.

Signed at Washington, D.C., on April 2, 1969.

KENNETH E. FRICK,
Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 69-4070; Filed, Apr. 7, 1969; 8:46 a.m.]

Title 21—FOOD AND DRUGS

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

SUBCHAPTER A—GENERAL

PART 2—ADMINISTRATIVE FUNCTIONS, PRACTICES, AND PROCEDURES

Subpart F—Public Hearings

SUBCHAPTER C—DRUGS

PART 146—ANTIBIOTIC DRUGS; PROCEDURAL REGULATIONS

Hearing Procedures for the Issuance, Amendment, or Repeal of Antibiotic Drug Regulations

The rulemaking provisions of section 507 of the Federal Food, Drug, and Cosmetic Act are intended to provide for swift promulgation of regulations relating to the certification of antibiotic drugs with the consultation and advice of interested persons. The provisions of section 507(f) of the act are intended, primarily, to insure the right of protest to all interested parties who have reasonable grounds for dissatisfaction with the proposed issuance, amendment, or repeal of antibiotic drug regulations by providing opportunity to file objections, request public hearings, and obtain judicial review of orders issued by the Commissioner of Food and Drugs. The amendments below establish the procedure for informal and formal rulemaking including the procedure for public hearings under the provisions of section 507 of the act.

Therefore, pursuant to the provisions of the act (secs. 507, 701(a), 52 Stat. 1055, 59 Stat. 463, as amended; 21 U.S.C. 357, 371(a)) and under authority delegated to the Commissioner (21 CFR 2.120), Parts 2 and 146 are amended as follows:

§ 2.48 [Amended]

1. Section 2.48 *Purpose of holding public hearings* is amended by inserting in the second sentence immediately after "cited" the phrase "above and in section 507(f) of the Federal Food, Drug, and Cosmetic Act".

2. In § 2.52, paragraphs (i) and (j) are revised to read as follows:

§ 2.52 Definitions.

* * * * *

(i) The term "proceeding" means any action taken pursuant to sections 507(f) and 701(e)(1) of the act for the issuance, amendment, or repeal of any regulation issued pursuant to sections 201(v)(2)(C) and (3), 401, 403(j), 404(a), 406, 501(b), 502 (d), (h), and (n), 506(c), 507, and 706 (b), (c), and (d) of the act, and sections 4 and 5 of the Fair Packaging and Labeling Act, and sections 2(q)(1)(B) and 3(a)(2) of the Federal Hazardous Substances Act.

(j) The term "hearing" means any hearing held pursuant to sections 507(f) and 701(e)(3) of the act.

§ 2.61 [Amended]

3. Section 2.61 *Practice defined* is amended by inserting "507(f) and section" immediately after the word "section".

§ 2.65 [Amended]

4. Section 2.65 *Procedure for filing petitions* is amended:

a. In paragraph (a) by inserting "section 507(f) and" immediately prior to "section 701(e)".

b. In paragraph (b), in the first sentence of the form, by inserting "section 507(f) or" immediately prior to "section 701(e)(1)(B)" and by changing "or (n):" to read "or (n), or 507(f):".

c. In paragraph (c) by changing "section 701(e) of" in the last sentence to read "sections 507(f) and 701(e) of".

§ 2.66 [Amended]

5. Section 2.66 *Proposals and petitions* is amended in paragraph (a) by inserting "507(f)," immediately after "506(c),".

§ 2.68 [Amended]

6. Section 2.68 *Hearings under section 701(e) of the act* is amended:

a. By revising the section heading to read *"Hearings under sections 507(f) and 701(e) of the act"*.

b. By changing in paragraph (a) "2.67 to any proposal" to read "§ 2.67 to any order" and by inserting "507(f)," immediately following "506(c),".

7. The section heading of § 146.1 is revised and the section is established as follows:

§ 146.1 Procedure for the issuance, amendment, or repeal of regulations.

(a) The procedures for the issuance, amendment, or repeal of regulations under section 507 of the act are designed to permit swift action whenever the factual situation makes such action necessary or desirable. Ordinarily, such regulations are developed by the Food and Drug Administration with the consultation and advice of the interested persons. This permits the publication of regulations that become effective on the date of publication when they are in the public interest and present no significant points of controversy. Regulations that become effective immediately may also be published when the Commissioner finds they are necessary to deal with an imminent hazard to the public health. Proposed regulations are published with opportunity for written comment and informal conferences whenever such proposals have not been made the subject of prior consultation with and the agreement of interested persons. Section 507(f) and the review provisions of section 701(f) and (g) of the act are applicable (1) to proposals to amend or repeal regulations providing for certification or exemption from certification of antibiotic drugs subject to the provisions of section 507(h) on the grounds of lack of substantial evidence of effectiveness and (2) as needed to insure the right of protest and a public hearing to all interested persons who have reasonable grounds for dissatisfaction with the Food and Drug Administration's action with respect to regulations.

(b) An order issuing, amending, or repealing any regulation contemplated by section 507 of the act may be made effective on the date of its publication in the FEDERAL REGISTER whenever the Commissioner finds that:

(1) Such an order has been prepared in consultation with the interested persons, is in the public interest, and presents no significant points of controversy; or

(2) Such an order is necessary to deal with an imminent hazard to the public health.

(c) Such regulations may be initiated by any interested person on the basis of applications, request, or data submitted, including for example a request to provide for certification of a new antibiotic product (§ 146.13, form 5). Such regulations may be initiated by the Commissioner on the basis of information such as records and reports submitted under § 146.14 or reports from the National Academy of Sciences—National Research Council, Drug Efficacy Study Group, or other information. An order issued under the provisions of paragraph (b)(2) of this section shall furnish interested persons who are adversely affected by such order opportunity to file objections to it, within 30 days after its publication, specifying with particularity the changes desired and stating reasonable grounds therefor, and to request a public hearing upon the objections. The filing of such objections and requests shall not stay the order, but the Commissioner shall thereupon, after due notice, provide for such public hearing. In such cases, the provisions of Subpart F of Part 2 of this chapter shall apply to such hearings, except as modified by paragraph (f) of this section, and to judicial review in accord with section 701 (f) and (g) of the act.

(d) The Commissioner on his own initiative or on the application or request of any interested person may publish in the FEDERAL REGISTER a proposal to issue, amend, or repeal any regulation contemplated by section 507 of the act, with opportunity for interested persons to submit written comment and to request an informal conference on matters pertinent to the proposal (unless such notice and opportunity for comment and informal conference have already been provided to the person who will be adversely affected) whenever the conditions for promulgation of an order effective on date of publication as set forth in paragraph (b) of this section have not been met. After considering any such written comment and conference, if the Commissioner finds that the conditions of paragraph (b) (1) of this section have been met and the proposed action does not require procedure specified in section 507(f) pursuant to section 507(h) of the act, he may publish a final order that becomes effective on the date of publication. If the Commissioner finds that there are unresolved significant points of controversy, or that the procedure specified in section 507(f) is required by section 507(h), he may publish a final order with opportunity to file objections to such action and to request a public hearing upon such objections in accord with the provisions of section 507(f) of the act. In such cases, the provisions of Subpart F of Part 2 of this chapter shall apply to such hearing, except as modified by paragraph (f) of this section, and to judicial review in accord with section 701 (f) and (g) of the act.

(e) Whenever any interested person submits an application or request pursuant to provisions of section 507 of the act, or regulations promulgated thereunder, which application or request contemplates the issuance, amendment, or repeal of any regulation, and such person has been informed in writing that such application or request is not approvable, or whenever such person has received no written communication advising whether or not such application is approvable by the 180th day after its submission, such interested person may file a petition proposing the issuance, amendment, or repeal of such regulation under the provisions of section 507(f) of the act and Subpart F of Part 2 of this chapter. The Commissioner shall cause the regulation proposed in such petition to be published in the FEDERAL REGISTER within 60 days of the receipt of an acceptable petition and further proceedings shall be in accord with the provisions of sections 507(f) and 701 (f) and (g) of the act and Subpart F of Part 2 of this chapter except as modified by paragraph (f) of this section.

(f) The provisions of Subpart F of Part 2 of this chapter shall be applicable to proceedings under the provisions of section 507(f) of the act as therein set forth with the following modification: The provisions of § 2.63(a) notwithstanding, at any hearing held pursuant to section 507(f) of the act which involves a question of the safety or effectiveness of an antibiotic drug, the burden of proof of safety and substantial evidence of effectiveness under the questioned conditions shall be on the parties contending that the drug is safe and effective for the conditions for which it is prescribed, recommended or suggested in the labeling thereof.

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

(Secs. 507, 701(a), 52 Stat. 1055, 59 Stat. 463, as amended; 21 U.S.C. 357, 371(a))

Dated: April 1, 1969.

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

[F.R. Doc. 69-4071; Filed, Apr. 7, 1969; 8:47 a.m.]

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

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

Dicamba

A petition (PP 8F0725) was filed with the Food and Drug Administration by the Velsicol Chemical Co., Chicago, Ill., 60611, proposing the establishment of tolerances for residues of the herbicide dicamba (3,6-dichloro-*o*-anisic acid) and its metabolite 3,6-dichloro-5-hydroxy-*o*-anisic acid in or on the raw agricultural commodities pasture grasses, rangeland grasses, and grass hay at 40 parts per million.

The petitioner subsequently amended the petition to propose a tolerance of 0.05 part per million for residues of dicamba and its metabolite in milk.

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

Based on consideration given the data submitted in the petition and other relevant material, the Commissioner of Food and Drugs concludes that:

1. Residues of dicamba and/or its metabolite in meat from the proposed use are in the category set forth in § 120.6(a)(3).

2. The tolerances established by this order will protect the public health.

Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2)) and under authority delegated to the Commissioner (21 CFR 2.120) § 120.227 is revised to read as follows to establish the subject tolerances:

§ 120.227 Dicamba; tolerances for residues.

Tolerances are established for the combined residues of the herbicide dicamba (3,6-dichloro-*o*-anisic acid) and its metabolite 3,6-dichloro-5-hydroxy-*o*-anisic acid in or on raw agricultural commodities as follows:

40 parts per million in or on grasses (pasture and rangeland) and grass hay.

0.5 part per million in or on corn grain and corn fodder and forage; grain and straw of barley, oats, and wheat; and sorghum grain and sorghum fodder and forage.

0.05 part per million (negligible residue) in milk.

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

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

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

Dated: March 28, 1969.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 69-4054; Filed, Apr. 7, 1969; 8:45 a.m.]

PART 121—FOOD ADDITIVES

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

Subpart D—Food Additives Permitted in Food for Human Consumption

BUQUINOLATE

The Commissioner of Food and Drugs, having evaluated the data submitted in a petition filed by The Norwich Pharmacal Co., Post Office Box 191, Norwich, N.Y. 13815, and other relevant material, concludes that the food additive regulations should be amended to provide for the safe use of buquinolate for specified conditions when administered in the feed of replacement chickens intended for use as caged layers.

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), § 121.291(a) is amended by adding to the table a new item, as follows:

§ 121.291 Buquinolate.

* * * * *

(a) * * *

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
* * *	* * *	* * *	* * *	* * *	* * *
1.4 Buquinolate	75 (0.00825%)			For replacement chickens intended for use as caged layers; withdraw 24 hours before slaughter; do not feed to laying chickens; do not feed to chickens over 16 weeks of age.	As an aid in the prevention of coccidiosis caused by *E. tenella*, *E. maxima*, *E. necatrix*, *E. brunetti*, and *E. acervulina*.

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 28, 1969.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 69-4057; Filed, Apr. 7, 1969; 8:45 a.m.]

PART 121—FOOD ADDITIVES

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

ANTIOXIDANTS AND/OR STABILIZERS FOR POLYMERS

The Commissioner of Food and Drugs, having evaluated the data in a petition (FAP 8B2305) filed by Geigy Industrial Chemicals, Div. of Geigy Chemical Corp., Ardsley, N.Y. 10502, and other relevant material, concludes that the food additive regulations should be amended to provide for the safe use of tetrakis[methylene (3,5-di-*tert*-butyl-4-hydroxyhydrocinnamate)] methane as an antioxidant and/or stabilizer in ethylene-methacrylic acid copolymers and in ethylene-acrylic acid copolymers used in the manufacture of articles intended for food-contact use.

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), § 121.2566(b) is amended in the list of substances by revising the item "Tetrakis[methylene (3,5-di-*tert*-butyl-4-hydroxyhydrocinnamate)] methane" to read as follows:

§ 121.2566 Antioxidants and/or stabilizers for polymers.

* * * * *

(b) * * *

	Limitations
* * *	* * *
Tetrakis[methylene (3,5-di-*tert*-butyl-4-hydroxyhydrocinnamate)] methane.	For use only: 1. At levels not to exceed 0.5 percent by weight of olefin polymers complying with § 121.2501(c), items 1.1, 1.2, 1.3, 2.1, 2.2, 2.3, 3.1, 3.2, 3.3, and 4. 2. At levels not to exceed 0.05 percent by weight of ethylene-methacrylic acid copolymers complying with § 121.2582 and ethylene-acrylic acid copolymers complying with § 121.2564. The average thickness of such copolymers in the form in which they contact food shall not exceed 0.005 inch.
* * *	* * *

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 28, 1969.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 69-4053; Filed, Apr. 7, 1969; 8:45 a.m.]

PART 121—FOOD ADDITIVES

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

POLYMER MODIFIERS IN SEMIRIGID AND RIGID VINYL CHLORIDE PLASTICS

The Commissioner of Food and Drugs, having evaluated the data in a petition (FAP 9B2364) filed by Allied Chemical Corp., Post Office Box 405, Morristown, N.J. 07960, and other relevant material, concludes that § 121.2597 of the food additive regulations should be amended to provide for the safe use of the polymer modifiers listed therein as components of semirigid and rigid vinyl chloride plastic food-contact articles prepared from vinyl chloride-lauryl vinyl ether copolymers regulated under § 121.2608, 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), § 121.2597 is amended by revising the section heading, the introductory text, and paragraphs (b) (1) and (2), and (c) to read as follows:

§ 121.2597 Polymer modifiers in semirigid and rigid vinyl chloride plastics.

The polymers identified in paragraph (a) of this section may be safely admixed, alone or in mixture with other permitted polymers, as modifiers in semirigid and rigid vinyl chloride plastic food-contact articles prepared from vinyl chloride homopolymers and/or from vinyl chloride copolymers complying with § 121.2608, in accordance with the following prescribed conditions:

* * * * *

(b) * * *

(1) Not less than 80 weight-percent of polymer units derived from the vinyl chloride polymers identified in the introduction to this section and not more than 5 weight-percent of polymer units derived from polymers identified in paragraph (a)(1) of this section and may optionally contain up to 15 weight-percent of polymer units derived from butadiene-styrene copolymers; or

(2) Not less than 50 weight-percent of polymer units derived from the vinyl chloride polymers identified in the introduction to this section and not more than 50 weight-percent of polymer units derived from homopolymers and/or copolymers of ethyl acrylate and methyl methacrylate and may optionally contain up to 15 weight-percent of polymer units derived from butadiene-styrene copolymers.

(c) No chemical reactions, other than addition reactions, occur among the vinyl chloride polymers and the modifying polymers present in the polymer mixture used in the manufacture of the finished plastic food-contact article.

* * * * *

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 28, 1969.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 69-4055; Filed, Apr. 7, 1969; 8:45 a.m.]

SUBCHAPTER C—DRUGS

PART 147—ANTIBIOTICS INTENDED FOR USE IN THE LABORATORY DIAGNOSIS OF DISEASE

Sodium Colistimethate Diagnostic Sensitivity Powder

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120), § 147.5 *Sodium colistimethate diagnostic sensitivity powder* is amended as follows in paragraph (a):

1. Subparagraph (1) is amended by deleting "(ii)," from "by § 148c.4(a)(1)(i), (ii),".

2. Subparagraph (4)(i)(*a*) is amended by deleting "sterility,".

This order deletes the sterility requirement for the bulk form of the subject drug used in the manufacture of vials because the test for sterility as applied to the finished product is deemed adequate. Since this order is noncontroversial and nonrestrictive in nature and protects the public health, notice and public procedure and delayed effective date are not prerequisites to this promulgation.

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

(Sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357)

Dated: March 28, 1969.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 69-4056; Filed, Apr. 7, 1969; 8:45 a.m.]

Title 32—NATIONAL DEFENSE

Chapter V—Department of the Army

SUBCHAPTER B—CLAIMS AND ACCOUNTS

PART 536—CLAIMS AGAINST THE UNITED STATES

Claims Arising From Activities of National Guard Personnel While Engaged in Duty or Training

1. Sections 536.140(b), 536.141 (b) and (c), 536.142(e), and 536.443(e) are revised, and § 536.143(x) is added, as follows:

§ 536.140 Definitions.

* * * * *

(b) *Army National Guard personnel.* A member of the Army National Guard engaged in training or duty under title 32, United States Code, sections 316, 502, 504, or 505, or any other provision of law for which he is entitled to pay under title 37, United States Code, section 206, or for which he has waived that pay.

* * * * *

§ 536.141 Scope.

* * * * *

(b) Caused by the negligence of a member normally employed as a technician under title 32, United States Code, section 709a, but who, at the time of the incident, was engaged in duty or training under one of the sections of title 32 listed in paragraph (a) of this section.

(c) Otherwise incident to noncombat activities of the Army National Guard under one of the above-enumerated sections. Since National Guard personnel continue in the status of State employees until called to active Federal service, §§ 536.140–536.152 provide a secondary source of recovery (see Maryland ex. rel. Levin v. United States, 381 U.S. 41 (1965)). Claims are to be paid under §§ 536.140–536.152 whenever primary sources of recovery are either nonexistent or inadequate.

§ 536.142 Claims payable.

* * * * *

(e) *Advance payments in aircraft and missile incidents.* Advance payments pursuant to title 10, United States Code, section 2736, as amended by Public Law 90–521, 26 September 1968 (82 Stat. 874), in partial settlement of meritorious claims to alleviate immediate hardship are authorized as provided in § 536.11c of this part.

§ 536.143 Claims not payable.

* * * * *

(e) Falls under—

(1) The Federal Employees' Compensation Act (5 U.S.C. 8101–8150) which is an exclusive remedy against the United States; or

(2) The Longshoremen's and Harbor Workers' Compensation Act (44 Stat. 1424, 33 U.S.C. 901), or other workmen's compensation laws or regulations, including local law or custom, in cases where contribution is made or insurance premiums paid directly or indirectly by the United States on behalf of the injured employee. If, in the opinion of an approving or settlement authority, the claim should be considered payable, e.g., the injuries did not result from a normal risk of employment or adequate compensation is not payable under workmen's compensation laws, the file will be forwarded with recommendations through claims channels to the Chief, U.S. Army Claims Service, who may authorize payment of an appropriate award. The Chief, U.S. Army Claims Service, also may specify that all or any part of any compensation received by the claimant from workmen's compensation sources as above will be deducted from the award to claimant. The claim of an insurance carrier subrogee, who has received premiums paid directly or indirectly by the United States on behalf of the insured employee, however, is not allowable.

* * * * *

(x) Resulted from an act or omission which occurs on or after 1 January 1969 within the scope of employment of an Army National Guard technician employed under 32 United States Code, section 709a. See Public Law 90–486, 13 August 1968, 82 Stat. 755.

2. Sections 536.146(c) and 536.148 are revised to read as follows:

§ 536.146 Investigation.

* * * * *

(c) *Where a State has waived sovereign immunity or carries liability insurance on National Guard vehicles.* If the State has waived sovereign immunity for tort claims, or if it carries liability insurance on vehicles used by its National Guard, the claims officer's report will contain a statement from the appropriate State officials as to the nature of the remedy against the State, the extent of insurance coverage, and the status of any claim made. If there is no remedy against the State and no insurance coverage, the claims officer's report will so indicate. Inquiry should be made as to any existing or anticipated claim or lawsuit against or by the driver of the National Guard vehicle or his insurer. If a claim or lawsuit has been (or will be) filed, further inquiry should be made as to probable outcome. This could be accomplished, for example, by discussion with the driver and an examination of the driver's insurance policy, which, if procured, should be included in the file.

§ 536.148 Procedures.

(a) *General.* So far as not inconsistent with §§ 536.140–536.152, the procedures set forth in § 536.9 of this part will be followed as to a claim under §§ 536.140–536.162.

(b) *Claims covered by insurance.* Where there is a remedy against the State as a result of either waiver of sovereign immunity or where there is liability insurance coverage.

(1) When a vehicle used by the National Guard, or a privately owned vehicle operated by a member or employee of the National Guard, is involved in an incident, under circumstances which make §§ 536.140–536.152 applicable to the disposition of administrative claims against the United States, and results in personal injury, death, or property damage and a remedy against the State or its insurer is indicated, the responsible claims supervisory authority will monitor the action against the State or its insurer and encourage direct settlement between the claimant and the State or its insurer. Where the State is insured, direct contact with State or National Guard officials rather than the insurer is desirable. Recovery by claimant from any insurer (other than claimant's insurer who has obtained no subrogated interest against the United States) will be deducted from the amount otherwise payable.

(2) If there is a remedy against the State or its insurer, advise the claimant to pursue the remedy against the State and/or the insurer. If the payment by the State or its insurer does not fully compensate claimant, an additional payment may be made under §§ 536.140–536.152. If liability is clear and claimant settles with the State or its insurer for less than the maximum amount recoverable, the difference between the maximum amount recoverable from the State

or its insurer and the settlement normally will be also deducted from the payment by the United States.

(3) If the State or its insurer desires to pay less than their maximum jurisdiction or policy limit on a basis of 50 percent or more of the actual value of the entire claim, any payment made by the United States must be made directly to the claimant. This can be accomplished by either having the United States pay the entire claim and have the State or its insurer reimburse its portion to the United States, or by having each party pay its agreed share directly to the claimant. If the State or its insurer desires to pay less than 50 percent of the actual value of the claim, the procedure set forth in subparagraph (4) of this paragraph will be followed.

(4) If there is a remedy against the State and the State refuses to make payment, or there is insurance coverage and the insurer refuses to make payment, and the claimant has filed an administrative claim against the United States, forward file with seven-paragraph memorandum to the Chief, U.S. Army Claims Service, including information as to the status of any judicial or administrative action the claimant has taken against the State or its insurer. The Chief, U.S. Army Claims Service, will determine whether the claimant will be required to exhaust his remedy against the State or its insurer, or whether the claim against the United States can be settled without such requirement. If he determines to follow the latter course of action, he will also determine whether an assignment of the claim against the State or its insurer will be obtained and whether recovery action will be taken. The State or its insurer will be given appropriate notification in accordance with State law necessary to obtain contribution or indemnification.

3. Section 536.151b is revised to read as follows:

§ 536.151b Delegation of authority.

(a) *Settlement authority.* (1) Subject to appeal to the Secretary of the Army, the Judge Advocate General and the Assistant Judge Advocate General are delegated authority to pay up to $5,000 in settlement of claims, and to disapprove claims regardless of amount claimed.

(2) Subject to appeal to the Secretary of the Army as to claims in excess of $2,500, or to the Judge Advocate General or the Assistant Judge Advocate General as to claims of $2,500, or less, and subject to such limitations as may be imposed by the Judge Advocate General, the Chief, U.S. Army Claims Service, and all officers of the Judge Advocate General's Corps assigned to the U.S. Army Claims Service, subject to such limitations as may be imposed by the Chief of that Service, are delegated authority to pay up to $2,500 in settlement of claims, and to disapprove claims regardless of the amount claimed.

(3) Subject to such limitations as may be imposed by the Judge Advocate General and appeal to the Chief, U.S. Army Claims Service, the commander or the staff judge advocate of each of the commands listed in subdivisions (i)–(v) of this subparagraph is delegated authority to approve and pay in full, or in part, or disapprove, claims presented for $2,500 or less; and to pay claims regardless of the amount claimed provided an award of $2,500 or less is accepted by claimant in full satisfaction and final settlement of the claim.

(i) Each of the numbered armies within the continental United States.

(ii) Military District of Washington, U.S. Army.

(iii) U.S. Army Forces Southern Command.

(iv) U.S. Army, Alaska.

(v) U.S. Army, Pacific.

(4) Subject to appeal to the Chief, U.S. Army Claims Service, and such limitations as may be imposed by the staff judge advocate of the command, the chief of a command claims service is delegated authority to approve and pay in full, or in part, or disapprove, claims presented for $2,500 or less; and to pay claims regardless of the amount claimed provided an award of $2,500 or less is accepted by claimant in full satisfaction and final settlement of the claim.

(b) *Approving authority.* (1) Each of the following is delegated authority to—

(i) Approve any pay in full or in part claims presented for $2,500 or less.

(ii) Pay claims regardless of the amount claimed provided an award of $2,500 or less is accepted by claimant in full satisfaction and final settlement of the claim.

(*a*) The commander of the staff judge advocate of any command authorized to exercise general courts-martial jurisdiction.

(*b*) An officer of the Judge Advocate General's Corps assigned to a maneuver claims service or a disaster claims office when designated by the Chief, U.S. Army Claims Service, or the commander of a command listed in § 536.4a of this part, subject to such limitations as the designating authority may prescribe.

(*c*) The claims judge advocate of any command authorized to exercise general courts-martial jurisdiction, subject to such restrictions as may be imposed by a command staff judge advocate.

(2) Each of the following is delegated authority to—

(i) Approve and pay in full or in part claims presented for $1,000 or less, and

(ii) Pay claims regardless of the amount claimed, provided an award of $1,000 or less is accepted by claimant in full satisfaction and final settlement of the claim.

(*a*) The commanding officer of a command not authorized to exercise general courts-martial jurisdiction, but having a judge advocate assigned to his staff, or his judge advocate.

(*b*) A district or division engineer, Corps of Engineers, or the Chief of Engineers.

(*c*) *Special delegations of authority.* The Judge Advocate General may delegate claims settlement authority, paragraph (a) of this section, or claims approving authority, paragraph (b) of this section, to other authorities where the need for such authority can be demonstrated. Request for delegation of authority will be forwarded through command channels to The Judge Advocate General, ATTN: Chief, U.S. Army Claims Service, Fort Holabird, Md. 21219, with justification and recommendations.

[C1, AR 27-24, Jan. 28, 1969]

(Secs. 715, 2736, 3012, 76 Stat. 767, 70A Stat. 157, 74 Stat. 878; 10 U.S.C. 2736, 3012, 32 U.S.C. 715)

For The Adjutant General.

HAROLD SHARON,
Chief, Legislative and Precedent Branch, Management Division, TAGO.

[F.R. Doc. 69-4052; Filed, Apr. 7, 1969; 8:45 a.m.]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 12—Department of Transportation

[OST Docket No. 19; Amdt. 12-3-1]

MISCELLANEOUS AMENDMENTS TO CHAPTER

The purpose of the following amendment is to revise the wording of § 12-3.151 and to add two new parts to the Department's procurement regulations.

Since these amendments relate to Departmental management, procedures and practices, notice and public procedure thereon is unnecessary.

These amendments are made under authority of section 205(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(c)) and the Armed Services Procurement Act (10 U.S.C. Chapter 137).

In consideration of the foregoing, Title 41 of the Code of Federal Regulations is amended by revising § 12-3.151 to read as follows and by adding the following new Part 12-7—Contract clauses, and Part 12-15—Contract cost principles and procedures, effective April 30, 1969.

Issued in Washington, D.C., on April 1, 1969.

JAMES W. WILLIAMS,
Acting Assistant Secretary for Administration.

PART 12-3—PROCUREMENT BY NEGOTIATION

Section 12-3.151 is revised as follows:

§ 12-3.151 Late proposals and modifications.

(a) Proposals which are received in the office designated in the request for proposals after the time specified for their submission are "Late Proposals". Late proposals shall not be considered for award except under the circum-

stances set forth in FPR 1–2.303 relating to late bids or where only one proposal is received. (For the purpose of applying the late bid rules to late proposals, unless a specified time for receipt of proposals is stated in the request for proposals, the time for such receipt shall be deemed to be the time for close of business of the office designated for receipt of proposals on the date stated in the request for proposals). Exceptions may be authorized only by the head of the procuring activity, and only where consideration of a late proposal is of extreme importance to the Government, as for example, where it offers some important technical or scientific breakthrough or a substantially lower price. To determine the possible existence of such extreme importance, all late proposals shall be opened prior to award and if not considered for award shall be returned to the Offeror. Accordingly, in these cases, the procedures of FPR 1–2.303–6 and 1–2.303–7 regarding the disposition of late bids will not apply.

(b) The clause set forth in § 12–7.101–35 shall be included in each request for proposal.

(c) Offerors submitting late proposals or modifications shall be notified in accordance with FPR 1–2.303–6, except that the notices provided for therein shall be appropriately modified to relate to the request for proposals.

(d) The provisions of paragraph (a) of this section are also applicable to late quotations. In the case of a request for quotation, the provision set forth in § 12–7.101–35 will be appropriately modified.

(e) In the exceptional circumstances where the head of the procuring activity concerned authorizes an exception from paragraph (a) of this section, the contracting officer shall resolicit all firms (including late offerors) which have submitted proposals and are determined to be capable of meeting current requirements. Such resolicitation shall specify a date for submission of new proposals and include the "Late Proposals" provision set forth in § 12–7.101–35.

(f) The normal revisions of proposals by selected offerors occurring during the usual conduct of negotiations with such offerors are not to be considered as late proposals.

(g) Modifications of proposals (other than the normal revision of proposals by selected offerors during the usual conduct of negotiations with such offerors) which are received in the office designated in the requests for proposals after the time specified for submission of proposals are "Late Modifications." Late modifications shall be subject to the rules applicable to late proposals set forth in this section. However, a modification received from an otherwise successful offeror which is favorable to the Government shall be considered at any time that such modification is received. The provisions of this section are also applicable to late modifications to quotations.

PART 12–7—CONTRACT CLAUSES

Subpart 12–7.1—Fixed Price Supply Contracts

§ 12–7.101–35 Late proposals and modifications.

The following clause is prescribed for use in accordance with § 12–3.151:

LATE PROPOSALS AND MODIFICATIONS

(a) Except as provided in 41 CFR 12–3.151, proposals and modifications of proposals received at the office designated in the solicitation after the exact hour and date specified for receipt will not be considered unless: (1) They are received before award is made; and either (2) they are sent by registered mail, or by certified mail for which an official dated post office stamp (postmark) on the original Receipt for Certified Mail has been obtained and it is determined by the Government that the late receipt was due solely to delay in the mails, for which the offeror was not responsible; or (3) if submitted by mail (or by telegram if authorized) it is determined by the Government that the late receipt was due solely to mishandling by the Government after receipt at the Government installation: *Provided*, That timely receipt at such installation is established upon examination of an appropriate date or time stamp (if any) of such installation, or of other documentary evidence of receipt (if readily available) within the control of such installation or of the post office serving it. However, a modification of a proposal which makes the terms of an otherwise successful proposal more favorable to the Government will be considered at any time it is received and may thereafter be accepted.

(b) Offerors using certified mail are cautioned to obtain a Receipt for Certified Mail showing a legible, dated postmark and to retain such receipt against the chance that it will be required as evidence that a late offer was timely mailed.

(c) The time of mailing of late proposals submitted by registered or certified mail shall be deemed to be the last minute of the date shown in the post mark on the registered mail receipt or registered mail wrapper or on the Receipt for Certified Mail unless the offeror furnishes evidence from the post office station of mailing which establishes an earlier time. In the case of certified mail, the only acceptable evidence is as follows: (1) Where the Receipt for Certified Mail identifies the post office station of mailing, evidence furnished by the offeror which establishes that the business day of that station ended at an earlier time, in which case the time of mailing shall be deemed to be the last minute of the business day of that station; or (2) an entry in ink on Receipt for Certified Mail showing the time of mailing and the initials of the postal employee receiving the item and making the entry, with appropriate written verification of such entry from the post office station of mailing, in which case the time of mailing shall be the time shown in the entry. If the postmark on the original Receipt for Certified Mail does not show a date, the proposal shall not be considered.

(Sec. 205(c) of the Federal Property and Administrative Services Act of 1949; 40 U.S.C. 486(c) and the Armed Services Procurement Act, 10 U.S.C. Chapter 137)

PART 12–15—CONTRACT COST PRINCIPLES AND PROCEDURES

Subpart 12–15.1—Applicability

Sec.

12–15.102 Cost-reimbursement supply and research contracts with concerns other than educational institutions.

12–15.104 Cost-reimbursement construction and architect-engineer contracts.

AUTHORITY: The provisions of this Part 12–15 issued under section 205(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(c)) and the Armed Services Procurement Act, 10 U.S.C. Chapter 137.

§ 12–15.102 Cost-reimbursement supply and research contracts with concerns other than educational institutions.

(a) The cost principles and procedures set forth in FPR 1–15.2 shall be incorporated (by reference, if desired) in cost-reimbursement supply and research contracts with other than educational institutions, as the basis for the actions listed in FPR 1–15.102.

§ 12–15.104 Cost-reimbursement construction and architect-engineer contracts.

The cost principles and procedures set forth in FPR 1–15.4 shall be incorporated (by reference, if desired) in cost-reimbursement construction and architect-engineer contracts, as the basis for the actions listed in FPR 1–15.104.

[F.R. Doc. 69–4067; Filed, Apr. 7, 1969; 8:46 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 41]

SCHEDULE OF TAXABLE GROSS WEIGHTS

Notice of Proposed Rule Making

Notice is hereby given that the regulations set forth in tentative form in the attached appendix are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, preferably in quintuplicate, to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, within the period of 15 days from the date of publication of this notice in the FEDERAL REGISTER. Any written comments or suggestions not specifically designated as confidential in accordance with 26 CFR 601.601(b) may be inspected by any person upon written request. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 15-day period. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in sections 4482 (b) and 7805 of the Internal Revenue Code of 1954 (70 Stat. 390, 68A Stat. 917; 26 U.S.C. 4482(b), 7805).

[SEAL] RANDOLPH W. THROWER,
Commissioner of Internal Revenue.

In order to revise the schedule of taxable gross weights prescribed under section 4482(b) of the Internal Revenue Code, the following amendment to 26 CFR Part 41 is made:

EXCISE TAX ON USE OF CERTAIN HIGHWAY MOTOR VEHICLES

Section 41.4482(b)–1 is amended by revising so much of paragraph (c) as precedes the use tax schedule, and by adding a new paragraph (d), to read as follows:

§ 41.4482(b)–1 Definition of taxable gross weight.

* * * * *

(c) *Schedule of taxable gross weights for periods before July 1, 1969.* The following schedule of taxable gross weights, based on the sum of the weights referred to in paragraph (a) of this section, is hereby prescribed for taxable periods beginning before July 1, 1969:

* * * * *

(d) *Schedule of taxable gross weights for periods after June 30, 1969.* The following schedule of taxable gross weights, based on the sum of the weights referred to in paragraph (a) of this section, is hereby prescribed for taxable periods beginning on or after July 1, 1969. Any highway motor vehicle which falls in one of the categories shown in the following schedule shall be considered, for purposes of the regulations in this part, to have the taxable gross weight assigned to such category. Any highway motor vehicle which does not fall in one of the categories shown in the following schedule shall be considered, for purposes of the regulations in this part, to have a taxable gross weight of 26,000 pounds or less.

USE TAX SCHEDULE

	Taxable gross weight (in pounds)
1. Single units:	
(a) 2 axled truck equipped for use as a single unit with actual unloaded weight of 13,000 pounds or more	27,000
(b) 3 axled truck equipped for use as a single unit with actual unloaded weight of 13,000 pounds or more and less than 16,000 pounds	30,000
(c) 3 axled truck equipped for use as a single unit with actual unloaded weight of 16,000 pounds or more	40,000
(d) 4 axled truck equipped for use as a single unit with actual unloaded weight of less than 22,000 pounds	55,000
(e) 4 axled truck equipped for use as a single unit with actual unloaded weight of 22,000 pounds or more and less than 30,000 pounds	68,000
(f) 4 axled truck equipped for use as a single unit with actual unloaded weight of 30,000 pounds or more	80,000
(g) More than 4 axled truck equipped for use as a single unit	[1]
(h) 2 axled truck-tractor with actual unloaded weight of 5,500 pounds or more and less than 7,000 pounds	30,000
(i) 2 axled truck-tractor with actual unloaded weight of 7,000 pounds or more and less than 9,500 pounds	40,000
(j) 2 axled truck-tractor with actual unloaded weight of 9,500 pounds or more and less than 11,000 pounds	50,000
(k) 2 axled truck-tractor with actual unloaded weight of 11,000 pounds or more	60,000
(l) 3 or 4 axled truck-tractor with actual unloaded weight of less than 13,000 pounds	65,000
2. Tractor-trailer combinations:	
(m) 3 or 4 axled truck-tractor with actual unloaded weight of 13,000 pounds or more and less than 17,000 pounds	70,000
(n) 3 or 4 axled truck-tractor with actual unloaded weight of 17,000 pounds or more	74,000
(o) More than 4 axled truck-tractor	[2]
3. Truck-trailer combinations:	
(p) 2 axled truck with actual unloaded weight of 9,000 pounds or more and less than 12,000 pounds and equipped for use in combinations	40,000
(q) 2 axled truck with actual unloaded weight of 12,000 pounds or more and equipped for use in combinations	55,000
(r) 3 or 4 axled truck with actual unloaded weight of less than 14,000 pounds and equipped for use in combinations	65,000
(s) 3 or 4 axled truck with actual unloaded weight of 14,000 pounds or more and less than 19,000 pounds and equipped for use in combinations	74,000
(t) 3 or 4 axled truck with actual unloaded weight of 19,000 pounds or more and equipped for use in combinations	76,000
(u) More than 4 axled truck equipped for use in combinations	[3]
4. Buses: Actual unloaded weight of vehicle plus 150 pounds for each unit of seating capacity provided for passengers and driver.	

[1] 2.5 times actual unloaded weight.
[2] 4.5 times actual unloaded weight.
[3] 4.5 times actual unloaded weight.

[F.R. Doc. 69–4118; Filed, Apr. 7, 1969; 8:49 a.m.]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 28]

COTTON SAMPLES

Submission

Notice is hereby given in accordance with the administrative procedure provisions in 5 U.S.C. 553, that the Consumer and Marketing Service is considering amendment of § 28.25(g) of the regulations under the United States Cotton Standards Act (7 CFR Part 28, Subpart A) to revise that portion of the regulations dealing with the submission of cotton samples by warehouses to Boards of Cotton Examiners, pursuant to authority contained in the U.S. Cotton Standards Act, as amended (Sec. 10, 42 Stat. 1519; 7 U.S.C. 61).

Statement of considerations. The purpose of this amendment is to delete from the regulations the requirement that cotton samples be mailed, shipped or delivered no later than the close of the

next business day after sampling is completed. This requirement has been found to be impracticable and has created a hardship on some warehouses.

It is proposed that paragraph (g) of § 28.25 be revised to read as follows:

§ 28.25 Samples for Form A Determination.

* * * * *

(g) Samples shall be addressed to and mailed, shipped, or delivered direct to the Board serving the territory in which the warehouse is located. Samples shall in no case be consigned or routed through the owner or custodian of the cotton. Samples mailed or shipped shall be prepaid.

* * * * *

(Sec. 10, 42 Stat. 1519; 7 U.S.C. 61)

It is proposed that this amendment would be made effective about July 1, 1969.

Any person who wishes to submit written data, views or arguments concerning the proposed amendment may do so by filing them in duplicate with the Office of the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250, not later than 30 days after publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice of rule making shall be made available for public inspection in said office during regular business hours and in a manner convenient to the public business (7 CFR 1.27).

Dated: April 3, 1969.

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

[F.R. Doc. 69-4090; Filed, Apr. 7, 1969; 8:48 a.m.]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Federal Insurance Administration

[24 CFR Part 1907]

STATE REIMBURSEMENT REQUIREMENT

Notice of Proposed Rule Making

Pursuant to title XII of the National Housing Act (added by the Urban Property Protection and Reinsurance Act of 1968, 12 U.S.C. 1749bbb—1749bbb-21), 5 U.S.C. 553, and delegation of authority by the Secretary of Housing and Urban Development (34 F.R. 2680, Feb. 27, 1969), the Federal Insurance Administrator proposes to issue the regulation set forth below as a new Part 1907 of Chapter VII of Title 24. Interested persons may submit written comments or suggestions on the proposed regulation, in duplicate, to the Federal Insurance Administration, Department of Housing and Urban Development, Washington, D.C. 20410. Prior to adoption of the regulation, consideration will be given to comments or suggestions received within 30 days from the date of publication of this notice in the FEDERAL REGISTER.

Proposed Part 1907 of Chapter VII of Title 24 reads as follows:

PART 1907—STATE REIMBURSEMENT REQUIREMENT

Sec.

AUTHORITY: The provisions of this Part 1907 issued under Title XII of National Housing Act, added by Urban Property Protection and Reinsurance Act of 1968, 12 U.S.C. 1749bbb—1749bbb-21; 5 U.S.C. 553; Secretary's delegation of authority to Federal Insurance Administrator, 34 F.R. 2680, Feb. 27, 1969; and Secretary's designation of Acting Federal Insurance Administrator, 33 F.R. 11794, Aug. 20, 1968.

§ 1907.1 State reimbursement requirement in general.

(a) Section 1223(a)(1) of the National Housing Act (12 U.S.C. 1749bbb-9), added by the Urban Property Protection and Reinsurance Act of 1968, hereinafter referred to as the "Act," generally prohibits the Secretary of Housing and Urban Development from offering riot loss reinsurance with respect to any line of insurance in a State which does not by August 1, 1969, adopt legislation, retroactive to August 1, 1968, which enables it to reimburse him annually (to the extent necessary) for a portion of the claims he pays in connection with excessive losses which may occur in that State with respect to the line of insurance reinsured. While in many States no actual payment may be required, legislation providing for such payment, if needed, is required for the continued provision of Federal riot loss reinsurance.

(b) The minimum lines of insurance for which State reimbursement legislation is required as a condition of continued Federal reinsurance for any line are: (1) Fire and extended coverage, (2) vandalism and malicious mischief, (3) other allied lines of fire insurance, (4) burglary and theft, and (5) those portions of multiple peril policies covering similar perils to those provided in (1), (2), (3), and (4). Optional lines of insurance for which State reimbursement legislation may be enacted on either a group basis or an individual basis are inland marine, glass, boiler and machinery, ocean marine, and aircraft physical damage. But no line of insurance will be eligible for Federal reinsurance in any State after the specified date unless it is included, either explicitly or implicitly, within the State reimbursement legislation.

§ 1907.2 Amount of State share.

(a) The actual State share is limited to the amount by which the Secretary's total reinsured losses in the State during the current year exceed the total reinsurance premiums received for the same year, and such State share is reduced by (1) any excess of net reinsurance premiums over reinsured losses realized from business in that State since the year for which reimbursement was last required, and (2) any assessments of reinsured companies made under the Federal Standard Reinsurance Contract with respect to the current year.

(b) The maximum State share in any 1 year is an amount equal to 5 percent of the aggregate or total property insurance premiums earned in the State during the preceding calendar year on all lines of insurance for which any reinsurance is provided by the Secretary in the State during the current year, regardless of the number of companies actually purchasing Federal reinsurance.

§ 1907.3 Timing of State legislation.

To enable companies doing business within a State to continue to participate in the Federal reinsurance program, the State must enact the necessary reimbursement legislation within a year after August 1, 1968, when the Federal Act became law. However, if the legislature of a particular State does not meet in regular session between August 1, 1968, and August 1, 1969, the deadline for enactment is extended until the end of the State's next regular legislative session commencing after August 1, 1969.

§ 1907.4 Source of State share.

Funds for the State share may be raised in any constitutional manner consistent with the intent of the Federal Act to place appropriate responsibility upon the State to share in property insurance losses resulting from riots or civil disorders. The Federal Act provides that the Secretary is to be reimbursed by the State, its political subdivisions, or a governmental corporation or fund established pursuant to State law. Thus, the State share should be financed out of general revenues or in some other manner which broadly distributes the burden of property insurance losses resulting from riots or civil disorders.

§ 1907.5 Timing of State payments.

It is not required that funds for the State share be made available in advance of the year in which the losses occur. However, the State legislation must provide for a method of financing the State share which will assure timely reimbursement of the Secretary. It is anticipated that notification by the Secretary as to the amount of the State share due with respect to losses in any given year will not be made until the third quarter of the succeeding year. The State payment will be due and payable approximately 60 to 90 days thereafter.

§ 1907.6 Effect of failure to enact State legislation.

If appropriate legislation is not enacted in a given State within the time specified, no Federal reinsurance may thereafter be offered or made applicable to insurance policies written in that State until such legislation is enacted. However, Federal reinsurance on insurance policies written prior to the specified date for the enactment of the State's reimbursement legislation may be continued for the remainder of the current Federal contract year, which ends on April 30.

§ 1907.7 Notification of enactment.

In order to prevent unnecessary lapses in Federal reinsurance coverage, each State Insurance Authority is requested promptly to notify the Federal Insurance Administrator, Department of Housing and Urban Development, Washington, D.C. 20410, of the date on which the State's reimbursement legislation is effective and to provide him with a copy of the enacted legislation.

Dated: April 8, 1969.

WM. B. ROSS,
Acting Federal Insurance Administrator.

[F.R. Doc. 69-4073; Filed, Apr. 7, 1969; 8:47 a.m.]

DEPARTMENT OF COMMERCE

Office of Foreign Direct Investments

[15 CFR Part 1000]

FOREIGN DIRECT INVESTMENT REGULATIONS

Notice of Proposed Rule Making

EDITORIAL NOTE: The Foreign Direct Investment Regulations appear in Title 15, Chapter X, Part 1000 of the Code of Federal Regulations (CFR). Thus, all sections of the regulations contained in the CFR are preceded by the designation "1000" (e.g., § 1000.201). The "1000" prefix has for convenience been eliminated from the section references contained in this notice. The term "part" when used in the regulations means Part 1000 of the Code of Federal Regulations. References to sections of General Bulletins published by the Office are preceded by the designation "B" (e.g., § B201). The section numbers used in the bulletins correspond to sections of the regulations which are discussed in the bulletins. The terms "DI" and "AFN" are used in the General Bulletins and this notice to refer to "direct investor" and "affiliated foreign national".

Notice is hereby given that the Office of Foreign Direct Investments proposes to amend the Foreign Direct Investment Regulations (the "regulations"). On December 4, 1968, notice of proposed rule making was published in the FEDERAL REGISTER (33 F.R. 18041). Those proposals set forth amendments to §§ 503 and 504 of the regulations which deal with the amount of positive direct investment generally authorized to DIs. The proposals were based on a target ceiling for 1969 of direct investment by all DIs of approximately $2,950,000,000. After review, the target ceiling has been increased to $3,350,000,000. Because of this increase, and after consideration of comments received, the amendments as originally proposed are hereby withdrawn and are superseded by the proposals set forth below. The present proposals contain the following changes from the former proposals:

a. Section 312(c)(1) has been amended to conform to revised §§ 503 and 504.

b. Subpart E has been restructured by combining old §§ 501 and 502 and by adding a new § 502 providing that a DI must elect annually either the minimum allowable under § 503, or the historical allowable under § 504 (a) and (c), or the earnings allowable under § 504(b).

c. Section 503 has been amended to increase to $1,000,000 the previously proposed minimum allowable of $300,000. Further, the provision of § 503 which prohibited the offsetting of positive direct investment in one scheduled area against negative direct investment in another scheduled area is eliminated. Section 503 also now provides that if all AFNs, whether incorporated or unincorporated, when considered together, have aggregate annual losses, such losses shall be disregarded in computing direct investment for purposes of § 503.

d. Section 504(b) has been revised to increase the earnings allowable from 20 percent, as previously proposed, to 30 percent of the immediately preceding year's earnings. The election of the 30 percent earnings allowable under § 502 (a)(3) is binding and effective only for the year for which the election is made and not for all succeeding years as previously proposed.

e. The amount of the "upstream" adjustments to the historical allowable under § 504(c) (assuming the DI does not elect the earnings allowable or the minimum allowable) is also changed by increasing the applicable percentage limitation to 30 percent of the immediately preceding year's earnings in the "upstream" scheduled area. Section 504(c) is also rewritten to make the "upstream" adjustment to the historical allowables of § 504(a) (1), (2), and (3) automatic. The latter revision is not a change in substance from § 504(c) as originally proposed but is intended to clarify the effect of the "upstream" provisions of § 504.

f. Certain conforming and clarifying amendments have been made to § 506.

g. Section 602 has been amended to define more clearly reports which may be required and to describe basic reporting forms required of all DIs unless exempted by the instructions to particular forms.

h. Section 805(a) has been amended to clarify information and reports received from direct investors which the Office will treat as confidential. Section 805(b), dealing with where forms may be obtained, has been deleted and a new § 602(c) has been added to take its place.

i. Sections 905(b)(2) and 906(b)(3)(ii) have been amended to conform to revised § 503.

j. Conforming amendments have been made in §§ 1002 (b) and (c) and 1003 (b), (c), and (d). The time within which a certificate must be filed under § 1002 (b) has been changed. It is proposed that such certificates need not be filed until 10 days after the date of a borrowing or guarantee. The provisions for reduction of allowables in § 1003(c) have been amended to reflect the new election provisions and the increased emphasis on worldwide allowables.

In addition to the above changes to the proposed regulations, and as described in paragraph 8 of this notice, it is proposed that (with certain exceptions) direct investors who have not made direct investment (whether positive or negative) of $1,000,000 or more in any year, beginning with 1968, be exempt from making quarterly reports on Form FDI-102. For the purpose, direct investment includes direct investment in Canada and transfers of proceeds of long-term foreign borrowing to AFNs and allocations of such proceeds to such transfers.

The principal proposals are described in greater detail below:

1. *Election of 1969 Allowables.* New § 502 requires a DI to elect either the minimum allowable under § 503, the historical allowable under § 504 (a) and (c), or the earnings allowable under § 504(b). Once this election is made, the allowables not elected are inapplicable and unavailable to the DI. The election is made annually on Form FDI-102F (Annual Report) filed for the year with respect to which the election is made. Accordingly, DIs will be required to make their election for 1969 on the FDI-102F due April 30, 1970. However, Form FDI-102F for 1968 will require a tentative indication of the allowable which the DI believes it will elect for 1969, and reporters required to file FDI-102 quarterly reports during 1969 will be required to indicate any change in this tentative decision during 1969 on their quarterly reports.

2. *§ 503 Minimum allowable.* The revisions to § 503 are intended to give increased investment leeway to small and medium-size firms without substantial historical or earnings allowables by increasing the minimum allowable from $200,000 to $1,000,000. Section 503(a) has also been amended to remove the provisions prohibiting the offset of positive direct investment in one scheduled area against negative direct investment in another scheduled area. Section 503(b), however, now provides that if a DI's AFNs have "aggregate annual losses", such losses shall be disregarded in computing direct investment under § 503. The term "aggregate annual losses" means the excess of the sum of the DI's share of losses of all incorporated and unincorporated AFNs on a worldwide basis (excluding Canadian AFNs) which have losses over the sum of the DI's share of earnings of all AFNs which have earnings. That is, the earning results of all AFNs are, in effect, consolidated, and if those results are negative, that negative amount cannot be used to offset transfers of capital from the DI to AFNs. Formerly, § 503(b) only required that net losses (i.e., "total losses") of incorporated AFNs in Schedule C be disregarded. The effect of these changes in § 503(a) and (b) is to eliminate the schedular concept from § 503 and, as a result, the relevance of § 505 (interschedular transfers between AFNs) for DIs who elect § 503.

As previously provided, any § 503 allowable not used in the current year may not be carried forward to a succeeding year and, since an election for 1969 of § 503 makes § 504 inapplicable, there are no § 504 allowables (including those arising from negative direct investment) to be carried forward into 1970 and succeeding years. Also, a DI who elects § 503 for 1969 will lose any § 504 allowable which might otherwise have been carried forward from 1968. However, DIs

who made positive direct investment authorized by § 503 in 1968 and who elect either the § 504 earnings allowable or historical allowable for 1969 may carry forward from 1968 unused § 504 allowables into 1969, reduced as provided in § 503(d) by the amount of positive direct investment made under § 503 in 1968. The reduction is first made in the scheduled area where the positive direct investment was made in 1968, and then in the remaining scheduled areas, first in Schedule C and thereafter in Schedules B and A in that order.

The following examples assume that DI has elected the § 503 allowable as provided in § 502(a)(1) and illustrate the provisions of § 503(a) and (b):

Example (1). DI has two AFNs—a corporation (X) in the United Kingdom and a corporation (Y) in Venezuela. During 1969, X has a loss of $50,000, and Y has earnings of $1,050,000 and pays no dividends. There are no other relevant transactions in 1969. DI has made positive direct investment, calculated as provided in § 503(b), of $1,000,000, all of which is authorized by § 503(a).

Example (2). DI has two AFNs, X and Y. X is incorporated in France and Y is incorporated in Argentina. During 1969, DI makes a positive net transfer of capital of $500,000 to X and X has earnings of $1,000,000 and pays no dividends. DI also makes a negative net transfer of capital of $500,000 to Y and Y has losses of $500,000. There are no other relevant transactions during 1969. DI has made positive direct investment, calculated as provided in § 503(b), of $500,000, which is authorized by § 503(a). The $500,000 loss of Y may be offset against the $1,000,000 in earnings of X. The negative net transfer of capital of $500,000 to Y may be offset against either the positive net transfer of capital of $500,000 to X or the earnings of $500,000 of X.

Example (3). During 1969, DI makes a positive net transfer of capital to its wholly owned incorporated AFN (X) of $750,000. X earns $300,000 and pays no dividends. DI also has a branch (Y) which has losses of $500,000 which result in a decrease in net branch assets of $500,000. DI also makes a negative net transfer of capital of $50,000 to a second incorporated AFN (Z). There are no other relevant transactions during 1969. DI's positive direct investment, calculated as provided in § 503(b), of $700,000 during 1969 is authorized by § 503. The positive net transfer of capital to X of $750,000 is offset by the negative net transfer of capital of $50,000 to Z, and the earnings of $300,000 of X are offset by $300,000 of the $500,000 losses of Y. The aggregate annual losses of $200,000 are disregarded.

Example (4). DI has a wholly owned incorporated AFN (X) which in turn has a wholly owned incorporated AFN (Y). During 1969 X has earnings (excluding dividends received from Y) of $2,000,000 and pays a dividend to DI (before withholding taxes) of $1,500,000. Also during 1969, Y has losses of $3,000,000 but nevertheless pays a dividend to X of $250,000 (before withholding taxes). In addition DI makes a positive net transfer of capital of $2,500,000 to a third wholly owned incorporated AFN (Z). There are no other relevant transactions during 1969. DI has aggregate annual losses of $1,000,000 ($3,000,000 in losses offset against only $2,000,000 in earnings). The $1,000,000 losses are disregarded and may not be offset against the positive net transfer of capital to Z. DI has positive direct investment of $1,000,000 calculated as provided in § 503(b), which is authorized by § 503(a). DI has reinvested earnings in X of $750,000 ($2,000,000 less $1,500,000 plus $250,000) negative reinvested earnings in Y of $3,250,000 ($3,000,000 plus $250,000), and a positive net transfer of capital to Z of $2,500,000. Calculated without regard to § 503(b), this would give DI direct investment of zero. But after the $1,000,000 in aggregate net losses is disregarded—which means in effect adding the aggregate net losses to direct investment calculated first without regard to § 504(b)—DI has positive direct investment of $1,000,000.

Example (5). DI has a wholly owned Schedule B incorporated AFN (B) which has a Schedule A branch (A). During 1969, DI invests $5,000,000 in proceeds of a long-term foreign borrowing in B, B has earnings of $1,500,000, and pays a dividend to DI of $500,000 (before withholding taxes). Also during 1969, A transfers $500,000 to B, A has zero earnings during the year, and A's net assets decrease by $500,000. There are no other relevant transactions during 1969. DI has made positive direct investment, calculated as provided in § 503(b), of $1,000,000 which is authorized by § 503. DI has made a negative net transfer of capital of $500,000 to Schedule A (the decrease in A's net assets of $500,000) which offsets the positive net transfer of capital of $500,000 to Schedule B. The tranafer of $5,000,000 to B is reduced in like amount by virtue of § 313(d)(1). This leaves DI with reinvested earnings in B of $1,000,000 after the dividends paid by B to DI of $500,000.

The following examples illustrate the provisions of § 503 as applied to § 503 allowables not used in 1968 or 1969, and as applied to the carry forward of § 504 historical allowables by a DI electing § 503 in 1969:

Example (6). In 1969, DI has allowables under § 504 of $50,000 in Schedule C, $500,000 in Schedule B, and $200,000 in Schedule A. A portion of the allowables in Schedule A and B are carry forwards of § 504 allowables not used in 1968. In 1969, DI, in order to make positive direct investment in Schedule C in excess of its § 504 allowable of $50,000, elects § 503 and makes worldwide positive direct investment, calculated as computed in § 503(b), of $600,000. In 1970, DI will have no carry forward of any § 503 allowable not used in 1969 nor will it have any portion of its § 504 allowables carried forward into 1970.

Example (7). In 1968, DI had allowables under § 504 of $50,000 in Schedule C, $50,000 in Schedule B, and $200,000 in Schedule A. During 1968, DI made positive direct investment of $100,000 in Schedule C and $50,000 in Schedule B under § 503 as then in effect. DI also in 1968 made negative direct investment of $50,000 in Schedule A which under § 504(f) may be carried forward to succeeding years together with any other unused Schedule A allowables. While not authorized under § 504, DI's positive direct investment in 1968 was authorized under § 503 since total direct investment in all scheduled areas, when added together, was $200,000 or less (in this case $150,000), and positive direct investment in any one scheduled area did not exceed $200,000. If DI does not elect the § 503 minimum allowable for 1969, DI will carry forward to 1969 § 504 allowables not used in 1968 of $200,000, after the reductions provided for in § 503(d), distributed in the scheduled areas as follows: Zero in Schedule C, zero in Schedule B, and $200,000 in Schedule A. The carry forward of $200,000 is in addition to any § 504 earnings allowables or § 504 historical allowables which DI may have for 1969. The above calculations are set forth in tabular form as follows:

	(000 omitted)		
	Schedule C	Schedule B	Schedule A
(1) 1968 § 504 allowables	50	50	200
(2) Direct investment under § 503 in 1968	100	50	(50)
(3) Reductions to § 504 allowables under § 503(d)	50	50	50
(4) § 504 carry-forwards to 1969	0	0	200

If DI elects to make positive direct investment in 1969 under § 503, DI will lose its $200,000 carry-forward in Schedule A for 1969 and succeeding years under § 503(c).

3. *§ 504 allowables.* Under revised § 504(a), a DI computes its historical allowables for Schedules A, B, and C in the same manner as provided in § 504(a)(1)(i), (2)(i), and (3)(i) of the regulations as in effect for 1968. Section 504(c), however, now provides an "upstream" adjustment of § 504(a) historical allowables (that is, an adjustment of allowables from Schedule B to Schedule C and from Schedule A to Schedule B and/or C). Section 504(b) is also new and provides for an earnings allowable in each scheduled area in the amount of 30 percent of the immediately preceding year's annual earnings as an alternative to the adjusted historical allowable or the § 503 minimum allowable. These new provisions afford options not available in 1968 to DIs who have unusually low historical allowables in relation to earnings of their AFNs or whose historical allowables are not distributed among the three scheduled areas in amounts proportional to earnings in the three scheduled areas.

Both the "upstream" adjustment of historical allowables in § 504(c) and the earnings allowable in § 504(b) are based on 30 percent of the DI's share of 1968 "annual earnings" in each scheduled area of both incorporated AFNs (subsidiaries) and unincorporated AFNs (such as branches, partnerships and joint ventures). Earnings of Canadian AFNs are excluded in calculating "annual earnings" in Schedule B. To calculate "annual earnings", losses of both incorporated and unincorporated AFNs in any scheduled area should be netted against earnings of both incorporated and unincorporated AFNs in such schedule area. "Annual earnings" of AFNs in a scheduled area do not include dividends paid to, or earnings remitted to, such AFNs from AFNs in other scheduled areas.

A distinction between § 503 and § 504 allowables should be noted: As already stated, in calculating positive direct investment made under § 503, a DI must disregard aggregate annual losses incurred by AFNs on a worldwide basis. Thus, if one AFN had earnings and another AFN had losses, the losses may be offset up to the amount of the earnings in determining the amount of reinvested earnings under § 503 but may not be offset against transfers of capital from a DI to AFNs. (See examples (3) and (4) supra.) Under § 504, on the other hand,

only aggregate losses of incorporated AFNs (i.e., "total losses") in Schedule C are so disregarded. Thus, if the algebraic sum of earnings and losses of all incorporated AFNs in Schedule C is negative, that negative amount may not be offset against positive net transfers of capital to Schedule C or used "downstream" in Schedules A or B to offset positive direct investment in those scheduled areas.

The major features of amended § 504 (b) and (c) are described below:

(a) *30 percent earnings allowable.* A DI may elect under § 502(a)(3) a "30 percent earnings allowable" for 1969 for each of the three scheduled areas in an amount equal to 30 percent of its share of the 1968 annual earnings of its AFNs in each scheduled area. This election, if made, must be made with respect to all three scheduled areas and, if made for 1969, must be made on the annual report for 1969 (Form FDI–102F) filed with the Office on or before April 30 1970.

The following example is illustrative of the "30 percent earnings allowable":

Example (8). DI's share of the 1968 "annual earnings" of its Schedule C AFNs is $1,000,000 and of its Schedule A AFNs is $1,500,000; its Schedule B AFNs incurred in the aggregate losses of $200,000. If DI elects the 30 percent earnings allowable for 1969 under § 502(a)(3), its 1969 § 504(b) allowables will be $300,000 in Schedule C (30 percent of $1,000,000), zero in Schedule B (since DI had losses in Schedule B in 1968), and $450,000 in Schedule A (30 percent of $1,500,000).

(b) § *504 Historical allowable after upstream adjustment.* If the DI elects under § 502(a)(2) the historical allowable, § 504 (a) and (c) will govern. A DI with historical allowables in Schedule B and/or A may then be eligible under new § 504(c) to have all or part of those allowables readjusted "upstream". Historical allowables will not, however, be adjusted "upstream" unless, and only to the extent that, 30 percent of the DI's share of 1968 "annual earnings" in the "upstream" scheduled area exceeds the § 504(a) historical allowable in the "upstream" scheduled area. Note that for purposes of § 504(c), a DI may not adjust "upstream" an amount in excess of its downstream historical allowables, and that the amount of historical allowables which may be adjusted "upstream" does not include § 504 allowables carried forward from previous years. Like any other § 504 allowable in an upstream scheduled area, allowables in Schedule B or C which arise from "upstream" adjustment may be used downstream or carried forward into subsequent years under § 504(d).

The following examples are illustrative of the § 504(b) 30 percent earnings allowable and the § 504(c) "upstream" adjustment of § 504(a) historical allowables.

Example (9). In 1969, DI has § 504(a) historical allowables in each of the scheduled areas as shown on line (1) of the table below. DI also has a carry forward of unused allowables from 1968 in Schedule A of $1,000,000 (see line (2) below). In 1968, DI's share of annual earnings of its AFNs in each scheduled area was as shown on line (3) below. If DI elects under § 502(a)(2) for 1969, DI's historical allowables under § 504 (a) are adjusted under § 504(c) to increase its Schedule C allowable by $2,000,000, of which $1,500,000 is moved upstream from Schedule A to Schedule C and $500,000 is moved upstream from Schedule B. Corresponding reductions are made in the Schedule A and B historical allowables.

	(000 omitted)			
	Schedule C	Schedule B	Schedule A	Total
(1) § 504(a) historical allowables	1,000	2,500	1,500	5,000
(2) § 504(f) carry-forward allowable	0	0	1,000	1,000
(3) 1968 annual earnings	10,000	4,000	2,000	16,000
(4) 30 percent of line (3)	3,000	1,200	600	4,800
(5) 1969 § 504(a) historical allowables after § 504(c) "upstream" adjustments	3,000	2,000	0	5,000
(6) § 504(f) carry-forward allowable	0	0	1,000	1,000

Presumably, DI will elect to use its adjusted historical allowables rather than elect the 30 percent earnings allowable under § 504(b), since the total historical allowables ($5,000,000) under § 504(a) exceed the total allowables available to DI ($4,800,000 as shown on line (4)) if DI elected the 30 percent earnings allowable. While no part of the $1,000,000 carry forward allowable in Schedule A from 1968 can be adjusted upstream, DI may use that $1,000,000 carry forward allowable in Schedule A.

Under § 504(d), DI may use any portion of its Schedule C adjusted historical allowable downstream in Schedule B or A, thereby, in effect, returning those allowables to their original scheduled areas.

Since DI has an unadjusted historical allowable in Schedule C of $1,000,000, the amount moved to Schedule C from Schedules A and B is $2,000,000, i.e., the difference between 30 percent of 1968 earnings in Schedule C and the historical allowable in Schedule C. The total amount of adjusted historical allowable of $3,000,000 can be used in Schedules C, B, or A in 1969 or in Schedules C, B, or A in succeeding years in the same manner as is generally permitted for § 504 allowables in Schedule C.

Example (10). In 1969, DI has § 504(a) historical allowables in each of the scheduled areas as shown on line (1) of the table below, and DI's share of annual earnings in 1968 in each of the scheduled areas is as shown on line (2) of that table. Presumably, DI will elect under § 502(a)(3) the 30 percent earnings allowable (see line (3) below):

	(000 omitted)			
	Schedule C	Schedule B	Schedule A	Total
(1) § 504(a) historical allowables	500	2,000	4,000	6,500
(2) 1968 annual earnings	10,000	8,000	10,000	28,000
(3) 30 percent of line (2)	3,000	2,400	3,000	8,400
(4) 1969 § 504(a) historical allowables after § 504(c) upstream adjustments	3,000	2,400	1,100	6,500

Note that the total allowables available to DI under the 30 percent earnings allowable ($8,400,000) exceed the total historical allowables available to DI ($6,500,000) under § 504 (a) and (c) and that the 30 percent earnings allowables are divided among the scheduled areas to reflect DI's share of 1968 annual earnings in each schedule. Note also that whether the earnings or the adjusted historical allowable is elected, DI may use such allowables "downstream" under § 504(d). Thus, for example, all of the above allowables could be used in Schedule A.

Example (11). DI has no historical allowables under § 504(a) as shown on line (1) of the table below. In 1968, DI had earnings in each of the scheduled areas as shown on line (2) of that table. Presumably, DI will elect under § 502(a)(3) to compute its 1969 allowables based on the 30 percent earnings allowable under § 504(b) (see line (3) below):

	(000 omitted)			
	Schedule C	Schedule B	Schedule A	Total
(1) § 504(a) historical allowables	0	0	0	0
(2) 1968 annual earnings	10,000	6,000	1,000	17,000
(3) 30 percent of line (2)	3,000	1,800	300	5,100
(4) 1969 § 504(a) historical allowable after § 504(c) upstream adjustments	0	0	0	0

Section 504 (a) and (c) would not be elected since DI has no historical allowable. During 1969, however, DI may (as also provided by previous regulations) make positive direct investment in Schedule B or Schedule A in excess of the amounts indicated in those scheduled areas in line (3) above if DI uses the downstream provisions of § 504(d). In other words, DI may carry down all or part of its Schedule B earnings allowable to Schedule A under § 504(d)(2), and all or part of its Schedule C earnings allowable to Schedules B or A under § 504(d)(3).

4. *Downstream use of allowables in 1969 under § 504.* While there is a limit under § 504(c) on the "upstream" adjustment of § 504(a) historical allowables, § 504(d) (2) and (3) preserve the provisions in the prior regulations for use downstream of the entire amount of § 504 allowables (that is, Schedule B allowables may be used in Schedule A, and Schedule C allowables may be used in Schedules B or A). As in the prior regulations, the

one exception is that "total losses" of incorporated AFNs in Schedule C may only be used under § 504 in succeeding years in Schedule C for reinvestment of earnings. However, § 504(f)(3)(i) now permits a positive net transfer of capital to Schedules A, B or C in 1969 if DI had an "excess dividend" carry forward from 1968; under the prior regulations, DI was only authorized to reinvest additional earnings in Schedule C in such circumstances.

5. *Positive direct investment in Schedule C.* Under revised § 504, it is no longer necessary for a DI to have an incorporated AFN in Schedule C in order to make a positive net transfer of capital to, or to reinvest earnings in, Schedule C. During 1968, a DI was not authorized by § 504 to make a positive net transfer of capital to, or to reinvest any part of its share in the earnings of incorporated AFNs in, Schedule C unless the DI had incorporated AFNs which had 1968 "total earnings" or incorporated AFNs which had no "total earnings" but which, nevertheless, paid a dividend. In 1969, because of the earnings allowable in § 504(b) and the upstream adjustment of historical allowables in § 504(c), DIs will have greater Schedule C flexibility. Thus, a DI who elects the earnings allowable and whose AFNs had "annual earnings" due to a profitable Schedule C branch in 1968 is authorized by § 504(b) to make a postive net transfer of capital to, or to reinvest earnings of its incorporated AFNs in, Schedule C in an amount equal to 30 percent of the 1968 annual earnings. If it elects the historical allowable, on the other hand, it may shift part or all of its Schedule A or Schedule B historical § 504 allowables to Schedule C up to an amount equal to 30 percent of the 1968 annual earnings in Schedule C.

The following examples are illustrative:

Example (12). DI's sole Schedule C AFN is a branch which had earnings of $100,000 in 1968. DI had no historical allowables under § 504(a)(3). Positive direct investment in the branch was not authorized under § 504 in 1968 since § 504(a)(3), as effective for that year, limited positive direct investment to reinvestment of current earnings of incorporated AFNs except in "excess dividend" cases. In 1969, however, DI is authorized to make a positive net transfer of capital to its Schedule C branch of $30,000 (30 percent of $100,000) under the 30 percent earnings allowable of § 504(b). Alternatively, if DI elects the adjusted historical allowable under § 502(a)(2), it may make a positive net transfer of capital to Schedule C if it has Schedule B or A historical allowables which are moved "upstream" under § 504(c).

Example (13). DI's sole Schedule C AFN is a corporation which had $1,000,000 in earnings 1968 but has $500,000 in losses in 1969. Therefore, DI has no § 504(a)(3) allowable in 1969 because under § 504(a)(3) the Schedule C historical allowable is calculated as the lesser of (a) 35 percent of annual average direct investment in 1965–66, and (b) the annual average percent of earnings reinvested in 1964, 1965, and 1966 times current (i.e., 1969) total earnings of incorporated AFNs, and under the latter test the allowable is zero. In 1969, however, DI is authorized to make a postive net transfer of capital to its Schedule C AFN of $300,000 (30 percent of $1,000,000) under the 30 percent earnings allowable of § 504(b), or, if that allowable is not elected, it may adjust "upstream" under § 504(c) up to $300,000 of Schedule A or B § 504(a) historical allowables. In 1970, DI may use its 1969 "total losses" of $500,000 in Schedule C to reinvest an additional $500,000 of earnings (but for no other purpose) under § 504(e). Note that in 1970, no positive net transfer of capital may be made in Schedule C under the 30 percent earnings allowable nor will any "upstream" adjustment of any Schedule B or A allowable be possible since there are no 1969 earnings upon which such earnings allowable or "upstream" adjustment of historical allowables can be based.

6. *Comparison of "aggregate annual losses" and "total losses;" "annual earnings," "aggregate annual earnings," "total earnings" and "reinvested earnings."* The terms "annual earnings," "aggregate annual earnings and losses," "total earnings and losses," and "reinvested earnings" are related in concept. They differ in that some are schedular calculations ("annual earnings," "total earnings and losses") and others are worldwide calculations ("aggregate annual earnings and losses"). They also differ in that some apply only to incorporated AFNs ("total earnings and losses," "reinvested earnings") and others apply to both incorporated and unincorporated AFNs ("annual earnings," "aggregate annual earnings and losses"). "Reinvested earnings" is both a schedular and worldwide calculation depending upon whether positive direct investment is being calculated under § 504 or under §§ 503 and 506, and differs from the other terms in that it is calculated after payment of dividends to the DI and interschedular dividends and remittances.

Viewed in the context of the regulations, the terms may also be compared as follows: Section 503(b) requires that all "aggregate annual losses" of AFNs be disregarded in computing the amount of direct investment made under the minimum allowable. Sections 504(e) and 506(d) require that "total losses" of incorporated AFNs in Schedule C be disregarded in computing the amount of direct investment made under the allowables provided for in §§ 504 and 506. As illustrated in the example below, the term "aggregate annual losses" in § 503 refers to consolidated losses of all AFNs where losses of AFNs which have losses exceed earnings of AFNs which have earnings whether they are incorporated or unincorporated. "Aggregate annual losses" under § 503 are calculated in the same manner as "aggregate annual earnings" under § 506, except the former is always negative.

The term "total losses," on the other hand, as defined in § 306(c), refers to the excess of the sum of the losses of all incorporated AFNs which had losses over the sum of the earnings of all AFNs which had earnings in a particular scheduled area. For all practical purposes, DIs need only be concerned with "total losses" in Schedule C, since it is only in Schedule C that "total losses" are disregarded in computing positive direct investment for purposes of §§ 504 and 506.

Example (15). DI has two incorporated AFNs and one unincorporated AFN in Schedule C, an unincorporated AFN in Schedule B and an incorporated AFN in A. (In the table below, "c" indicates an incorporated AFN and "b" indicates an unincorporated AFN.) In 1969, DI's AFNs have the earnings and losses shown on line (1) below. Schedular "total losses" are shown on line (2) below. "Aggregate annual losses" to be disregarded under § 503(b) are shown on line (3). Assuming no other relevant transactions other than the earnings and losses given in the table, and that no earnings are remitted or dividends paid, total positive direct investment under § 503, if elected, is shown on line (4) below. If § 504 earnings or historical allowables were elected, schedular positive direct investment under that section would be computed as shown on line (5) below, again assuming no earnings are remitted or dividends paid:

	(000 omitted)				
	Schedule C			Schedule B	Schedule A
	c	c	b	b	c
(1) 1969 earnings or losses of each AFN	200	(300)	(400)	500	(500)
(2) "Total losses"		(100)			(500)
(3) "Aggregate annual losses" (worldwide)				(500)	
(4) Direct investment under § 503 (worldwide)				0	
(5) Direct investment under § 504		(400)		500	(500)

Section 504 (b) and (c) and § 506 provide for allowables, and adjustment of allowables, calculated as a percentage of "annual earnings" and "aggregate annual earnings". Section 504(a)(3) provides for an historical allowable in Schedule C calculated in part as a percentage of "total earnings" in Schedule C, the percentage itself being calculated by dividing average "reinvested earnings" during the base period years of 1964, 1965, and 1966 by average "total earnings" during those years. "Reinvested earnings" are added to net transfers of capital to determine the amount of direct investment during any year as provided in § 306(a). "Total earnings" are calculated on a schedular basis and in the same manner as "total losses" except, of course, the result is positive rather than negative. "Total earnings" and "total losses" are calculated without regard to dividends paid to the DI and interschedular dividends and remittances while "reinvested earnings" take account of such dividends and remittances. "Total earnings," "total losses" and "reinvested earnings" are

defined in § 306 (b) and (c) and are fully explained in General Bulletin No. 1 § B306 (c) and (d). Their application to the computation of the historical allowable in Schedule C is set forth in General Bulletin No. 1 § B504(c). "Annual earnings" is similiar to "total earnings" and "total losses" in that they are all computed on a schedular basis and do not take into account dividends paid to the DI and interschedular dividends or remittances. However, "annual earnings" includes the earnings of unincorporated as well as incorporated AFNs, and unlike "total earnings" it may be a negative amount though for purposes of calculating the earnings allowable under § 504 any negative amount is treated as if it were zero. "Aggregate annual earnings" and "aggregate annual losses" are the same as "annual earnings" except that they are computed on a worldwide and not a schedular basis; that is, they are the positive and negative sum of "annual earnings" in the three scheduled areas.

The following example illustrates the distinctions between "total earnings," "reinvested earnings," "annual earnings," and "aggregate annual earnings":

Example (16). DI has incorporated and unincorporated AFNs in each of the scheduled areas as shown in the table below. (Incorporated AFNs are shown as "c"; incorporated AFNs with branches or subsidiaries in other scheduled areas are shown as "c'"; incorporated AFNs which are subsidiaries of other incorporated AFNs are shown as "c""; unincorporated AFNs are shown as "b"; and unincorporated AFNs which are branches of incorporated AFNs in other scheduled areas are shown as "b'".) Line (1) of the table shows annual earnings or losses of each of the AFNs calculated without regard to dividends or remittances. Line (2) shows schedular "total earnings". Line (3) shows "reinvested earnings"; that is, line (2) after adjustments for interschedular dividends and remittances and dividends paid to the DI. In this case, "c'" paid dividends (calculated before deducting foreign withholding taxes) to DI of $100,000 and received dividends from "c"" of $20,000 and remittances from "b'" of $50,000 (before deducting foreign withholding taxes). Line (4) shows schedular "annual earnings." Line (5) shows "aggregate annual earnings."

	(000 omitted)						
	Schedule C			Schedule B		Schedule A	
	c[1]	c	b	c	b[2]	c[1]	b
(1) Earnings or losses	500	(100)	50	200	100	40	80
(2) "Total earnings"		400		200		40	
(3) "Reinvested earnings"		370		200		20	
(4) "Annual earnings"			450		300		120
(5) "Aggregate annual earnings"					870		

7. *Conforming and technical amendments.* Amendments have been made to §§ 312(c)(1), 506, 602, 805, 905(b)(2), 906(b)(3)(ii), 1002 (b) and (c), and 1003 (b), (c), and (d) in large part to conform those provisions to the amendments to §§ 503 and 504.

Proposed § 312(c)(1) provides, in effect, that a DI who acquires an equity interest in an AFN from another DI also acquires the historical and earnings allowables (but not the carry forward allowables) associated with that AFN to the extent reasonably allocable to the acquired equity interest. The acquiring DI also assumes the divesting DI's current direct investment position with respect to the AFN. Because of the amendment to § 312(c)(1), the previous provisions of § 506(e)—passing on incremental allowables to acquiring DIs—is unnecessary and has been deleted.

Sections 1002 and 1003 of Subpart J have been amended to conform to revised § 504 and to proposed Subpart M. (Proposed M is being published in the FEDERAL REGISTER at the same time as the present notice.) Section 1002(b) has also been revised to allow DIs 10 days after the date of a borrowing or guarantee within which to file certificates under Subpart J. Section 1003(c) has been amended to conform to the election provisions of § 502 and to recognize the greater emphasis given to worldwide allowables by the proposed amendments. As amended, § 1003(c) provides that repayments of long-term foreign borrowing reduce allowables first in the scheduled area to which the proceeds of the borrowing were transferred or allocated and thereafter in all other scheduled areas, beginning in Schedule C and thereafter in Schedules B and A in that order.

Section 506(a)(4) and (d) has been amended to conform to amended § 504 (a)(3), (b)(3), and (e) which now permit positive direct investment in Schedule C subject to the qualification that "total losses" of incorporated AFNs in that scheduled area may not be used to offset a positive net transfer of capital. Changes in defined terms also have been made in § 506 to make those terms more descriptive. Finally, a provision has been added to § 506(c) to make clear that where a DI has both §§ 503 and 506 allowables, or both §§ 504 and 506 allowables, and it does not make positive direct investment up to the total amount of those allowables, the unused portion carried forward into succeeding years is considered to be the more usable and desirable § 506 allowable to the extent that such unused portion is not in excess of that allowable.

Former § 504(a)(3) as in effect December 31, 1968 contained a parenthetical statement explaining the calculation of the historical allowable for Schedule C. That provision said, in effect, that no allowable existed in Schedule C if average direct investment or average reinvested earnings in the base period was zero or a negative amount. That provision has been deleted as unnecessary and no change in substance is involved.

8. *Exemptions from quarterly reporting.* The Office proposes to amend the instructions for completing quarterly reports on Form FDI-102 to exempt from filing such reports DIs who meet all of the following requirements:

(a) The DI has not made direct investment (whether positive or negative) in the years 1968, 1969, and any succeeding year in excess of $1,000,000. For this purpose, direct investment in Canada will be included and no deduction will be made for proceeds of long term foreign borrowing expended in, or allocated to, transfers of capital to AFNs even though deducted under § 313(d)(1) for purposes of determining compliance under § 201(a).

(b) The DI is and at all times has been in compliance with the program.

(c) The DI has received no specific authorization to make positive direct investment during 1969 or succeeding years in excess of the amounts generally authorized by the regulations.

The exemption will cease to apply if at any time during the year any of the above conditions are not met, and a quarterly report will thereafter be required.

9. *Effect on General Bulletins Nos. 1 and 2.* General Bulletins Nos. 1 and 2, as amended and modified in the notice published in the FEDERAL REGISTER on November 9, 1968 (33 F.R. No. 16441), interpret the regulations as in effect for 1968, and will continue to do so for 1969 to the extent not affected by these proposed amendments. Because of the central importance of the proposals, if adopted, however, those General Bulletins will need to be used in 1969 with care until such time as a revised General Bulletin is issued.

Interested persons are invited to submit written comments, suggestions, or objections concerning the proposed amendments to the Chief Counsel, Legal Division, Office of Foreign Direct Investments, Department of Commerce, Washington, D.C. 20230. Communications concerning the proposed amendments will be considered if received within 30 days after publication of this notice in the FEDERAL REGISTER. Subsequent to such time, the amendments will be published in the FEDERAL REGISTER in final form as proposed or as changed in the light of comments received.

The text of the proposed amendments is as follows:

1. Subparagraph (1) of paragraph (c) of § 1000.312 is amended to read as follows:

§ 1000.312 Transfers of capital.

* * * * *

(c) * * *

(1) An acquisition by a direct investor described in paragraph (a)(1) of this section if the acquisition is from a person within the United States acting for

its own account and such person is, immediately prior to the time of acquisition, a direct investor in the affiliated foreign national. If the acquisition is of an equity interest, and if the person from whom the acquisition is made ceases, as a result of the acquisition, to be a direct investor in the affiliated foreign national, (i) the net transfer of capital (calculated without regard to § 1000.313(d)(1)) made by the divesting direct investor to the affiliated foreign national in the year of the acquisition shall be deemed to have been made by the acquiring direct investor, (ii) the direct investment made by the divesting direct investor in the affiliated foreign national during the years 1965 and 1966 shall be deemed to have been made by the acquiring direct investor, and (iii) the divesting direct investor's share in earnings or losses in the affiliated foreign national prior to the acquisition shall be deemed attributable to the acquiring direct investor. If the divesting direct investor does not, as a result of the acquisition, cease to be a direct investor in the affiliated foreign national, only that portion of such net transfer of capital, direct investment, and share in earnings or losses reasonably allocable to the interest acquired shall be deemed to have been made by or attributed to the acquiring direct investor. Any net transfer of capital, direct investment, or share in earnings or losses deemed made by or attributed to an acquiring direct investor under this subparagraph shall be excluded in the computation of net transfers of capital, direct investment, or earnings or losses of the divesting direct investor.

2. Sections 1000.501 and 1000.502 are consolidated and revised to read as follows:

§ 1000.501 Exclusion from authorization or exemption.

(a) No authorization or exemption contained in this part, or issued by or under the direction of the Secretary pursuant to this part, shall be deemed to authorize or validate any direct investment made prior to the issuance thereof, unless such authorization or other exemption specifically so provides.

(b) The Secretary reserves the right to exclude transactions or property or classes thereof from the operation of any authorization or exemption or from the privileges therein conferred, or to restrict the applicability thereof with respect to particular persons. Such action shall be binding upon all persons receiving actual notice or constructive notice thereof.

3. A new § 1000.502 is added to read as follows:

§ 1000.502 Elections with respect to §§ 1000.503 and 1000.504.

(a) A direct investor shall elect for each year, commencing with the year 1969, to be governed by the provisions of

(1) Section 1000.503, or

(2) Section 1000.504 (a) and (c), or

(3) Section 1000.504(b).

(b) The election made pursuant to this paragraph shall be binding and effective as to all (and not less than all) scheduled areas and as to the year for which the election is made, and shall be made on Form FDI–102F timely filed by the direct investor pursuant to § 1000.602(b)(3) for the year for which the election is made.

4. Section 1000.503 is revised to read as follows:

§ 1000.503 Positive direct investment not exceeding $1,000,000; minimum allowable.

(a) If for any year commencing with the year 1969 a direct investor elects under § 1000.502(a)(1), positive direct investment is authorized for such year in an aggregate amount not exceeding $1,000,000.

(b) For the purposes of this section, aggregate annual losses of incorporated and unincorporated affiliated foreign national during any year shall be disregarded in calculating direct investment made by a direct investor during such year. The term "aggregate annual losses" means the algebraic sum of a direct investor's annual earnings in all scheduled areas as defined in § 1000.504(b)(4) if such sum is negative.

(c) If positive direct investment is made during any year commencing with the year 1969 under this section, no positive direct investment shall be authorized in such year under § 1000.504 and any positive direct investment which would otherwise have been authorized in such year under § 1000.504 (d) or (f) shall, notwithstanding those provisions, not be authorized in such year or succeeding years.

(d) Positive direct investment made during the year 1968 which was authorized by § 1000.503 as in effect for such year shall reduce the amount of positive direct investment authorized to be made in succeeding years under § 1000.504(f). Such reduction shall first be made in the scheduled area in which such positive direct investment was made, and to the extent that the amount of positive direct investment made in such scheduled area exceeds the amount of positive direct investment authorized to be made in such scheduled area under § 1000.504(f), further reductions shall be made in the amount of positive direct investment authorized under § 1000.504(f) in Schedules C, B, and A, in that order, until such reductions shall equal in the aggregate the total amount of positive direct investment made or the total amount of positive direct investment authorized under § 1000.504(f), whichever is less.

5. Section 1000.504 is revised to read as follows:

§ 1000.504 Authorized positive direct investment in scheduled areas; scheduled allowables.

(a) *Historical allowables.* If for any year commencing with the year 1969 a direct investor elects under § 1000.502(a)(2), positive direct investment for such year is authorized as follows:

(1) In Schedule A, in an amount not exceeding 110 percent of the average of direct investment by the direct investor in Schedule A during the years 1965 and 1966;

(2) In Schedule B, in an amount not exceeding 65 percent of the average of direct investment by the direct investor in Schedule B during the years 1965 and 1966;

(3) In Schedule C, in an amount not exceeding the lesser of (i) 35 percent of the average of direct investment by the direct investor in Schedule C during the years 1965 and 1966, or (ii) an amount computed by multiplying the direct investor's share in the total earnings (calculated as provided in § 1000.306(c)) of all incorporated affiliated foreign nationals in Schedule C during such year by a fraction, the numerator of which is the portion of the direct investor's share in the total earnings of all incorporated affiliated foreign nationals in Schedule C which was reinvested during the years 1964, 1965, and 1966, and the denominator of which is the direct investor's share in the total earnings during such years of such incorporated affiliated foreign nationals.

(b) *Earnings allowable.* If for any year commencing with the year 1969 a direct investor elects under § 1000.502(a)(3), positive direct investment for such year is authorized as follows:

(1) In Schedule A, in an amount not exceeding 30 percent of the annual earnings of the direct investor in Schedule A during the immediately preceding year.

(2) In Schedule B, in an amount not exceeding 30 percent of the annual earnings of the direct investor in Schedule B during the immediately preceding year;

(3) In Schedule C, in an amount not exceeding 30 percent of the annual earnings of the direct investor in Schedule C during the immediately preceding year.

(4) The term "annual earnings" means the algebraic sum of a direct investor's share of total earnings or total losses during a year of all the direct investor's incorporated affiliated foreign nationals in a scheduled area (excluding Canadian affiliates as defined in § 1000.1101(a) from Schedule B) determined in accordance with the provisions of § 1000.306(c) and the direct investor's share of net earnings or losses during such year of all the direct investor's unincorporated affiliated foreign nationals in such scheduled area (excluding Canadian affiliates as defined in § 1000.1101(a) from Schedule B) determined in accordance with accounting principles generally accepted in the United States consistently applied: *Provided*, That annual earnings of less than zero shall for purposes of this section be treated as zero.

(c) *Adjustment to historical allowable.* If for any year commencing with the year 1969 a direct investor elects under § 1000.502(a)(2),

(1) The amount of positive direct investment authorized in Schedule C under paragraph (a)(3) of this section shall be increased by the lesser of either the amount by which 30 percent of annual earnings in Schedule C during the immediately preceding year is in excess of positive direct investment authorized in Schedule C under said paragraph (a)(3) during the current year or by the amount of positive direct investment authorized

in Schedule A under paragraph (a)(1) of this section: *Provided*, That the amount of positive direct investment authorized in Schedule A under said paragraph (a)(1) shall be reduced by the amount of such increase;

(2) The amount of positive direct investment authorized in Schedule C under paragraph (a)(3) of this section shall be increased by the lesser of either the amount by which 30 percent of annual earnings in Schedule C during the immediately preceding year is in excess of positive direct investment authorized in Schedule C under paragraphs (a)(3) and (c)(1) of this section during the current year or by the amount of positive direct investment authorized in Schedule B under paragraph (a)(2) of this section: *Provided*, That the amount of positive direct investment authorized in Schedule B under said paragraph (a)(2) shall be reduced by the amount of such increase; and

(3) The amount of positive direct investment authorized in Schedule B under paragraph (a)(2) of this section shall be increased by the lesser of either the amount by which 30 percent of annual earnings in Schedule B during the immediately preceding year is in excess of positive direct investment authorized in Schedule B under said paragraph (a)(2) during the current year or by the amount of positive direct investment authorized in Schedule A under paragraph (a)(1) of this section (calculated after the reduction provided in subparagraph (1) of this paragraph): *Provided*, That the amount of positive direct investment authorized in Schedule A under paragraph (a)(1) of this section shall be reduced by the amount of such increase.

(d) *Carry-forward allowables and use of schedular allowables in other scheduled areas.* (1) If, during any year commencing with the year 1969, the amount of positive direct investment authorized to a direct investor in Schedule A under paragraphs (a)(1) and (c) of this section or paragraph (b)(1) of this section exceeds the amount of direct investment (whether positive or negative) made by the direct investor during such year in Schedule A, or if no positive direct investment is so authorized to the direct investor in Schedule A during such year but the direct investment by the direct investor in Schedule A during such year is negative, the direct investor is authorized to make additional positive direct investment in Schedule A during succeeding years in an aggregate amount of not more than the amount of such excess, or the amount of such negative direct investment, as the case may be.

(2) If, during any year commencing with the year 1969, the amount of positive direct investment authorized to a direct investor in Schedule B under paragraphs (a)(2) and (c) of this section or paragraph (b)(2) of this section exceeds the amount of direct investment (whether positive or negative) made by the direct investor during such year in Schedule B, or if no positive direct investment is so authorized to the direct investor in Schedule B during such year but the direct investment by the direct investor in Schedule B during such year is negative, the direct investor is authorized to make additional positive direct investment in Schedule A during such year, and, to the extent additional positive direct investment in Schedule A is not made during such year the direct investor is authorized to make additional positive direct investment in Schedules A and B during succeeding years: *Provided*, That the aggregate amount of additional positive direct investment authorized by this subparagraph shall not be more than the amount of such excess, or the amount of such negative direct investment as the case may be.

(3) If, during any year commencing with the year 1969, the amount of positive direct investment authorized to a direct investor in Schedule C under paragraphs (a)(3) and (c) of this section or paragraph (b)(3) of this section exceeds the amount of direct investment (whether positive or negative) made by the direct investor during such year in Schedule C, or if no positive direct investment is so authorized to the direct investor in Schedule C during such year but the direct investment by the direct investor in Schedule C during such year is negative, the direct investor is authorized to make additional positive direct investment in Schedule A or B during such year, and, to the extent additional positive direct investment in Schedules A or B is not made during such year, the direct investor is authorized to make additional positive direct investment Schedules A, B, or C during succeeding years: *Provided*, That the aggregate of additional postive direct investment authorized by this subparagraph shall not be more than the amount of such excess, or the amount of such negative direct investment, as the case may be.

(e) *Schedule C total losses; reinvestment allowable.* If the incorporated affiliated foreign nationals of a direct investor in Schedule C have total losses during any year commencing with the year 1969 (calculated as provided in § 1000.306(c)), such losses shall, for purposes of this section, be disregarded in calculating the direct investment (whether positive or negative) made by the direct investor in Schedule C for such year: *Provided*, That the direct investor shall be authorized to reinvest additional earnings of incorporated affiliated foreign nationals in Schedule C during succeeding years in an aggregate amount of not more than the direct investor's share of such total losses.

(f) *Carry forward allowables from 1968.* (1) A direct investor authorized under former § 1000.504(b)(1), as in effect on December 31, 1968, to make positive direct investment in Schedule A during 1969 and succeeding years in positive direct investment in Schedule A during 1969 and succeeding years in an aggregate amount not to exceed the amount of positive direct investment so authorized to be made during 1969 under said former § 1000.504(b)(1).

(2) A direct investor authorized under former § 1000.504(b)(2), as in effect on December 31, 1968, to make positive direct investment in Schedule B during 1969 is authorized to make positive direct investment in Schedule A or B during 1969 and succeeding years in an aggregate amount not to exceed the amount of positive direct investment so authorized to be made during 1969 under said former § 1000.504(b)(2).

(3)(i) A direct investor authorized to make positive direct investment, to make a positive net transfer of capital, or to reinvest additional earnings of incorporated affiliated foreign nationals under former § 1000.504(c)(1) and (2), as in effect on December 31, 1968, is authorized to make positive direct investment in Schedules A, B, or C during 1969 and succeeding years in an aggregate amount not to exceed the aggregate amount of positive direct investment, positive net transfer of capital, and additional reinvested earnings so authorized to be made under said former §1000.54(c)(1) and (2).

(ii) A direct investor authorized under former § 1000.504(c)(3), as in effect on December 31, 1969, to reinvest earnings of incorporated affiliated foreign nationals in Schedule C during 1969 shall be authorized to reinvest earnings of incorporated affiliated foreign nationals in Schedule C during 1969 or succeeding years in an aggregate amount not to exceed the amount of earnings so authorized to be reinvested during 1969 under said former § 1000.504(c)(3).

6. Section 1000.506 is revised to read as follows:

§ 1000.506 Additional authorized positive direct investment in any one or more scheduled areas; incremental earnings allowable.

(a) For the purposes of this section:

(1) The term "aggregate annual earnings" means the algebraic sum of a direct investor's annual earnings in all scheduled areas as defined in § 1000.504(b)(4).

(2) The term "base period aggregate annual earnings" means an amount equal to 50 percent of the sum of the aggregate annual earnings for the years 1966 and 1967: *Provided*, That the base period aggregate annual earnings shall in no event be less than zero.

(3) The term "incremental earnings" means, with respect to each year beginning with the year 1970, the amount, if any, by which the aggregate annual earnings for such year exceed the base period annual earnings.

(4) The term "incremental earnings allowable" means, with respect to each year beginning with the year 1970 in which there are incremental earnings, a sum equal to the amount, if any, by which 40 percent of the incremental earnings for such year exceeds the greatest of the following (computed without regard to the reduction provisions of § 1000.1003 and without regard to any election made under § 1000.502(a)): (i) The aggregate amount of positive direct investment authorized to be made by the direct investor during such year in all scheduled areas under § 1000.503, or (ii) the amount of positive direct investment, if any, authorized to be made

by the direct investor during such year in all scheduled areas under § 1000.504 (a) (1), (2), and (3), or (iii) the amount of positive direct investment, if any, authorized to be made by the direct investor during such year in all scheduled areas under § 1000.504(b) (1), (2), and (3).

(b) Positive direct investment by a direct investor during any year commencing with the year 1970 is authorized: *Provided*, That the positive direct investment made by the direct investor during such year pursuant to this paragraph in any one scheduled area shall not exceed the incremental earnings allowable for such year: *And provided further*, That the positive direct investment made by the direct investor in each scheduled area during such year pursuant to this paragraph, when added together, shall not exceed the incremental earnings allowable for such year.

(c) If, during any year commencing with the year 1970, the incremental earnings allowable authorized to a direct investor under paragraph (b) of this section exceeds the aggregate of positive direct investment made by the direct investor during such year in all scheduled areas under paragraph (b) of this section, the direct investor is authorized to make additional positive direct investment, during succeeding years, in each scheduled area: *Provided*, That the positive direct investment made by the direct investor during any year pursuant to this paragraph in any one scheduled area shall not exceed the amount of such excess: *And provided further*, That the positive direct investment made by the direct investor in each scheduled area in all years pursuant to this paragraph, when added together, shall not exceed the amount of such excess. To the extent that any positive direct investment made by a direct investor in any year is authorized by § 1000.503 or § 1000.504, it shall be deemed to have been made pursuant to said sections and not pursuant to this section.

(d) If the incorporated affiliated foreign nationals of a direct investor in Schedule C have total losses during any year commencing with 1970 (calculated as provided in § 1000.306(c)), such total losses shall, for purposes of this section, be disregarded in computing the amount of positive direct investment made by the direct investor in Schedule C during the years involved.

7. Section 1000.602 is revised to read as follows:

§ 1000.602 **Reports.**

(a) Every person is required to furnish under oath, in the form of reports or otherwise, from time to time and at any time as may be required by the Secretary, complete information relative to any transaction with respect to which records are required to be kept under this part or information otherwise reasonably related to direct investment or the purposes of Executive Order 11387 or of this part. The Secretary may require that such reports include the production of any books of account, contracts, letters, or other papers, relevant to direct investment or transactions related thereto in the custody or control of persons required to make such reports. Complete information with respect to transactions related to direct investment may be required either before or after such transactions are completed. The Secretary may, through any person or agency, investigate any such transaction or any violation of the provisions of this part, regardless of whether any report has been required or filed in connection therewith.

(b) Unless a direct investor is exempt from filing a report as provided in the instructions to said report, the following periodic reports are required to be filed by direct investors with the Office of Foreign Direct Investments, Department of Commerce, Washington, D.C. 20230, in addition to such other reports as may be required under paragraph (a) of this section:

(1) Form FDI–101, Base Period Report: This report must be filed by March 15, 1968, or if the reporter first becomes a direct investor after January 1, 1968, such direct investor shall file a Form FDI–101 on or before the end of the month following the close of the calendar quarter during which it became a direct investor. If a direct investor is exempt from reporting as provided in the instructions to Form FDI–101, and if the exemption subsequently ceases to apply, such direct investor shall file a Form FDI–101 on or before the end of the month following the close of the calendar quarter during which the exemption ceases to apply.

(2) Form FDI–102, Cumulative Quarterly Report: This report must be filed within 45 days after the close of each quarter of a year.

(3) Form FDI–102F, Annual Report: This report must be filed for years commencing with 1968 by April 30 of the year succeeding the year for which the report is made.

(c) Copies of all necessary forms, and instructions as to their preparation and filing, may be obtained from the Office of Foreign Direct Investments, Department of Commerce, Washington, D.C. 20230, or from any Field Office of the Department.

8. Section 1000.805 is revised to read as follows:

§ 1000.805 **Rules governing availability of information.**

Completed Forms FDI–101, –102, –103, –103A, –104, –105 or any other completed forms filed with the Office, applications and requests for specific authorizations exemptions or interpretations, petitions for reconsideration, appeals, materials submitted thereunder, and decisions thereon are considered to be matters covered by 5 U.S.C. 552(b). Other information, records, and material of the Office of Foreign Direct Investments if required by 5 U.S.C. 552 to be made available to the public shall be available in accordance with the provisions of Department Order 64 of the Secretary of Commerce (32 F.R. 9643, July 4, 1967) and in accordance with the provisions of Part 4 of this title (32 F.R. 9643, July 4, 1967).

9. Section 1000.905(b) is amended by deleting the figure "$200,000" in subparagraph (2) thereof and by substituting therefor the figure "$1,000,000." As amended, said subparagraph (2) reads as follows:

§ 1000.905 **Associated groups.**

* * * * *

(b) * * *

(2) Notwithstanding the provisions of § 1000.503, no positive direct investment made during any year, commencing with the year 1969, by any member of an associated group in a group affiliated foreign national of the associated group shall be authorized by § 1000.503 if the positive direct investments made during the year by all members of the associated group in all such group affiliated foreign nationals, when added together, exceed $1,000,000.

10. Section 1000.906(b)(3) is amended by deleting the figure "$200,000" in subdivision (ii) thereof and by substituting therefore the figure "$1,000,000." As amended, said subdivision (ii) reads as follows:

§ 1000.906 **Ownership of direct investors.**

* * * * *

(b) * * *

(3) * * *

(ii) Notwithstanding the provisions of § 1000.503, no positive direct investment made (or deemed to have been made under subdivision (i) of this subparagraph) during any year, commencing with the year 1969, by a consenting owner in an affiliated foreign national of the principal direct investor shall be authorized by § 1000.503 if the positive direct investments made or deemed to have been made during the year by all consenting owners in all affiliated foreign nationals of the principal direct investor, when added together exceed $1,000,000.

11. Paragraphs (b) and (c) of § 1000.1002 are revised as follows:

§ 1000.1002 **Transfers of capital in connection with repayment of borrowings.**

* * * * *

(b) The certificate required by subparagraphs (5) and (6) of paragraph (a) of this section shall, except as otherwise provided in paragraph (e)(3) of this section, be delivered to the Secretary within 10 days after the date of the borrowing by the direct investor or the date of the guarantee of the borrowing by the affiliated foreign national, as the case may be. It shall be executed by the direct investor or a duly authorized representative of the direct investor, shall state the amount of the borrowing, and the amount and the terms for required principal repayments (calculated on the basis of the aggregate principal amount due in each calendar year), shall identify the lender (or the managing underwriter, if the borrowing involves a public offering), and shall certify as follows:

* * * * *

(2) If the direct investor believes, on the basis of all facts and circumstances existing when the certificate is delivered to the Secretary, that it will make transfers of capital in connection with repayment of the borrowing within the aforesaid 7-year period, but also believes, on the basis of such facts and circumstances, that no positive direct investment by the direct investor in any scheduled area during any year will result in whole or in part from such transfers, or that any positive direct investment in any scheduled area which does result from such transfers will be authorized by this part (otherwise than by this section), the certificate shall state such beliefs and the reasons therefor.

(c) In determining whether a transfer of capital in connection with the repayment of a borrowing will be made within 7 years from the date of the borrowing or the gaurantee thereof, as the case may be, and whether any such transfer will result in unauthorized positive direct investment during any year:

* * * * *

(3) A direct investor must consider, if a guaranteed borrowing by an affiliated foreign national is involved, whether the borrowing affiliated foreign national is reasonably likely to have sufficient financial resources to repay the borrowing after such affiliated foreign national (and all other affiliated foreign nationals in the same scheduled area) have paid all dividends or remittance which they may be required to pay by virtue of the limitations which the regulations impose on positive direct investment.

12. Section 1000.1003 (b), (c), and (d) are revised to read as follows:

§ 1000.1003 Effect of transfers of capital in repayment of borrowings.

* * * * *

(b) The amount of positive direct investment authorized to be made by a direct investor under Subparts E and M of this part shall be reduced as provided in paragraphs (c) and (d) of this section until reductions equal in the aggregate to the repayment charge shall have been made.

(c) (1) In any year in which a repayment charge is incurred, the amount of positive direct investment authorized to be made by the direct investor shall be reduced as follows: Reduction shall first be made in the amount of positive direct investment authorized under Subparts E and M of this part in the scheduled area in which the positive direct investment under § 1000.1002 was made and to the extent that the repayment charge exceeds the amount of positive direct investment so authorized in such scheduled area, further reduction shall be made in the amount of positive direct investment authorized under Subpart E of this part in Schedules C, B, and A, in that order: *Provided*, That the amount of the reduction shall not exceed the repayment charge and that such reduction shall not reduce authorized positive direct investment in any year to an amount less than zero.

(2) Reductions under subparagraph (1) of this paragraph in the amount of positive direct investment authorized in Schedule C pursuant to § 1000.504 shall be made first in the amount of authorized positive direct investment under § 1000.504 (a) or (b) and then in the amount of authorized reinvested earnings under § 1000.504(e).

(3) Reductions in the amount of authorized positive direct investment under subparagraph (1) of this paragraph for a repayment charge attributable to transfers of capital primarily related to operations in foreign air transportation by direct investors described in § 1000.1302(a) shall be made first in the amount of authorized positive direct investment under Subpart M of this part and then in the amount of positive direct investment authorized under § 1000.504 (a) or (b).

(d) If the repayment charge incurred in any year exceeds the amount of positive direct investment authorized to be made by the direct investor for such year, reductions shall be made in each succeeding year in the same manner and order as set forth in paragraph (c) of this section.

13. The amendments hereby adopted shall be effective as of the date of publication in final form in the FEDERAL REGISTER and shall apply to all direct investment occurring during 1969 and succeeding years.

(Sec. 5, Act of Oct. 6, 1917, 40 Stat. 415, as amended, 12 U.S.C. 95a; E.O. 11387, Jan. 1, 1968, 33 F.R. 47)

DON D. CABLE,
Acting Director, Office of Foreign Direct Investments.

APRIL 4, 1969.

[F.R. Doc. 69-4125; Filed, Apr. 7, 1969; 8:49 a.m.]

[15 CFR Part 1000]

FOREIGN DIRECT INVESTMENT REGULATIONS

Affiliated Foreign Nationals of Air Carriers Engaged in Foreign Air Transportation

Notice is hereby given that the Office of Foreign Direct Investments (the "Office") proposes to amend Subpart M of the Foreign Direct Investment Regulations to add new §§ 1000.1302 and 1000.1303:

The amendments to Subpart M give U.S. flag air carriers a 30 percent of earnings allowable for use in 1969 and succeeding years in their foreign air transport operations analogous to the 30 percent earnings allowable available to all direct investors under § 1000.504(b). Because of the impracticality of segregating foreign air transport earnings on a schedular basis, however, this earnings allowable is worldwide and not on a schedular basis. This allowable is not elective and is in partial substitution for both the historical and earnings allowables provided by § 1000.504. That is, so far as foreign air transport operations are concerned (but not other operations), U.S. flag carriers may not elect to have § 1000.504 (a) and (c) or § 1000.504(b) apply rather than proposed § 1000.1302. If, however, the direct investor elects the worldwide $1,000,000 minimum allowable of § 1000.503, then § 1000.1302 is inapplicable and the minimum allowable applies to all of the direct investor's operations. A U.S. flag carrier's choices are therefore as follows: (1) § 1000.503 minimum allowable for all operations; (2) an adjusted § 1000.504(a) historical allowable for all operations plus a § 1000.1302 allowable for foreign air transport operations only; (3) an adjusted § 1000.504(b) earnings allowable for all operations plus a § 1000.1302 allowable for foreign air transport operations only,

The earnings from which the Subpart M allowable is calculated are defined largely in terms of Civil Aeronautics Board income statement accounts. For this purpose, there is deducted from territorial and international operating profit reported to the Civil Aeronautics Board all related air transport interest and amortization charges, substantially all non-air transport net operating revenues (such as profits or losses from hotels, foreign flag air transport operations, and other corporate investments) and relevant foreign taxes. U.S. flag carriers may make positive direct investment worldwide, without regard to scheduled area, in an amount up to 30 percent of such earnings in the previous year, so long as the investment is in equipment, inventory or facilities primarily related to the carrier's own operations in foreign air transportation.

Carrier investments which are not related to foreign air transportation operations are treated separately for all years (including the base period years 1964–66). With respect to such operations, a carrier may make positive direct investment, as provided in § 1000.504, in the same manner, and subject to the same limitations, as other direct investors except that the historical and earnings allowables under § 1000.504 are adjusted by § 1000.1302(d) to exclude consideration of the carrier's foreign air transportation operations. While proposed § 1000.1302 allowables may not be used to authorize positive direct investment in non-air transport operations, § 1000.504 allowables may, if the direct investor so chooses, be added to the § 1000.1302 allowables for use in foreign air transport operations.

The proposed amendments also redefine a U.S. flag air carrier's aggregate annual earnings and aggregate annual losses for purposes of computing the incremental allowable provided by § 1000.506 and for purposes of computing the losses which must in effect be added to direct investment under § 1000.503. Positive direct investment authorized under those sections, however, may be used for any investment, not solely air transport related investment, and no separate incremental earnings or minimum allowable is given for foreign air transport.

Each U.S. flag air carrier engaged in foreign air transportation will be required to file on or before May 31, 1969, a revised Form FDI–101, indicating its historical investment in non-air transport ventures. Separate Forms FDI–102 and Forms FDI–102F for air transport investment and earnings and for other investment and earnings will thereafter also be required to be filed by such direct investors.

The following examples are illustrative of the operations of § 1000.1302:

Example (1). During 1968, a U.S. flag airline ("DI") has foreign air transport earnings of $25,000,000 and unrelated, non-air transport, earnings in Schedule A of $5,000,000. DI has historical allowables under § 1000.504(a) of $3,000,000 in Schedule A as a result of equity investment in and loans to hotels, and ground transportation operations associated therewith, in the base period years of 1965 and 1966. Under § 1000.1302, DI would have a worldwide air transport earnings allowable of $7,500,000 (30 percent of $25,000,000) and a non-air transport earnings allowable in Schedule A of $1,500,000 (30 percent of $5,000,000). During 1969, the carrier may make air transport related positive direct investment worldwide of $7,500,000 and, assuming that the historical allowable under § 504(a) is elected, unrelated positive direct investment in Schedule A of $3,000,000. Any unused non-air transport allowable may be used by DI worldwide for air transport related activities as well as on a schedular basis for operations not related to foreign air transport. Any unused carry forward of air transport allowable may only be used in succeeding years for foreign air transportation operations. Any unused carry forward of allowables under § 504(f) may be used either worldwide if devoted to foreign air transportation or in the appropriate scheduled areas if used for other operations.

Example (2). A U.S. flag air carrier has non-air transport allowables under § 1000.504 of zero. For 1969, the carrier elects § 1000.503 and during 1969 it transfers $1,000,000 to Schedule C as a contribution to the capital of its wholly owned hotel corporation in that scheduled area. No other relevant transactions occur. Such investment is authorized by § 1000.503. No further positive direct investment is authorized during 1969 either in air transport or non-air transport activities.

Interested persons are invited to submit written comments, suggestions or objections concerning the proposed amendments to the Chief Counsel, Legal Division, Office of Foreign Direct Investments, Department of Commerce, Washington, D.C. 20230. Communications concerning the proposed amendments will be considered if received within 30 days after publication of this notice in the FEDERAL REGISTER. Subsequent to such time, the amendments will be published in the FEDERAL REGISTER in final form as proposed or as changed in the light of comments received.

The text of the proposed amendments is as follows:

1. Subpart M is amended to add §§ 1000.1302 and 1000.1303 to read as follows:

§ 1000.1302 Foreign air transport allowable.

(a) Positive direct investment by a direct investor who is an "air carrier" or "supplemental air carrier" engaged in "foreign air transportation" as those terms are defined in the Federal Aviation Act of 1958, as amended, 49 U.S.C. § 1301 (3), (21), and (32), and who elects under § 1000.502(a) (2) or (3), is authorized during any year commencing with the year 1969 in an amount not to exceed 30 percent of aggregate annual foreign air transport earnings for the immediately preceding year: *Provided*, That such positive direct investment is primarily related to the direct investor's operations in foreign air transportation.

(b) "Aggregate annual foreign air transport earnings" for any year shall mean operating profit as properly reported by the direct investor for such year for Civil Aeronautics Board (CAB) income statement account number 7999 minus (1) annual interest or amortization charges related to investment in international and territorial route operations as properly reported on and included in CAB Schedule P–3 or comparable nondivisional report; (2) taxes assessed by foreign countries and primarily related to the direct investor's operations in foreign air transportation; and (3) federal subsidy as properly reported in CAB account number 4100.

(c) (1) If, during any year commencing with the year 1969, the amount of positive direct investment authorized under § 1000.504 to a direct investor governed by this section exceeds the amount of direct investment (whether positive or negative) not primarily related to the direct investor's operations in foreign air transportation made by the direct investor during such year under § 1000.504, the direct investor is authorized to make additional positive direct investment as provided in paragraph (a) of this section during such year or succeeding years: *Provided*, That the aggregate amount of additional positive direct investment authorized by this subparagraph shall not be more than the amount of such excess, and that the amount of positive direct investment authorized to the direct investor under § 1000.504 shall be reduced by the amount of additional positive direct investment made under this subparagraph.

(2) If, during any year commencing with the year 1969, the amount of positive direct investment authorized to a direct investor under paragraph (a) of this section exceeds the amount of direct investment (whether positive or negative) made by the direct investor during such year under paragraph (a) of this section, the direct investor is authorized to make additional positive direct investment as provided in paragraph (a) of this section during succeeding years in an aggregate amount of not more than the amount of such excess.

(d) A direct investor governed by this section shall recalculate the amount of positive direct investment authorized to be made in any year commencing with the year 1969 under § 1000.504 (a) and (b) to exclude from the calculation of "direct investment", "total earnings", and "reinvested earnings" during the years 1964, 1965, and 1966 under § 1000.504(a), and from the calculation of "annual earnings" during any year under § 1000.504(b)(4), transfers of capital primarily related to the direct investor's operations in foreign air transportation, aggregate annual foreign air transport earnings and all component accounts and charges associated with such earnings, and all reserves or charges against earnings associated with such transfers.

(e) A direct investor governed by this section shall file on or before May 31, 1969, a revised Base Period Report on Form FDI–101 to exclude any direct investment primarily related to foreign air transportation, and shall thereafter file separate Cumulative Quarterly Reports and Annual Reports on Forms FDI–102 and FDI–102F as provided in § 1000.602(b) (2) and (3) with respect to direct investment governed by this section and with respect to direct investment not so governed.

§ 1000.1303 Adjustments to minimum and incremental earnings allowables.

(a) For direct investors governed by § 1000.1302, "aggregate annual earnings" under § 1000.506(a)(1) and "aggregate annual losses" under § 1000.503(b) shall mean the positive or negative sum, respectively, of "aggregate annual foreign air transport earnings" as defined in § 1000.1302(b) plus the algebraic sum of such direct investor's annual earnings (as calculated under §§ 1000.504(b)(4) and 1000.1302(d)) during a year in all scheduled areas.

(b) All reference to § 1000.504 in § 1000.506(a)(4) and (c) shall be deemed to include reference to § 1000.1302(a).

(Sec. 5, Act of Oct. 6, 1917, 40 Stat. 415, as amended, 12 U.S.C. 95a; E.O. 11387, Jan. 1, 1968, 33 F.R. 47)

2. The amendments hereby adopted shall be effective as of the date of publication in final form in the FEDERAL REGISTER and shall apply to all direct investment occurring during 1969 and succeeding years.

DON D. CADLE,
Acting Director, Office of Foreign Direct Investments.

APRIL 4, 1969.

[F.R. Doc. 69–4134; Filed, Apr. 7, 1969; 8:49 a.m.]

CIVIL AERONAUTICS BOARD

[14 CFR Part 298]

[Docket No. 20827; EDR-157]

CLASSIFICATION AND EXEMPTION OF AIR TAXI OPERATORS AIR TAXI SERVICE IN ALASKA

Notice of Proposed Rule Making

MARCH 19, 1969.

Notice is hereby given that the Civil Aeronautics Board has under consideration proposed amendments to Part 298 of its Economic Regulations (14 CFR Part 298) which would permit (1) regular service by Alaskan air taxi operators between points where no certificated carrier schedules regular service, and (2) the carriage of mail in noncompetitive markets by Alaskan air taxi operators subject to the same conditions imposed on air taxi operators within the 48 contiguous States and Hawaii.

The principal features of the proposed amendment are described in the attached explanatory statement and the proposed amendment is set forth in the proposed rule. The amendment is proposed under the authority of sections 204(a), 406, and 416 of the Federal Aviation Act of 1958, as amended (72 Stat. 743, 49 U.S.C. 1324; 72 Stat. 763, as amended by 76 Stat. 145, 80 Stat. 942, 49 U.S.C. 1376; 72 Stat. 771, 49 U.S.C. 1386).

Interested persons may participate in the proposed rule making through submission of twelve (12) copies of written data, views or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington, D.C. 20428. All relevant material received on or before April 21, 1969, will be considered by the Board before taking final action on the proposed rule. Copies of such communications will be available for examination by interested persons in the docket section of the Board, Room 712, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., upon receipt thereof.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,
Secretary.

Explanatory statement. Section 298.21 (c) prohibits the rendering of regularly scheduled air taxi service between points within the State of Alaska and between points in Alaska and points in Canada. The prohibition applies regardless of whether the service is between points where a certificated carrier schedules regular service. Similar restrictions against regular service were formerly included in Part 298 for air taxis in territories and possessions of the U.S. and in Hawaii, but the Board found that there no longer was a need for the limitations and, accordingly, amended Part 298 to lift them.[1]

[1] See ER-429, effective April 3, 1965, and ER-481, effective February 17, 1967.

The Board believes that liberalization of the restrictions on Alaskan air taxis is likewise desirable, and the amendment to § 298.21(c) proposed herein would prohibit regularly scheduled air taxi service only between points where a certificated carrier schedules regular service. This amendment would thus still preclude Alaskan air taxis from competing directly with certificated Alaskan carriers and pose no threat to the subsidy need, profit/loss status or operational flexibility of such carriers. On the other hand, by authorizing regular air taxi service between points where no certificated carrier schedules regular service, the traveling public and Alaskan air taxis should benefit.

The Board also notes that § 298.3(a) does not by its terms authorize air taxi operators in Alaska to engage in the transportation of mail as a basic right, as it does in all other States.[2] There is no apparent reason why Alaskan air taxi operators should not have the same basic right to carry mail as exists in the other States. Accordingly, it is proposed to amend § 298.3(a) to place Alaskan air taxi operators on an equal footing in this respect.

Proposed rule. It is proposed to amend Part 298 of the Economic Regulations (14 CFR Part 298) as follows:

1. Amend § 298.3(a) to read as follows:

§ 298.3 Classification.

(a) There is hereby established a classification of air carriers, designated "air taxi operators" which engage in the direct air transportation of passengers and/or property and/or in the transportation within the 48 contiguous States, Alaska[3] or Hawaii of mail by aircraft and which:

(1) Do not, directly or indirectly, utilize in air transportation large aircraft (other than turbojet aircraft authorized for use by air taxi operators pursuant to § 298.21 of this part),

(2) Do not hold a certificate of public convenience and necessity or other economic authority issued by the Board, and

(3) Have and maintain in effect liability insurance coverage in compliance with the requirements set forth in Subpart D of this part. *Provided, however,* That any authority granted in this part to engage in the transportation of mail is limited to the carriage of mail on a nonsubsidy basis; i.e., on a service mail rate to be paid entirely by the Postmaster General, and the air taxi operator shall not be entitled to any subsidy payment with respect to any operations conducted pursuant to any authority granted in this part.

* * * * *

[2] Section 298.21(c) does permit Alaskan air taxi operators to carry mail in regular or frequent service, but only over routes specifically designated by the Postmaster General as "gratuitous routes."

[3] The authority of air taxis to carry mail in Alaska is limited to the markets where regular service may be provided under this part.

2. Amend the second proviso of § 298.13 so that the section reads as follows:

§ 298.13 Duration of exemption.

The exemption from any provision of Title IV of the Act provided by § 298.11 shall continue in effect only until such time as the Board shall find that enforcement of such provision would be in the public interest or would no longer be a burden on air taxi operators: *Provided,* That upon such a finding as to any air taxi operator or class of air taxi operators, such exemption shall to that extent terminate with respect to such operator or class of operators: *And provided further,* That the authorizations to air taxi operators to engage in the transportation of mail by aircraft within the 48 contiguous States and Hawaii and Alaska shall terminate on June 30, 1969.

3. Amend paragraphs (c) and (f) of § 298.21 to read as follows:

§ 298.21 Scope of service authorized.

* * * * *

(c) *Air taxi service in Alaska.* No service in air transportation shall be offered or performed by an air taxi operator between points both of which are in the State of Alaska, or one of which is in Alaska and the other in Canada, unless the air taxi operator also holds authority from the State of Alaska to operate aircraft of a maximum takeoff weight not over 12,500 pounds as a common carrier in intrastate commerce, or has applied to the Board for, and received, special exemption authority (see Subpart D of Part 302 of the Procedural Regulations): *Provided,* That the operator is prohibited from rendering the above authorized service in air transportation, or holding out to the public expressly or by course of conduct that it renders such service, regularly or with a reasonable degree of regularity between points where a certificated carrier schedules regular service.

* * * * *

(f) *Limitations on carriage of mail within the 48 contiguous States, Alaska and Hawaii.* Within the 48 contiguous States and Alaska and Hawaii, an air taxi operator shall not be authorized to carry mail between any pair of points (1) when there is no final mail rate, or agreed-upon mail rate filed pursuant to § 298.24(e) for such carriage; (2) when an air carrier holds a certificate of public convenience and necessity pursuant to section 401(d) (1) or (2) of the Act which authorizes service between such pair of points and such authority has not been suspended; or (3) when an air carrier holding a certificate of public convenience and necessity pursuant to section 401(d) (1) or (2) of the Act has authority to serve between such pair of points by reason of an exemption authorization issued pursuant to section 416(b)(1) of the Act: *Provided, however,* That with respect to a market which a certificated helicopter carrier is authorized to serve under an area exemption

order, an air taxi operator will be prohibited from carrying mail therein only if there is an approved flight pattern with respect to such market under Part 376 of this chapter (Board's special regulations): *Provided further*, That this subsection shall not preclude an air taxi operator (other than an Alaskan air taxi operator) from carrying mail between any pair of points regarding which there is in effect a notice of intent to use air taxi mail service, as provided in § 298.24. The rules applicable to final mail rate proceedings set forth in Part 302 of this chapter shall govern the procedure for establishing a final mail rate of an air taxi operator for purposes of this part. (See §§ 302.300 through 302.321, excluding § 302.310 of this chapter.)

[F.R. Doc. 69-4093; Filed, Apr. 7, 1969; 8:48 a.m.]

Notices

DEPARTMENT OF STATE

Agency for International Development

FOUNDATION FOR THE PEOPLES OF THE SOUTH PACIFIC, INC.

Register of Voluntary Foreign Aid Agencies

In accordance with the regulations of the Agency for International Development concerning Registration of Agencies for Voluntary Foreign Aid (A.I.D. Regulation 3) 22 CFR, Part 203, promulgated pursuant to section 621 of the Foreign Assistance Act of 1961, as amended, notice is hereby given that a Certificate of Registration[1] as a voluntary foreign aid agency has been issued by the Advisory Committee on Voluntary Foreign Aid of the Agency for International Development to the following agency:

The Foundation for the Peoples of the South Pacific, Inc., 125 West 55th Street, New York, N.Y. 10019.

Dated: April 1, 1969.

HERBERT SALZMAN,
Assistant Administrator for Private Resources.

[F.R. Doc. 69-4072; Filed, Apr. 7, 1969; 8:47 a.m.]

DEPARTMENT OF COMMERCE

Maritime Administration

[Docket S-234]

AMERICAN PRESIDENT LINES, LTD.

Notice of Application

Notice is hereby given that American President Lines, Ltd. has applied for permission for its passenger ships, SSs President Cleveland, President Wilson, and President Roosevelt, which are now authorized to call at only San Francisco and Los Angeles on the Line A-1, Trans-Pacific Passenger-Freight Service (Trade Route No. 29), to call at all other U.S. Pacific Coast ports and Mexican Pacific Coast ports for passengers, their automobiles and baggage only. The application does not involve any new domestic trade rights beyond those which are presently authorized.

Any person, firm or corporation having any interest in such application and desiring a hearing on issues pertinent to section 605(c) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1175), should by the close of business on April 16, 1969, notify the Secretary, Maritime Subsidy Board in writing in triplicate, and file petition for leave to intervene in accordance with the rules of practice and procedure of the Maritime Subsidy Board.

In the event a section 605(c) hearing is ordered to be held, the purpose thereof will be to receive evidence relevant to (1) whether the application is one with respect to a vessel to be operated on a service, route, or line served by citizens of the United States which would be in addition to the existing service, or services, and if so, whether the service already provided by vessels of U.S. registry in such service, route, or line is inadequate, and (2) whether in the accomplishment of the purpose and policy of the Act additional vessels should be operated thereon.

If no request for hearing and petition for leave to intervene is received within the specified time, or if the Maritime Subsidy Board determines that petitions for leave to intervene filed within the specified time do not demonstrate sufficient interest to warrant a hearing, the Maritime Subsidy Board will take such action as may be deemed appropriate.

By order of the Maritime Subsidy Board.

Dated: April 3, 1969.

JAMES S. DAWSON, Jr.,
Secretary.

[F.R. Doc. 69-4077; Filed, Apr. 7, 1969; 8:47 a.m.]

LYKES BROS. STEAMSHIP CO., INC.

Notice of Application

Notice is hereby given that Lykes Bros. Steamship Co., Inc., a wholly owned subsidiary of Lykes Corp., has filed application dated March 17, 1969, for a waiver under section 804 of the Merchant Marine Act, 1936, as amended, with respect to certain anticipated foreign flag activities as described below.

Lykes Corp. proposes to merge with Youngstown Sheet and Tube Co. The latter named company owns a stock interest in Carryore, Ltd., and Iron Ore Transport Co., Ltd., which companies in turn own ships operating under foreign flags.

Carryore, Ltd., has two ships operating under Canadian flag between Canadian ports or between Canadian ports, and U.S. ports. Iron Ore Transport Co., Ltd., owns two ships operating under Liberian flag in the worldwide tramp trades.

Interested parties may inspect this application in the Office of Government Aid, Maritime Administration, Room 4077, General Accounting Office Building, 441 G Street NW., Washington, D.C.

Any person, firm, or corporation having an interest in the application who desires to offer views and comments thereon for consideration by the Maritime Administration should submit same in writing, in triplicate, to the Secretary, Maritime Administration, Washington, D.C., by the close of business on April 18, 1969.

The Maritime Administration will consider these views and comments and take such actions with respect thereto as may be deemed appropriate.

By order of the Maritime Administrator.

Dated: April 3, 1969.

JAMES S. DAWSON, Jr.,
Secretary.

[F.R. Doc. 69-4078; Filed, Apr. 7, 1969; 8:47 a.m.]

[Docket No. S-235]

LYKES BROS. STEAMSHIP CO., INC.

Notice of Application

Notice is hereby given that Lykes Bros. Steamship Co., Inc., has filed an application, dated March 17, 1969, requesting that when and if a proposed merger of the Lykes Corp., parent of Lykes Bros. Steamship Co., Inc., with the Youngstown Sheet and Tube Co. is consummated so as to form Lykes-Youngstown Corp., the applicant be granted written permission under section 805(a) of the Merchant Marine Act, 1936, as amended, for (a) Pickands Mather & Co. and Labrador Steamship Co., Ltd.—subsidiaries of Diamond Shamrock Corp.—to continue to operate 19 and two United States flag-vessels, respectively, on the Great Lakes and St. Lawrence Seaway in the carriage of iron ore, limestone, coal, and bulk cargo and (b) for Mr. Robert E. Williams and Mr. J. R. Dilworth to continue to serve as directors of Diamond Shamrock Corp. after becoming directors of Lykes-Youngstown Corp. (When and if the proposed merger is consummated, Diamond Steamship Corp., Pickands Mather & Co., and Labrador Steamship Co., Ltd., will be affiliated or associated companies of Lykes Bros. Steamship Co., Inc.)

Interested parties may inspect this application in the Office of Government Aid, Maritime Administration, Room 4077, General Accounting Office Building, 441 G Street NW., Washington, D.C.

Any person, firm, or corporation having any interest (within the meaning of section 805(a)) in such application and desiring to be heard on issues pertinent to section 805(a) or desiring to submit a written statement with reference to the application must, by close of business on April 18, 1969, file same with the Secretary, Maritime Subsidy Board/Maritime Administration, in writing, in triplicate, together with petition for leave to intervene which shall state clearly and concisely the grounds of interest, and the alleged facts relied on for relief.

Notwithstanding anything in § 201.78 of the rules of practice and procedure (46

[1] Filed as part of the original document.

CFR Part 201), petitions for leave to intervene received after the close of business April 18, 1969, will not be considered in this proceeding.

If no petitions for leave to intervene are received within the specified time, or if it is determined that petitions filed do not demonstrate sufficient interest to warrant a hearing, the Maritime Subsidy Board/Maritime Administration will take such actions as may be deemed appropriate.

In the event petitions regarding the relevant section 805(a) issues are received from parties with standing to be heard, a hearing has been tentatively scheduled for April 24, 1969, at 10 a.m. in Room 4519, General Accounting Office Building, 441 G Street NW., Washington, D.C. The purpose of the hearing will be to receive evidence under section 805(a) relative to whether, in the event the merger is consummated, the proposed operation (a) could result in unfair competition to any person, firm, or corporation operating exclusively in the proposed domestic service involved or (b) would be prejudicial to the objects and policy of the Act relative to domestic trade operations.

By order of the Maritime Subsidy Board/Maritime Administration.

Dated: April 3, 1969.

JAMES S. DAWSON, Jr.,
Secretary.

[F.R. Doc. 69-4079; Filed, Apr. 7, 1969; 8:47 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

COOPER LABORATORIES, INC.

Notice of Filing of Petition for Food Additive Nitrodan

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), notice is given that a petition has been filed by Cooper Laboratories, Inc., 229 Cleveland Avenue, Harrison, N.J. 07029, proposing the issuance of a food additive regulation (21 CFR Part 121, Subpart C) to provide for safe use of nitrodan to aid in the control of dog hookworms (*Ancylostoma caninum* and *Uncinaria stenocephala*) and the common dog ascarid (*Toxocara canis*).

Dated: April 1, 1969.

R. E. DUGGAN,
Acting Associate Commissioner for Compliance.

[F.R. Doc. 69-4059; Filed, Apr. 7, 1969; 8:45 a.m.]

DOW CHEMICAL CO.

Notice of Filing of Petition for Food Additive Ronnel

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), notice is given that a petition has been filed by The Dow Chemical Co., Post Office Box 512, Midland, Mich. 48641, proposing that § 121.209 *Ronnel* (21 CFR 121.209) be amended:

1. To reduce to 10 days the withdrawal periods for ronnel which are currently specified as 60, 28, and 21 days.

2. To substitute "nonlactating dairy animals" for "dairy heifers."

3. To provide for the use of ronnel for beef cattle and nonlactating dairy animals in feed supplements at 0.0009 pound (0.41 gram) per 100 pounds of animal weight per day for 14 days for control of grubs.

4. To provide for the use of ronnel for beef cattle and nonlactating dairy animals at 0.012 pound (5.5 grams) in mineral supplements per month for not less than 75 days for the control of grubs and hornflies.

Dated: April 1, 1969.

R. E. DUGGAN,
Acting Associate Commissioner for Compliance.

[F.R. Doc. 69-4060; Filed, Apr. 7, 1969; 8:45 a.m.]

CUPRIC GLYCINATE

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 preparation: Cumol; contains 20 grams of cupric glycinate, anhydrous, per 100 cubic centimeters (equivalent to a copper content of 60 milligrams per cubic centimeter); marketed by Cutter Laboratories, Berkeley, Calif. 94704.

The Academy concludes that this drug is effective for prevention of copper deficiency resulting from molybdenum poisoning or copper deficiency from any cause in pastured cattle, but that more information is needed regarding dosage-animal size relationship. The Food and Drug Administration concurs with the conclusions of the Academy.

This evaluation of the drug is concerned only with its effectiveness and safety to the animal to which administered. It does not take into account the safety for food use of food derived from drug-treated animals. Nothing in this announcement will constitute a bar to further proceedings with respect to questions of safety of the drug or its metabolites as residues in food products derived from treated animals.

This announcement is published (1) to inform the holders of new-drug applications of the findings of the Academy and of the Food and Drug Administration and (2) to inform all interested persons that such articles may be marketed provided that they are the subject of approved new-drug applications and otherwise comply with all other requirements of the Federal Food, Drug, and Cosmetic Act.

Holders of the new-drug applications are provided 6 months from the date of publication of this announcement in the FEDERAL REGISTER to submit adequate documentation in support of the labeling used.

Written comments regarding this announcement, including requests for an informal conference, may be addressed to the Bureau of Veterinary Medicine, Food and Drug Administration, 200 C Street SW., Washington, D.C. 20204.

The holder of the new-drug application for the drug listed above has been mailed a copy of the NAS–NRC report. Any manufacturer, packer, or distributor of a drug of similar composition and labeling to that drug or any other interested person may also obtain a copy 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 of Food and Drugs (21 CFR 2.120).

Dated: March 28, 1969.

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

[F.R. Doc. 69-4061; Filed, Apr. 7, 1969; 8:45 a.m.]

NYSTATIN FOR FEED FORMULATION

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 preparation: Mycostatin-20; each pound contains 20 grams (56,000,000 units) of nystatin reference standard; by E. R. Squibb & Sons, Inc., Georges Road, New Brunswick, N.J. 08903.

The Academy concluded that:

1. This preparation is probably not effective for growth promotion and improved feed efficiency when used in swine, but that documentation is adequate to show the drug to be effective for control of mycosis in chickens and turkeys.

2. Claims made regarding "for prevention of" or "to prevent" should be replaced with "as an aid in the control of" or "to aid in the control of". The disease claims for this preparation must be restricted to diseases involving the gastrointestinal tract because of the pharmacologic and chemical properties of the active ingredients.

3. Each disease claim should be properly qualified by naming the disease and the causative pathogen that is sensitive to nystatin. If the disease can not be so qualified, the claim must be dropped.

The Food and Drug Administration concurs with the conclusions of the Academy. Supplemental new-drug applications are invited to revise the labeling provided in new-drug applications for this drug to limit the claims and present

the conditions of use substantially as follows:

INDICATIONS FOR USE

For use as an aid in the control and the treatment of crop mycosis and mycotic diarrhea (*Candida albicans*) in turkeys and chickens.

DOSAGE

Aid in the control: Feed 50 grams per ton continuously.

Treatment: Feed 100 grams per ton for 7–10 days.

This evaluation of the drug is concerned only with its effectiveness and safety to the animal to which administered. It does not take into account the safety for food use of food derived from drug-treated animals. Nothing in this announcement will constitute a bar to further proceedings with respect to questions of safety of the drug or its metabolites as residues in food products derived from treated animals.

This announcement is published (1) to inform the holders of new-drug applications of the findings of the Academy and of the Food and Drug Administration and (2) to inform all interested persons that such articles may be marketed provided they are the subject of approved new-drug applications and otherwise comply with all other requirements of the Federal Food, Drug, and Cosmetic Act.

Holders of the new-drug applications which have inadequate labeling in that it differs from the labeling presented above are provided 6 months from the date of publication of this announcement in the FEDERAL REGISTER to submit revised labeling or adequate documentation in support of the labeling used.

Written comments regarding this announcement, including requests for an informal conference, may be addressed to the Bureau of Veterinary Medicine, Food and Drug Administration, 200 C Street SW., Washington, D.C. 20204.

The holder of the new-drug application for the drug listed above has been mailed a copy of the NAS-NRC report. Any manufacturer, packer, or distributor of a drug of similar composition and labeling to it or 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 of Food and Drugs (21 CFR 2.120).

Dated: March 28, 1969.

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

[F.R. Doc. 69-4063; Filed, Apr. 7, 1969; 8:46 a.m.]

DEXTRAN 6 PERCENT W/V IN SALINE (PLASMA VOLUME EXPANDER)

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 preparation: Pharmatran, aqueous 6 percent solution of hydrolyzed fractionated dextran with 0.9 percent sodium chloride; marketed by Pharmachem Corp., Bethlehem, Pa. 18018.

The Academy concludes that this drug is effective as a plasma volume expander, and the Food and Drug Administration concurs with the Academy's evaluation.

Supplemental new-drug applications are invited to revise the labeling provided in new-drug applications for this drug to limit the claims and present the conditions of use substantially as follows:

INDICATIONS

For the maintenance of plasma volume and blood pressure in the treatment of burns and moderate blood loss in small and large animals.

DOSAGE AND ADMINISTRATION

Intravenous administration: Small animals up to approximately 250 cubic centimeters; large animals 500 to 2,000 cubic centimeters, depending upon the size of the animal.

CONTRAINDICATIONS

Do not use in animals with hypovolemia and a low hematocrit.

Dextran is not be be regarded as a blood substitute.

SIDE EFFECTS

May consist of wheezing, hypotension, nausea, and vomiting.

PRECAUTIONS

Administer slowly.

Symptoms and signs of adverse systemic reactions may be relieved by parenteral administration of antihistaminics, epinephrine, or ephedrine.

CAUTION: Federal law restricts this drug to sale by or on the order of a licensed veterinarian.

This evaluation of the drug is concerned only with its effectiveness and safety to the animal to which administered. It does not take into account the safety for food use of food derived from drug-treated animals. Nothing in this announcement will constitute a bar to further proceedings with respect to questions of safety of the drug or its metabolites as residues in food products derived from treated animals.

This announcement is published (1) to inform the holders of new-drug applications of the findings of the Academy and of the Food and Drug Administration and (2) to inform all interested persons that such articles may be marketed provided they are the subject of approved new-drug applications and otherwise comply with all other requirements of the Federal Food, Drug, and Cosmetic Act.

Holders of the new-drug applications which have inadequate labeling in that it differs from the labeling presented above are provided 6 months from the date of publication of this announcement in the FEDERAL REGISTER to submit revised labeling or adequate documentation in support of the labeling used.

Written comments regarding this announcement, including requests for an informal conference, may be addressed to the Bureau of Veterinary Medicine, Food and Drug Administration, 200 C Street SW., Washington, D.C. 20204.

The holder of the new-drug application for the drug listed above has been mailed a copy of the NAS-NRC report. Any manufacturer, packer, or distributor of a drug of similar composition and labeling to that drug or any other interested person may also obtain a copy 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 of Food and Drugs (21 CFR 2.120).

Dated: March 28, 1969.

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

[F.R. Doc. 69-4062; Filed, Apr. 7, 1969; 8:45 a.m.]

SODIUM PROPIONATE

Drugs for Veterinary Use; Drug Efficacy Study Implementation

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 preparations:

1. Impedex; contains sodium propionate; marketed by E. I. du Pont de Nemours & Co., Inc., Wilmington, Del. 19898.

2. Whit Pro; contains sodium propionate; marketed by Whitmoyer Laboratories, Inc., Myerstown, Pa. 17067.

3. Keenate; contains 90 percent sodium propionate; marketed by Anchor Serum Co., Division of Philips Roxane, Inc., 2621 North Belt Highway, St. Joseph, Mo. 64502.

The Academy concludes that these products are probably effective, but that more information is needed to substantiate claims as an aid in the prevention and treatment of primary bovine ketosis. The Food and Drug Administration concurs with the Academy's conclusions.

This evaluation of the drugs is concerned only with their effectiveness and safety to the animal to which administered. It does not take into account the

safety for food use of food derived from drug-treated animals. Nothing in this announcement will constitute a bar to further proceedings with respect to questions of safety of these drugs or their metabolites as residues in food products derived from treated animals.

This announcement is published (1) to inform the holders of new-drug applications of the findings of the Academy and of the Food and Drug Administration and (2) to inform all interested persons that such articles may be marketed provided they are the subject of approved new-drug applications and otherwise comply with all other requirements of the Federal Food, Drug, and Cosmetic Act.

Holders of the new-drug applications are provided 6 months from the date of publication of this announcement in the FEDERAL REGISTER to submit adequate documentation in support of the labeling used.

Written comments regarding this announcement, including requests for an informal conference, may be addressed to the Bureau of Veterinary Medicine, 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 copies of the NAS-NRC reports. Any manufacturer, packer, or distributor of a drug of similar composition and labeling to those drugs or any other interested person may also obtain a copy 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 of Food and Drugs (21 CFR 2.120).

Dated: March 28, 1969.

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

[F.R. Doc. 69–4064; Filed, Apr. 7, 1969; 8:46 a.m.]

SULFADIMETHOXINE INJECTABLE

Drugs for Veterinary Use; Drug Efficacy Study Implementation

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 preparations:

1. Bactrovet Injection 10 percent; each cubic centimeter contains 100 milligrams of sulfadimethoxine; by Pitman-Moore, Division of The Dow Chemical Co., Research Center, Box 10, Zionsville, Ind. 46007.

2. Symbio; each cubic centimeter contains 80 milligrams of sulfadimethoxine (W-T); by Warren-Teed Pharmaceuticals, Inc., subsidiary of Rohm & Haas Co., 582 West Goodale Street, Columbus, Ohio 43215.

The Academy concluded that:

1. These products are probably effective for treatment of some bacterial infections in dogs, cats, horses, and pigs under 6 weeks of age.

2. Each disease claim should be properly qualified as "appropriate for use in (name of disease) caused by pathogens sensitive to sulfadimethoxine." If the disease can not be so qualified, the claim must be dropped.

3. More information is needed on frequency of administration and time concentration curves.

4. There is a lack of information to demonstrate efficacy of the recommended dosage level.

The Food and Drug Administration concurs with the Academy's conclusions.

This evaluation of these drugs is concerned only with their effectiveness and safety to the animal to which administered. It does not take into account the safety for food use of food derived from drug-treated animals. Nothing in this announcement will constitute a bar to further proceedings with respect to questions of safety of the drugs or their metabolites as residues in food products derived from treated animals.

This announcement is published (1) to inform the holders of new-drug applications of the findings of the Academy and of the Food and Drug Administration and (2) to inform all interested persons that such articles to be marketed must be the subject of approved new-drug applications and otherwise comply with all other requirements of the Federal Food, Drug, and Cosmetic Act.

Holders of the new-drug applications are provided 6 months from the date of publication of this announcement in the FEDERAL REGISTER to submit adequate documentation in support of the labeling used.

Written comments regarding this announcement, including requests for an informal conference, may be addressed to the Bureau of Veterinary Medicine, 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 manufacturer, packer, or distributor of a drug of similar composition and labeling to these drugs or any other interested person may also obtain a copy 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 of Food and Drugs (21 CFR 2.120).

Dated: March 28, 1969.

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

[F.R. Doc. 69–4065; Filed, Apr. 7, 1969; 8:46 a.m.]

AMERICAN CYANAMID CO.

Notice of Filing of Petition Regarding Pesticide Chemicals

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a(d)(1)), notice is given that a petition (PP 9F0812) has been filed by American Cyanamid Co., Agricultural Div., Post Office Box 400, Princeton, N.J. 08540, proposing the establishment of a tolerance (21 CFR 120.204) of 0.1 part per million for negligible residues of the insecticide dimethoate (*O,O*-dimethyl *S*-(*N*-methylcarbamoylmethyl) phosphorodithioate) and its oxygen analog in or on the raw agricultural commodity pecans.

The analytical method proposed in the petition for determining residues of the insecticide is a gas-liquid chromatographic procedure using a flame-photometric detector and a phosphorus filter. Residues are calculated by direct comparison of peak areas to those of standards.

Dated: April 1, 1969.

R. E. DUGGAN,
Acting Associate Commissioner, for Compliance.

[F.R. Doc. 69–4098; Filed, Apr. 7, 1969; 8:48 a.m.]

CHEMAGRO CORP.

Notice of Filing of Petition Regarding Pesticide Chemicals

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a(d)(1)), notice is given that a petition (PP 9F0811) has been filed by Chemagro Corp., Post Office Box 4913, Kansas City, Mo. 64120, proposing the establishment of tolerances (21 CFR 120.214) for residues of the insecticide *O,O*-dimethyl *O*-[4-(methylthio)-*m*-tolyl] phosphorothioate and its cholinesterase-inhibiting metabolites in poultry tissues at 0.1 part per million; and in eggs and milk at 0.01 part per million (negligible residue).

The analytical method proposed in the petition for determining residues of the insecticide is a procedure in which the residues are extracted, oxidized to the oxygen analog sulfone, and determined by thermionic-emission flame-gas chromatography or a gas chromatographic technique with an electron-capture detector.

Dated April 2, 1969.

R. E. DUGGAN,
Acting Associate Commissioner for Compliance.

[F.R. Doc. 69–4099; Filed, Apr. 7, 1969; 8:48 a.m.]

E. I. DU PONT DE NEMOURS & CO.

Notice of Filing of Petition Regarding Pesticide Chemicals

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a(d)(1)), notice is given that a petition (PP 9F0814) has been filed by E. I. du Pont de Nemours & Co., Wilmington, Del. 19898, proposing the establishment of a tolerance (21 CFR Part 120) of 0.2 part per million for negligible residues of the insecticide methomyl (*S*-methyl *N*-[(methylcarbamoyl)oxy] thioacetimidate) in or on the raw agricultural commodity group fruiting vegetables.

The analytical method proposed in the petition for determining residues of the insecticide is the method of H. L. Pease and J. J. Kirkland, published in the "Journal of Agricultural and Food Chemistry," vol. 16, pp. 554–7 (1968).

Dated: April 2, 1969.

R. E. DUGGAN,
Acting Associate Commissioner for Compliance.

[F.R. Doc. 69-4100; Filed, Apr. 7, 1969; 8:48 a.m.]

UNIROYAL INC.

Notice of Filing of Petition Regarding Pesticide Chemicals

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a(d)(1)), notice is given that a petition (PP 9F0813) has been filed by Uniroyal Chemical Div., Uniroyal Inc., Bethany, Conn. 06525, proposing the establishment of tolerances (21 CFR 120.246) for residues of the plant regulator succinic acid 2,2-dimethylhydrazide in or on the raw agricultural commodities peaches and sweet cherries at 30 parts per million.

The analytical method proposed in the petition for determining residues of the plant regulator is a colorimetric method in which the residue is hydrolyzed with 50 percent sodium hydroxide, distilled, and reacted with trisodium pentacyanoamine ferroate to form a specific red color at pH 5.0. The color is measured spectrophotometrically.

Dated: April 2, 1969.

R. E. DUGGAN,
Acting Associate Commissioner for Compliance.

[F.R. Doc. 69-4101; Filed, Apr. 7, 1969; 8:48 a.m.]

HIGH MOLECULAR WEIGHT DEXTRAN 6 PERCENT

Drugs for Human Use; Drug Efficacy Study Implementation

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 drugs used for intravenous infusion as plasma volume expanders:

1. 6 percent Dextran 70 in sodium chloride solution; marketed as Plasdex by Cutter Laboratories, 4th and Parker Streets, Berkeley, Calif. 94710 (NDA 8-716).

2. 6 percent Dextran 75 in sodium chloride solution; marketed as Dextran 6 percent by Pharmachem Corp. (former applicant, R. K. Laros Co.), Bethlehem, Pa. 18015 (NDA 8-564).

3. 6 percent Dextran 70 in sodium chloride solution and 6 percent Dextran 70 in invert sugar solution; marketed as Gentran by Baxter Laboratories, Inc., 6301 Lincoln Avenue, Morton Grove, Ill. 60053 (NDA 8-788).

4. 6 percent Dextran 75 in dextrose solution and 6 percent Dextran 75 in sodium chloride solution; marketed as Dextran 6 percent by Abbott Laboratories, 14th and Sheridan Road, North Chicago, Ill. 60064 (NDA 8-819).

5. 6 percent Dextran 70 in sodium chloride solution; marketed as 6 percent Dextran in normal saline by Don Baxter, Inc., 1015 Grandview Avenue, Glendale, Calif. 91201 (NDA 9-024).

6. 6 percent Dextran 75 in sodium chloride solution; marketed as 6 percent Dextran by Sherman Laboratories, 5031 Grandy Avenue, Detroit, Mich. 48211 (NDA 11-951).

These drugs continue to be regarded as new drugs (21 U.S.C. 321(p)). Supplemental new-drug applications are required to revise the labeling in and to update previously approved applications providing for such drugs. A new-drug application is required from any person marketing such a drug without approval. The effective classification and marketing status of the drugs are described below.

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.

DEXTRAN 70; DEXTRAN 75

A. *Effectiveness classification.*

1. The Food and Drug Administration has considered reports of the National Academy of Sciences—National Research Council, Drug Efficacy Study Group, and regards dextran 70 and dextran 75 as effective for emergency treatment of shock or impending shock due to hemorrhage, burns, surgery, or other trauma.

2. The Food and Drug Administration regards dextran 70 and dextran 75 as "possibly effective" for nephrosis, toxemia of late pregnancy, and emergency treatment of hypotension resulting from neurogenic shock and concludes that substantial evidence of effectiveness is needed to support these indications.

3. The Academy has evaluated these drugs as ineffective for the too inclusive claim—treatment of shock due to any cause. The Food and Drug Administration concurs that substantial evidence of effectiveness of these drugs for this indication is lacking.

B. *Form of drug.* Dextran 70 and dextran 75 are 6 percent solutions suitable for intravenous administration.

C. *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.)

ACTIONS

The colloidal properties of dextran 6 percent approximate those of human albumin. Intravenous infusion of dextran results in an expansion of plasma volume slightly in excess of the volume infused and decreases from this maximum over the succeeding 24 hours.

This expansion of plasma volume improves the hemodynamic status for 24 hours or longer. Dextran molecules below 50,000 molecular weight are eliminated by renal excretion with approximately 40 percent appearing in the urine in 24 hours. The remaining dextran is enzymatically degraded to glucose at a rate of about 70 to 90 milligrams per kilogram of body weight per day. This is a variable process.

INDICATIONS

This product is indicated for use in the treatment of shock or impending shock due to hemorrhage, burns, surgery, or other trauma.

Dextran is intended for emergency treatment only when whole blood or blood products are not available and must not be regarded as a substitute for whole blood or plasma proteins.

CONTRAINDICATIONS

Dextran is contraindicated in patients with severe bleeding disorders, with known hypersensitivity to dextran, and with severe congestive cardiac and renal failure.

WARNINGS

Severe and fatal anaphylactoid reactions consisting of marked hypotension have been reported. These reactions occurred in patients not previously exposed to intravenous dextran and early in the infusion period. It is strongly recommended, therefore, that patients not previously exposed to dextran be observed closely during the first minutes of the infusion period.

Because of the seriousness of anaphylactoid reactions, it is recommended that the infusion of intravenous dextran be stopped at the first sign of an allergic reaction provided that other means of sustaining the circulation are available. Resuscitative measures should be readily available for emergency administration in the event such a reaction occurs.

Dextran may interfere to some extent with platelet function and should be used with caution in cases with thrombocytopenia. Transient prolongation of bleeding time may occur with the administration of doses greater than 1000 milliliters. Care should be taken to prevent a depression of hematocrit

below 30 percent by volume. When large volumes of dextran are administered, plasma protein levels will be decreased.

PRECAUTIONS

The possibility of circulatory overload should be kept in mind. Special care should be exercised in patients with impaired renal clearance of dextran. When the risk of pulmonary edema and/or congestive heart failure may be increased, dextran should be used with caution.

Since increased rouleau formation may occur in the presence of dextran, it is recommended that blood samples be drawn for typing and cross-matching prior to the infusion of dextran and reserved for subsequent use if necessary. If blood is drawn after infusion of dextran, the cells may be washed with isotonic sodium chloride, or other techniques may be employed to avoid rouleau formation.

ADVERSE REACTIONS

Allergic reactions include urticaria, nasal congestion, wheezing, tightness of chest, or mild hypotension. Antihistamines may be effective in relieving these symptoms. Other adverse reactions including nausea, vomiting, fever, and joint pains may occur. If a reaction develops, administration of dextran should be discontinued and patient appropriately treated.

DOSAGE AND ADMINISTRATION

Dextran is administered by intravenous infusion only. Total dosage and rate of infusion depends upon the magnitude of fluid loss and the resultant hemoconcentration.

It is recommended that total dosage not exceed 20 milliliters per kilogram of body weight during the first 24 hours. In adults, the amount usually administered is 500 milliliters (30 grams) which may be given at a rate of from 20 to 40 millliliters per minute.

In children the best guide to dosage is the body weight or surface area of the patient; total dosage should not exceed 20 milliliters per kilogram of body weight.

D. *Claims permitted during extended period for obtaining substantial evidence.* Those claims for which the drug is described in paragraph A above as possibly effective (not included in the labeling conditions in paragraph C above) may continue to be used for 6 months following publication hereof in the FEDERAL REGISTER to allow additional time for holders of previously approved applications, or persons marketing the drug without approval, to obtain and submit to the Food and Drug Administration data providing substantial evidence of effectiveness.

E. *Previously approved applications.*

1. Each holder of a "deemed approved" 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 a supplement containing:

a. Revised labeling as needed to conform with the labeling conditions described herein for the drug; however, such labeling may continue to include those indications for which the drug is classified as possibly effective as described in paragraph D above.

b. Updating information as needed to make the application current.

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

a. Sixty 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), (e)) which permit certain changes to be put into effect at the earliest possible time.

b. Sixty days for updating information.

3. Marketing of the drug may continue until the supplemental applications submitted in accordance with the preceding subparagraphs 1 and 2 are acted upon, provided that within 60 days after publication hereof in the FEDERAL REGISTER 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 (it may include the indications described in paragraph D above).

F. *New applications.*

1. Any other person who distributes or intends to distribute such drug intended for the conditions of use for which it has been shown to be effective, as described under paragraph A above, should submit a new-drug application containing full information required by the new-drug application form FD-356H (21 CFR 130.4(c)).

2. 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 date of publication hereof 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 (it may include the indications described in paragraph D above).

b. The manufacturer, packer, or distributor of such drug submits, within 60 days from date of publication hereof, 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.

G. *Exemption from periodic reporting.* The periodic reporting requirements of §§ 130.35(e) and 130.13(b) of the new-drug regulations (21 CFR 130.35(e), 130.13(b)) are waived in regard to applications approved for this drug solely for the conditions of use for which the drug is regarded to be effective as described herein.

H. *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–3 above may request a hearing within 30 days after publication hereof 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, an 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 direct that labeling deleting such claims shall be in use within 60 days after publication hereof in the FEDERAL REGISTER.

I. *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 herein. 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 publication hereof in the FEDERAL REGISTER.

A copy of the NAS–NRC report has been furnished to each firm referred to above. Any other manufacturer, packer, or distributor of a drug of similar composition and labeling to the subject drugs 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: Office of Marketed Drugs (MD–300), Bureau of Medicine.

Original new-drug applications: Office of New Drugs (MD–100), 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: April 1, 1969.

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

[F.R. Doc. 69-4102; Filed, Apr. 7, 1969; 8:48 a.m.]

PROPOXYPHENE HYDROCHLORIDE; PROPOXYPHENE HYDROCHLORIDE WITH ASPIRIN; PROPOXYPHENE HYDROCHLORIDE WITH ASPIRIN, PHENACETIN, AND CAFFEINE

Drugs for Human Use; Drug Efficacy Study Implementation

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 analgesic preparations marketed by Eli Lilly & Co., 740 South Alabama Street, Indianapolis, Ind. 46206:

1. Darvon; 32 and 65 milligrams of propoxyphene hydrochloride per capsule (NDA 10–997).

2. Darvon Compound; 32 milligrams of propoxyphene hydrochloride, 227 milligrams of aspirin, 162 milligrams of phenacetin, and 32.4 milligrams of caffeine, per capsule (NDA 10–996).

3. Darvon Compound-65; 65 milligrams of propoxyphene hydrochloride, 227 milligrams of aspirin, 162 milligrams of phenacetin, and 32.4 milligrams of caffeine per capsule (NDA 10–996).

The Food and Drug Administration concludes that these drugs when given in adequate dosage are effective for the relief of mild to moderate pain, but that there is lack of substantial evidence of effectiveness of a 32-milligram dose of propoxyphene hydrochloride. Although the labeling of Darvon with A.S.A. (65 milligrams of propoxyphene hydrochloride with 325 milligrams of aspirin (NDA 10–995)), was not submitted for review by the Academy, the Food and Drug Administration also concludes that this combination is effective for relief of mild to moderate pain. Because of the close relationship of this combination to the other preparations reviewed by the Academy, it is appropriate to include it in this announcement.

The drugs continue to be regarded as new drugs (21 U.S.C. 321(p)). Supplemental new-drug applications are required to revise the labeling in and to update previous approved applications providing for such drugs. A new-drug application is required from any person marketing such drugs 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.

PROPOXYPHENE HYDROCHLORIDE; PROPOXYPHENE HYDROCHLORIDE WITH ASPIRIN; AND PROPOXYPHENE HYDROCHLORIDE WITH ASPIRIN, PHENACETIN, AND CAFFEINE

A. *Effectiveness classification.* The Food and Drug Administration has considered reports of the National Academy of Sciences—National Research Council, Drug Efficacy Study Group, as well as other available evidence, and concludes that propoxyphene hydrochloride, propoxyphene hydrochloride with aspirin, and propoxyphene hydrochloride with aspirin, phenacetin, and caffeine are effective for the relief of mild to moderate pain when administered in adequate dosages as described in the labeling guidelines in paragraph E below.

B. *Form of drug.* Propoxyphene hydrochloride preparations are in capsule 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 that 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 a supplement 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 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 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 announcement in the FEDERAL REGISTER:

a. Sixty 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) which permit certain changes to be put into effect at the earliest possible time.

b. One hundred and eighty days for biologic availability data.

c. Sixty days for updating information.

3. Marketing of the drug may continue until the supplemental applications submitted in accordance with the preceding paragraphs C–1 and C–2 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 in this announcement.

D. *New applications.*

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

2. Such applications should include:

a. Proposed labeling 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 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 in accord with 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 hereof 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 date of publication hereof, 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 the 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 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.)

ACTIONS

Propoxyphene hydrochloride is an analgesic estimated to be approximately one-half to two-thirds as effective on a milligram basis as codeine. The combination of propoxyphene hydrochloride with aspirin and/or phenacetin results in greater analgesia than that achieved by either drug administered alone. Propoxyphene hydrochloride is structurally closely related to the narcotic analgesics methadone and isomethadone, and its general pharmacologic properties are those of the narcotics as a group.

INDICATION

For the relief of mild to moderate pain.

CONTRAINDICATIONS

Hypersensitivity to propoxyphene hydrochloride or to the other ingredients (aspirin, phenacetin, caffeine) in the propoxyphene hydrochloride combination products.

Concomitant administration with orphenadrine-containing compounds.

WARNINGS

Salicylates should be used with caution in the presence of peptic ulcer.

Phenacetin may damage the kidneys when used in large amounts or taken over a long period of time.

USAGE IN PREGNANCY: The safety of the use of this agent during pregnancy has not been established. The potential hazards of the drug must be weighed against the possible benefits.

USAGE IN CHILDREN: This agent should not be used in children since adequate data to establish safe conditions of use are lacking.

DRUG DEPENDENCE: Tolerance, psychological dependence, and physical dependence have been reported; the abuse liability of propoxyphene hydrochloride is qualitatively similar to that of codeine although quantitively less.

This agent may impair the mental and/or physical abilities required for the performance of potentially hazardous tasks such as driving a car or operating machinery, especially during the first few days of therapy. Therefore, the patient should be cautioned accordingly.

PRECAUTIONS

Patients who have received narcotic drugs for long periods of time may have developed physical dependence, and the sudden substitution of ordinary doses of propoxyphene hydrochloride may result in an acute withdrawal syndrome. These symptoms may be avoided by gradually reducing the dose of the prior medication as propoxyphene hydrochloride is substituted.

ADVERSE REACTIONS

Dizziness, headache, sedation, somnolence, paradoxical excitement, insomnia, skin rashes, gastrointestinal disturbances (including nausea, vomiting, abdominal pain, and constipation) may occur with the recommended doses of the drug.

Euphoria may occasionally occur.

DOSAGE AND ADMINISTRATION

Propoxyphene hydrochloride is given orally. The usual dose is 65 milligrams three to four times daily.

Propoxyphene hydrochloride with aspirin is given orally. The usual dose is 65 milligrams of propoxyphene hydrochloride and 325 milligrams of aspirin three to four times daily.

Propoxyphene hydrochloride with aspirin, phenacetin, and caffeine is given orally. The usual dose is 65 milligrams of propoxyphene hydrochloride, 227 milligrams of aspirin, 162 milligrams of phenacetin, and 32.4 milligrams of caffeine three or four times daily.

OVERDOSAGE

Manifestations of accidental or intentional overdosage with propoxyphene are similar to those of narcotic overdosage and include convulsions (more common than is usually noted in cases of narcotic poisoning), coma, respiratory depression, and circulatory collapse. When combination products containing salicylates as well as propoxyphene have been ingested, the clinical picture may be complicated by salicylism.

Analeptic drugs (for example, caffeine or amphetamine) should NOT be used because of their tendency to precipitate fatal convulsions. Narcotic antagonists (nalorphine and levallorphan) are the drugs of choice to reverse signs of intoxication. Gastric lavage may also be helpful. In addition, supportive measures such as assisted ventilation and intravenous fluids should be used as indicated.

Dialysis is of limited value with respect to propoxyphene alone; salicylate and phenacetin are dialyzable.

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. *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 publication hereof in the FEDERAL REGISTER.

A copy of the subject NAS-NRC reports 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 drugs listed above 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 reports: Press Relations Office (CE–300).

Supplements: Office of Marketed Drugs (MD–300), Bureau of Medicine.

Original new-drug applications: Office of Marketed Drugs (MD–300), 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: April 1, 1969.

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

[F.R. Doc. 69-4103; Filed, Apr. 7, 1969; 8:48 a.m.]

ATOMIC ENERGY COMMISSION

CHARLES WINTER

Certification

Pursuant to the proviso contained in section 207 of title 18 U.S.C. (Public Law 87-849, 76 Stat. 1124), having found that Charles Winter, formerly Deputy Director of the Division of Military Application, Atomic Energy Commission, and presently an employee of the Sandia Corp., possesses outstanding scientific qualifications, I certify that the national interest would be served by the said Charles Winter acting as agent for or appearing personally before the Atomic Energy Commission on behalf of the Sandia Corp. in connection wth the performance of work under the Sandia Corp.-Western Electric Co., Inc., Contract No. AT(29-1)-789 with the Atomic Energy Commission, on matters in which he participated personally and substantially as an employee of the Atomic Energy Commission or which were under his official responsibilty as an AEC employee.

This publication is directed to be published in the FEDERAL REGISTER.

Dated: March 26, 1969.

R. E. HOLLINGSWORTH,
General Manager.

[F.R. Doc. 69-4068; Filed, Apr. 7, 1969; 8:46 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 20797; Order 69-4-13]

GRAND FORKS AIRMOTIVE, INC.

Order To Show Cause Regarding Establishment of Service Mail Rate

Issued under delegated authority on April 2, 1969.

The Postmaster General filed a notice of intent March 7, 1969, pursuant to 14 CFR Part 298, petitioning the Board to establish for the above captioned air taxi operator, a final service mail rate of 54.9 cents per great circle aircraft mile for the transportation of mail by aircraft between Thief River Falls, Detroit Lakes, and AMF Twin Cities, Minneapolis, Minn.

No protest or objection was filed against the proposed services during the time for filing such objections. The Postmaster General states that the Department and the carrier agree that the above rate is a fair and reasonable rate of compensation for the proposed services. The Postmaster General believes these services will meet postal needs in the market. He states the air taxi plans to initiate mail service with twin-engine Beech, Model C-45-H aircraft equipped for all-weather operation.

It is in the public interest to fix, determine, and establish the fair and reasonable rate of compensation to be paid by the Postmaster General for the proposed transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the notice of intent and other matters officially noticed, it is proposed to issue an order[1] to include the following findings and conclusions:

The fair and reasonable final service mail rate to be paid to Grand Forks Airmotive, Inc., in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be 54.9 cents per great circle aircraft mile between Thief River Falls, Detroit Lakes, and AMF Twin Cities, Minneapolis, Minn.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f),

It is ordered, That:

1. Grand Forks Airmotive, Inc., the Postmaster General, North Central Airlines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rate specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rate of compensation to be paid to Grand Forks Airmotive, Inc.;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rate specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Grand Forks Airmotive, Inc., the Postmaster General, and North Central Airlines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 69-4085; Filed, Apr. 7, 1969; 8:48 a.m.]

[1] As this order to show cause is not a final action but merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). These provisions for Board review will be applicable to final action taken by the staff under authority delegated in § 385.14(g).

[Docket No. 20796; Order 69-4-14]

PHELPS AERO CORP.

Order To Show Cause Regarding Establishment of Service Mail Rate

Issued under delegated authority on April 2, 1969.

The Postmaster General filed a notice of intent March 7, 1969, pursuant to 14 CFR Part 298, petitioning the Board to establish for the above captioned air taxi operator, a final service mail rate of 54 cents per great circle aircraft mile for the transportation of mail by aircraft between Bemidji, Brainerd, and AMF Twin Cities, Minneapolis, Minn.

No protest or objection was filed against the proposed services during the time for filing such objections. The Postmaster General states that the Department and the carrier agree that the above rate is a fair and reasonable rate of compensation for the proposed services. The Postmaster General believes these services will meet postal needs in the market. He states the air taxi plans to initiate mail service with twin-engine Beech, Model 18, aircraft equipped for all-weather operation.

It is in the public interest to fix, determine, and establish the fair and reasonable rate of compensation to be paid by the Postmaster General for the proposed transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the notice of intent and other matters officially noticed, it is proposed to issue an order[1] to include the following findings and conclusions:

The fair and reasonable final service mail rate to be paid to Phelps Aero Corp. in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be 54 cents per great circle aircraft mile between Bemidji, Brainerd, and AMF Twin Cities, Minneapolis, Minn.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f),

It is ordered, That:

1. Phelps Aero Corp., the Postmaster General, North Central Airlines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rate specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rate of compensation to be paid to Phelps Aero Corp.;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rate specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as

[1] As this order to show cause is not a final action but merely affords interested persons an opportuinty to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). These provisions for Board review will be applicable to final action taken by the staff under authority delegated in § 385.14(g).

other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Phelps Aero Corp., the Postmaster General, and North Central Airlines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON, *Secretary.*

[F.R. Doc. 69-4086; Filed, Apr. 7, 1969; 8:48 a.m.]

[Docket No. 20798; Order 69-4-15]

SEDALIA, MARSHALL, BOONVILLE STAGE LINE, INC.

Order To Show Cause Regarding Establishment of Service Mail Rate

Issued under delegated authority on April 2, 1969.

The Postmaster General filed a notice of intent March 7, 1969, pursuant to 14 CFR Part 298, petitioning the Board to establish for the above captioned air taxi operator, a final service mail rate of 52.4 cents per great circle aircraft mile for the transportation of mail by aircraft between Sioux Falls, S. Dak., Windom and Willmar, Minn. and AMF Twin Cities, Minneapolis, Minn.

No protest or objection was filed against the proposed services during the time for filing such objections. The Postmaster General states that the Department and the carrier agree that the above rate is a fair and reasonable rate of compensation for the proposed services. The Postmaster General believes these services will meet postal needs in the market. He states the air taxi plans to initiate mail service with twin-engine Beech, Model Super E 18, aircraft equipped for all-weather operation.

It is in the public interest to fix, determine, and establish the fair and reasonable rate of compensation to be paid by the Postmaster General for the proposed transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the notice of intent and other matters officially noticed, it is proposed to issue an order[1] to include the following findings and conclusions:

The fair and reasonable final service mail rate to be paid to Sedalia, Marshall, Boonville Stage Line, Inc., in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be 52.4 cents per great circle aircraft mile between Sioux Falls, S. Dak., Windom and Willmar, Minn., and AMF Twin Cities, Minneapolis, Minn.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f),

It is ordered, That:

1. Sedalia, Marshall, Boonville, Stage Line, Inc., the Postmaster General, North Central Airlines, Inc., Ozark Air Lines, Inc., Western Air Lines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rate specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rate of compensation to be paid to Sedalia, Marshall, Boonville Stage Line Inc.;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rate specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, North Central Airlines, Inc., Ozark Air Lines, Inc., and Western Air Lines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON, *Secretary.*

[F.R. Doc. 69-4087; Filed, Apr. 7, 1969; 8:48 a.m.]

[Docket No. 20799; Order 69-4-12]

SEDALIA, MARSHALL, BOONVILLE STAGE LINE, INC.

Order To Show Cause Regarding Establishment of Service Mail Rate

Issued under delegated authority on April 2, 1969.

The Postmaster General filed a notice of intent March 7, 1969, pursuant to 14 CFR Part 298, petitioning the Board to establish for the above captioned air taxi operator, a final service mail rate of 87.8 cents per great circle aircraft mile for the transportation of mail by aircraft between AMF Twin Cities, Minneapolis, Minn., and Des Moines, Iowa.

No protest or objection was filed against the proposed services during the time for filing such objections. The Postmaster General states that the Department and the carrier agree that the above rate is a fair and reasonable rate of compensation for the proposed services. The Postmaster General believes these services will meet postal needs in the market. He states the air taxi plans to initiate mail service with twin-engine Beech, Model 99, aircraft equipped for all-weather operation.

It is in the public interest to fix, determine, and establish the fair and reasonable rate of compensation to be paid by the Postmaster General for the proposed transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the notice of intent and other matters officially noticed, it is proposed to issue an order[1] to include the following findings and conclusions:

The fair and reasonable final service mail rate to be paid to Sedalia, Marshall, Boonville Stage Line, Inc., in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be 87.8 cents per great circle aircraft mile between AMF Twin Cities, Minneapolis, Minn., and Des Moines, Iowa.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f),

It is ordered, That:

1. Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, Braniff Airways, Inc., Ozark Air Lines, Inc., United Air Lines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rate specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rate of compensation to be paid to Sedalia, Marshall, Boonville Stage Line, Inc.;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer

[1] As this order to show cause is not a final action but merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). These provisions for Board review will be applicable to final action taken by the staff under authority delegated in § 385.14(g).

[1] As this order to show cause is not a final action but merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). These provisions for Board review will be applicable to final action taken by the staff under authority delegated in § 385.14(g).

and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rate specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, Braniff Airways, Inc., Ozark Air Lines, Inc., and United Air Lines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 69-4088; Filed, Apr. 7, 1969; 8:48 a.m.]

FEDERAL MARITIME COMMISSION

WSUP ALLOCATION AGREEMENT

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

Notice of agreement filed for approval by:

Mr. Edward D. Ransom, attorney, Lillick, McHose, Wheat, Adams & Charles, 311 California Street, San Francisco, Calif. 94104.

Agreement No. T-2188-1 between Castle and Cooke Terminals, Ltd., C. Brewer Corp., McCabe, Hamilton & Renny Co., Ltd., Alexander & Baldwin, Inc. (successor to Kahului Trucking & Storage, Inc.), Kauai Sugar Storage Corp., Kawaihae Terminals, Inc., Oahu Transport Co., Ltd., Matson Terminals, Inc., Honolulu Terminals Co., Ltd., and Theo. H. Davies & Co., Ltd. (Employers) is an amendment to the basic agreement which provides for an allocation among the Employers of the costs of a Work Stabilization and Utilization Program (WSUP) Fund for their employees in Hawaii. An amendment to the basic agreement provided that, pursuant to principles laid down by the U.S. Supreme Court in Volkswagenwerk Aktiengesellschaft v. Federal Maritime Commission dated March 6, 1968, the interim Employer contributions would ultimately be adjusted to conform with an arbitrator's decision as it may be approved by this Commission. The method of allocating assessments provided for in agreement No. T-2188 between the members has now been determined by an impartial arbitrator and agreement No. T-2188-1 will make such changes in the agreement as are necessary to include the revised formula determined by the arbitrator. The revised tonnage assessment contributions are as follows:

1. Bulk cargoes—one-seventh (1/7) of the amount of assessments per revenue ton applicable to the handling of general cargo.

2. Automobiles and trucks exclusive of trailers—one-fifth (1/5) of the amount of assessments per revenue ton applicable to the handling of general cargo.

3. Cargoes carried in containers—seven-tenths (7/10) of the amount of assessments per revenue ton applicable to the handling of general cargo.

Dated: April 3, 1969.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 69-4080; Filed, Apr. 7, 1969; 8:47 a.m.]

REDERIAKTIEBOLAGET CLIPPER

Order of Revocation

Certificate of financial responsibility for indemnification of passengers for nonperformance of transportation No. P-2 and certificate of financial responsibility to meet liability incurred for death or injury to passengers or other persons on voyages No. C-1,024.

Whereas, Rederiaktiebolaget Clipper (Clipper Steamship Co.) (Clipper Line), 277 Park Avenue, New York, N.Y. 10017, has ceased to operate the passenger vessel MS *Stella Polaris* to and from U.S. ports; and

Whereas, Rederiaktiebolaget Clipper (Clipper Steamship Co.) (Clipper Line), has returned Certificate [Performance] No. P-2 and Certificate [Casualty] No. C-1,024 for revocation.

It is ordered, That Certificate [Performance] No. P-2 and Certificate [Casualty] No. C-1,024 be and are hereby revoked effective April 2, 1969.

It is further ordered, That a copy of this order be published in the FEDERAL REGISTER and served on certificant.

By the Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 69-4081; Filed, Apr. 7, 1969; 8:47 a.m.]

[Docket No. 69-12]

SOUTH ATLANTIC & CARIBBEAN LINE, INC.

Order of Investigation Regarding General Increase in Rates in U.S. Atlantic/Puerto Rico Trade

There has been filed with the Federal Maritime Commission by South Atlantic & Caribbean Line, Inc., Freight Tariffs, FMC-F No. 9, 10, and 11 scheduled to become effective April 4, 1969. Tariff FMC-F No. 10 contains amended rules and regulations and governs Tariff FMC-F No. 9 which generally increases rates southbound in the subject trade by 10 percent Northbound Tariff FMC-F No. 11 is also governed by the amended rules tariffs.

Upon consideration of the said tariffs, including amendments thereto, there is reason to believe that the increased rates, and the governing rules and regulations, should be made the subject of a public investigation and hearing to determine whether they would be unjust, unreasonable or otherwise unlawful under section 18(a) of the Shipping Act, 1916 and/or sections 3 and 4 of the Intercoastal Shipping Act, 1933, and good cause appearing therefore;

It is ordered, That pursuant to the authority of sections 18(a) and 22 of the Shipping Act, 1916; and sections 3 and 4 of the Intercoastal Shipping Act, 1933, an investigation is hereby instituted into the lawfulness of the said tariffs with a view to making such findings and orders in the premises as the facts and circumstances warrant. In the event the matter hereby placed under investigation is changed or amended before this investigation has been concluded, such changed or amended matter will be included in this investigation.

It is further ordered, That the investigation in this proceeding shall not be confined to the matters and issues hereinbefore stated as the reason for instituting this investigation, but shall include all matters and issues with respect to the lawfulness of the said tariffs under the Shipping Act, 1916, or the Intercoastal Shipping Act, 1933;

It is further ordered, That South Atlantic & Caribbean Line, Inc., be named as respondent in this proceeding;

It is further ordered, That this proceeding be assigned for public hearing before an examiner of the Commission's Office of Hearing Examiners and that the hearing be held at a date and a place to be determined and announced by the presiding examiner;

It is further ordered, That (1) a copy of this order shall forthwith be served on

the respondent herein, (II) the said respondent be duly notified of the time and place of the hearing; and (III) this order be published in the FEDERAL REGISTER and notice of hearing be served upon respondent.

All persons (including individuals, corporations, associations, firms, partnerships, and public bodies) having an interest in this proceeding and desiring to intervene therein, should notify the Secretary of the Commission promptly and file petitions for leave to intervene in accordance with Rule 5(1) of the Commission's rules of practice and procedures [46 CFR 502.72] with a copy to all parties to this proceeding.

Respondent: South Atlantic & Caribbean Lines, Inc., c/o John Mason, Esq., Ragan & Mason, 900 17th Street NW., Washington, D.C. 20006.

By the Commission.

[SEAL] THOMAS LISI, *Secretary.*

[F.R. Doc. 69-4062; Filed, Apr. 7, 1969; 8:47 a.m.]

SECURITIES AND EXCHANGE COMMISSION

TOP NOTCH URANIUM AND MINING CORP.

Order Suspending Trading

APRIL 2, 1969.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Top Notch Uranium and Mining Corp. and all other securities of Top Notch Uranium and Mining Corp. 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 April 3, 1969, through April 12, 1969, both dates inclusive.

By the Commission.

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

[F.R. Doc. 69-4066; Filed, Apr. 7, 1969; 8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATION FOR RELIEF

APRIL 3, 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. 41603—*Canned goods from and to western trunk-line territory.* Filed by Western Trunk Line Committee, agent (No. A-2582), for interested rail carriers. Rates on canned goods and related articles, in carloads, as described in the application, between specified points in Colorado and Wyoming, on the one hand, and points in western trunk-line territory, on the other.

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

Tariff—Supplement 26 to Western Trunk Line Committee, agent, tariff ICC A-4674.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 69-4074; Filed, Apr. 7, 1969; 8:47 a.m.]

[Notice 808]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

APRIL 3, 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 263 (Sub-No. 190 TA), filed March 24, 1969. Applicant: GARRETT FREIGHTLINES, INC., 2055 Garrett Way, Post Office Box 4048, Pocatello, Idaho 83201. Applicant's representative: Maurice H. Greene, Post Office Box 4402, Boise, Idaho 83705. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General Commodities* (except classes A and B explosives), household goods as defined by the Commission, petroleum products in tank vehicles, and commodities requiring special equipment (other than such equipment for use in transporting machinery, tanks, and other commodities requiring the use of flat bed trucks), serving the Centralia Steam Electric plantsite and the Skookumchuck Damsite of Pacific Power and Light Co., located about 5 miles northeast of Centralia and about 6 miles east of Bucoda respectively, in the State of Washington, as off-route points in connection with applicants' presently authorized regular route authority between Portland, Oreg., and Tacoma, Wash., over U.S. Highway 99, for 180 days. NOTE: Applicant intends to tack with its existing authority at Chehalis, Wash. Supporting shippers: Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204; Bechtle Corp., 50 Beale Street, San Francisco, Calif. 94119. Send protests to: C. W. Campbell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 455 Federal Building and U.S. Courthouse, 550 West Fort Street, Boise, Idaho 83702.

No. MC 60012 (Sub-No. 78 TA), filed March 28, 1969. Applicant: RIO GRANDE MOTOR WAY, INC., 1400 West 52d Avenue, Denver, Colo. 80221. Applicant's representative: Warren D. Braucher, 1531 Stout Street, Denver, Colo. 80202. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, livestock, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), serving Pueblo Army Depot, at or near Avondale, Colo., as an off-route point in connection with carrier's regular-route operations, for 180 days. NOTE: Applicant does intend to interline with other carriers at Denver, Colo., Pueblo, and Grand Junction, Colo., and Salt Lake City, Utah, and to tack with present authority in MC 60012 and Subs 29, 30, 32, and 58. Supporting shipper: Military Traffic Management and Terminal Service, Washington, D.C. Send protests to: District Supervisor Charles W. Buckner, Interstate Commerce Commission, Bureau of Operations, 2022 Federal Building, Denver, Colo. 80202.

No. MC 107227 (Sub-No. 104 TA), filed March 28, 1969. Applicant: INSURED TRANSPORTERS, INC., 1944 Williams Street, San Leandro, Calif. 94577. Applicant's representative: Howard Berry (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used automobiles and used trucks* not exceeding three-quarter ton capacity (excepting embezzled, repossessed, abandoned, stolen or wrecked vehicles), in secondary movements, in single driveaway service by means of casual drivers only, between points in Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oklahoma, Oregon, Texas, Utah, Washington, and Wyoming on the one hand, and, on the other, points in Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan,

Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia, restricted against the transportation of any traffic (1) having a prior movement by rail or (2) moving on Government bills of lading. Supporting shippers: Automotive Rentals, Inc., 7411 Maple Avenue, Pennsauken, N.J. 08109; Faddis Leasing Corp., 6228 Main Street, Kansas City, Mo. 64113; Feld Auto Rental, Inc., 2401 Summit, Kansas City, Mo. 64108; Midway Motor Co., 3701 Troost Avenue, Kansas City 9, Mo.; The Diplomat, Executive Offices, Denver 3, Colo. Send protests to: District Supervisor William E. Murphy, Interstate Commerce Commission, Bureau of Operations, 450 Golden Gate Avenue, Box 36004, San Francisco, Calif. 94102.

No. MC 117765 (Sub-No. 75 TA), filed March 28, 1969. Applicant: HAHN TRUCK LINE, INC., 5315 Northwest Fifth, Post Office Box 75267, Oklahoma City, Okla. 73107. Applicant's representative: R. E. Hagan (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Carpets, carpeting, carpet remnants* and *padding*, (1) from Davis and Pawhuska, Okla., to points in Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Tennessee, Texas, Utah, Wisconsin, and Wyoming; and (2) from Anadarko, Okla., to points in Arkansas, Illinois, Indiana, Louisiana, Missouri (Kansas City, St. Louis, and Springfield, Mo., and that part of Missouri south and east of U.S. Highway 66), Tennessee, Texas, and Wisconsin (that part south of a line beginning at Sheboygan, Wis., and extending along Wisconsin Highway 23 through Fond de Lac, Ripon, Endeavor, Wisconsin Dells, and Spring Green, Wis., to Mineral Point, Wis., and thence along U.S. Highway 151 to the Wisconsin-Iowa State line near Dubuque, Iowa), for 180 days. Supporting shipper: James H. Savage, Traffic Manager, Sequoyah Industries, Inc., 4545 North Lincoln Boulevard, Oklahoma City, Okla. 73105. Send protests to: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 240, Old Post Office Building, 215 Northwest Third, Oklahoma City, Okla. 73102.

No. MC 133533 (Sub-No. 1 TA), filed March 26, 1969. Applicant: B G A TRANSPORT, INC., 13544 Settlement Acres Drive, Brookpark, Ohio 44142. Applicant's representative: B. S. Goldfarb, 1625 The Illuminating Building, 55 Public Square, Cleveland, Ohio 44113. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Tin cans* with or without tops, *plastic pipe and fittings, plastic articles*, such as pails, dishes, and fabricated plastic articles; *injected molding machines; infrared gas heaters*, from warehouses and all plants of The Van Dorn Co. at Cleveland, and Conneaut, Ohio, Leetsdale, Pa., Elizabeth, N.J., and Tampa, Fla., on the one hand, to points in Connecticut, Florida, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Missouri, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, and West Virginia, on the other hand, and on return, *materials, supplies and equipment* used in the manufacture of the above commodities from the above destination points to the above origin points, for 180 days. Supporting shipper: The Van Dorn Co. Send protests to: G. J. Baccei, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 181 Federal Office Building, 1240 East Ninth Street, Cleveland, Ohio 44199.

No. MC 133588 TA, filed March 26, 1969. Applicant: KENNETH C. PAGE, doing business as KEN PAGE TRANSFER, 5570 Arrowhead Road, Duluth, Minn. 55811. Applicant's representative: Robert J. Gallagher, 111 State Street, Boston, Mass. 02109. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used household goods*, nonradially, between the points indicated below, restricted to traffic having a prior or subsequent movement in containers, beyond the points authorized, and further restricted to the performance of pickup and delivery service in connection with packing or unpacking, crating or uncrating, or containerization or de-containerization of such traffic, between points in Aitkin, Carlton, Cass, Cook, Crow Wing, Itasca, Kanabec, Lake, Pine, St. Louis, Wadena, and Lake of the Woods Counties, Minn.; and points in Ashland, Bayfield, Burnett, Douglas, Iron, Oneida, Price, Rusk, Sawyer, Vilas, and Washburn Counties, Wis., for 180 days. Supporting shipper: Karevan, Inc., 419 Third Avenue West, Seattle, Wash. 98119. Send protests to: District Supervisor A. E. Rathert, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building and U.S. Courthouse, 110 South Fourth Street, Minneapolis, Minn. 55401.

MOTOR CARRIER OF PASSENGERS

No. MC 1515 (Sub-No. 132 TA), filed March 28, 1969. Applicant: GREYHOUND LINES, INC., Western Greyhound Lines Division, 10 South Riverside Plaza, Chicago, Ill. 60606. Applicant's representative: W. L. McCracken, 371 Market Street, San Francisco, Calif. 94106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage*, in the same vehicle, in special operations only, between Yermo, and Calico, Calif., over unnumbered highway, for 180 days. NOTE: Applicant intends to tack with MC 1515 (Sub-No. 7). Supporting shipper: Escapades Enterprises, Inc., 60 Broadhollow Road, Melville, N.Y. 11745. Send protests to: District Supervisor Claud W. Reeves, Interstate Commerce Commission, Bureau of Operations, 450 Golden Gate Avenue, Box 36004, San Francisco, Calif. 94102.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 69-4075; Filed, Apr. 7, 1969; 8:47 a.m.]

[Notice 323]

MOTOR CARRIER TRANSFER PROCEEDINGS

APRIL 3, 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-71153. By order of March 26, 1969, the Motor Carrier Board approved the transfer to J. H. Boyd, doing business as Boyd Bros., Shellman, Ga., of the operating rights in Certificate No. MC-126441 (Sub-No. 3) issued June 6, 1968, to J. T. Dailey, doing business as J. & J. Co., Cuthbert, Ga., authorizing the transportation of lumber (except plywood and veneer) and wooden pallets, from Cuthbert, Ga., to points in Alabama and Florida. Monty Schumacher, Suite 310, 2045 Peachtree Road NE., Atlanta, Ga. 30309, attorney for applicants.

No. MC-FC-71179. By order of March 26, 1969, the Motor Carrier Board approved the transfer to Murphy Transportation, Inc., Anniston, Ala., of Certificates Nos. MC-115691, MC-115691 (Sub-No. 5), MC-115691 (Sub-No. 6), MC-115691 (Sub-No 9), MC-115691 (Sub-No. 11), MC-115691 (Sub-No. 16), and MC-115691 (Sub-No. 17), issued April 18, 1958, April 3, 1959, June 30, 1959, January 22, 1960, November 17, 1960, August 29, 1966, and September 30, 1966, respectively, to R. J. Coker, doing business as Coker Trucking Co., Holt, Ala., authorizing the transportation of: Lumber, from specified counties in Alabama, to points in Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Missouri, Mississippi, Ohio, Oklahoma, Pennsylvania, Tennessee, and West Virginia; metal bleachers, pipe, and pipe fittings, from Demopolis, Ala., to points in Georgia and Florida; fibre conduit and fibre pipe, and couplings and fittings, from Orangeburg, N.Y., to points in Alabama, Arkansas, Florida, Georgia, Louisiana, and Mississippi; conduit and pipe, and fittings and attachments, as restricted, from

Glen Dale, W. Va., to points in Alabama, Arkansas, Florida, Georgia, Louisiana, and Mississippi; cast iron soil pipe and fittings and bituminized fibre pipe and fittings, from Holt, Ala., to points in West Virginia, and points in Pennsylvania on and west of U.S. Highway 219; and asbestos-cement pipe and pipe fittings, and plastic pipe and pipe fittings, as restricted, from plantsite of Orangeburg Manufacturing Company, located near Ravenna, Ohio, to points in Tennessee, Florida, and Georgia. Maurice F. Bishop, 327 Frank Nelson Building, Birmingham, Ala. 35203, attorney for applicants.

No. MC–FC–71206. By order of March 26, 1969, the Motor Carrier Board approved the transfer to Glen R. Riechmann, doing business as Riechmann Truck Service, Rural Route No. 2, Alhambra, Ill. 62001, of the operating rights in Certificate No. MC–90870 issued May 20, 1949, to A. P. Hencke, Pierron, Ill. 62273, authorizing the transportation of livestock, poultry, and used farm machinery, from Pierron, Ill., and points within 8 miles thereof, to St. Louis, Mo.; building material, farm implements, feed, and fencing, from St. Louis, Mo., to Pierron, Ill., and points within 8 miles thereof; and, general commodities, from St. Louis, Mo., to Pierron, Ill.

No. MC–FC–71209. By order of March 26, 1969, the Motor Carrier Board approved the transfer of License No. MC–12543 to Travel Systems International, Ltd., doing business as Vanderbilt Better Tours, Chicago, Ill., issued December 29, 1950, to John F. Healy and Romona Hayes Healy, doing business as Vanderbilt Better Tours, Chicago, Ill., authorizing the holder to engage in operations as a broker, at Chicago, Ill., in arranging for the transportation of passengers, and their baggage, between points in the United States. David G. Elmore, 222 West Adams Street, Chicago, Ill. 60606, attorney for applicants.

No. MC–FC–71210. By order of March 28, 1969, the Motor Carrier Board approved the transfer to The Paul J. Bucheri Co., a corporation, Rocky Hill, Conn., of the operating rights in Certificates Nos. MC–14977, MC–14977 (Sub-No. 2), MC–14977 (Sub-No. 3), and MC–14977 (Sub-No. 4) issued May 28, 1941, January 15, 1947, January 15, 1947, and November 4, 1952, respectively, acquired by transferor Alfred Coco pursuant to consummation of No. MC–FC–70499 on October 31, 1968, authorizing the transportation, over irregular routes, of fertilizer, agricultural lime, hay and straw, tobacco and tobacco warehouse equipment, livestock, stone, sand, gravel, dirt, and cement, and road building and grading materials and road construction equipment from and to, or between, various points in Connecticut, Massachusetts, and New York. John E. Fay, 79 Lafayette Street, Hartford, Conn. 06106, attorney for applicants.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 69–4076; Filed, Apr. 7, 1969; 8:47 a.m.]

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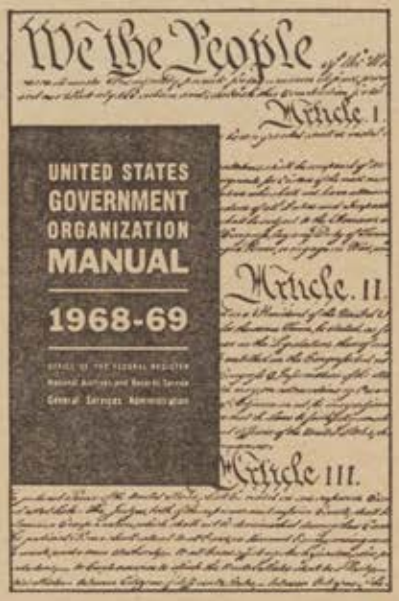

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