

# FEDERAL REGISTER

VOLUME 35

• NUMBER 32

Saturday, February 14, 1970

• Washington, D.C.

Pages 3015-3055

Agencies in this issue—

The President  
Agricultural Research Service  
Atomic Energy Commission  
Civil Aeronautics Board  
Commodity Credit Corporation  
Consumer and Marketing Service  
Federal Aviation Administration  
Federal Home Loan Bank Board  
Federal Power Commission  
Food and Drug Administration  
Internal Revenue Service  
Interstate Commerce Commission  
Land Management Bureau  
National Transportation Safety  
Board  
Small Business Administration  
State Department

Detailed list of Contents appears inside.



Just Released

## CODE OF FEDERAL REGULATIONS

(As of January 1, 1970)

Title 23—Highways (Revised) ----- \$0.35

Title 32—National Defense (Parts 400–589) (Revised) -- 2.00

*[A Cumulative checklist of CFR issuances for 1970 appears in the first issue of the Federal Register each month under Title 1]*

Order from Superintendent of Documents,  
United States Government Printing Office,  
Washington, D.C. 20402



Area Code 202

Phone 962-8626

Published daily, Tuesday through Saturday (no publication on Sundays, Mondays, or on the day after an official Federal holiday), by the Office of the Federal Register, National Archives and Records Service, General Services Administration, Washington, D.C. 20408, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U.S.C., Ch. 15), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (1 CFR Ch. I). Distribution is made only by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for \$2.50 per month or \$25 per year, payable in advance. The charge for individual copies is 20 cents for each issue, or 20 cents for each group of pages as actually bound. Remit check or money order, made payable to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The regulatory material appearing herein is keyed to the CODE OF FEDERAL REGULATIONS, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended (44 U.S.C. 1510). The CODE OF FEDERAL REGULATIONS is sold by the Superintendent of Documents. Prices of books and pocket supplements are listed in the first FEDERAL REGISTER issue of each month.

There are no restrictions on the republication of material appearing in the FEDERAL REGISTER or the CODE OF FEDERAL REGULATIONS.



# Contents

## THE PRESIDENT

### PROCLAMATION

Small Business Week, 1970..... 3019

## EXECUTIVE AGENCIES

### AGRICULTURAL RESEARCH SERVICE

#### Rules and Regulations

Foreign quarantine; nursery stock, plants and seeds; list of approved packing materials..... 3021  
Scabies in sheep; interstate movement (2 documents)..... 3022  
Veterinarians; requirements and standards for accreditation and suspension or revocation of such accreditation..... 3023

### AGRICULTURE DEPARTMENT

See Agricultural Research Service; Commodity Credit Corporation; Consumer and Marketing Service.

### ATOMIC ENERGY COMMISSION

#### Notices

Carolina Power and Light Co.; issuance of provisional construction permits..... 3042

### CIVIL AERONAUTICS BOARD

#### Proposed Rule Making

Exemption of air carriers from certain requirements; revision of dollar amount specified for exemption and clarification..... 3032

#### Notices

##### Hearings, etc.:

Air Jamaica, Ltd..... 3043  
Executive Airlines, Inc..... 3043  
International Air Transport Association..... 3043  
Western Alaska Airlines, Inc., and Alaska Aircraft Leasing Co..... 3044

### COMMODITY CREDIT CORPORATION

#### Notices

Sales of certain commodities; annual sales list for fiscal year ending June 30, 1970..... 3042

## CONSUMER AND MARKETING SERVICE

### Rules and Regulations

Handling limitations:  
Grapefruit grown in Florida... 3021  
Lemons grown in California and Arizona..... 3021  
Onions; importation..... 3022

## FEDERAL AVIATION ADMINISTRATION

### Rules and Regulations

Control zone and transition area; alteration..... 3029

## FEDERAL HOME LOAN BANK BOARD

### Rules and Regulations

Federal Savings and Loan Insurance Corporation; operations and limitations on rate of return; miscellaneous amendments..... 3027  
Federal Savings and Loan System; savings accounts in Federal savings and loan associations..... 3024

## FEDERAL POWER COMMISSION

### Notices

Southern Louisiana area; rate proceeding..... 3048  
Hearings, etc.:  
Pauley Petroleum, Inc., et al... 3044  
Tennessee Valley Municipal Gas Association et al..... 3049

## FOOD AND DRUG ADMINISTRATION

### Rules and Regulations

Drug labeling for cyclamate-containing artificial sweeteners; statement of general policy or interpretation; correction..... 3029

### Notices

Eli Lilly & Co.; withdrawal of approval of new animal drug application for Respireze..... 3042

## HEALTH, EDUCATION, AND WELFARE DEPARTMENT

See Food and Drug Administration.

## INTERIOR DEPARTMENT

See Land Management Bureau.

## INTERNAL REVENUE SERVICE

### Rules and Regulations

Temporary income tax regulations under Tax Reform Act of 1969; accumulation trusts..... 3030

## INTERSTATE COMMERCE COMMISSION

### Notices

Motor carriers:  
Temporary authority applications (2 documents)..... 3049-3051  
Transfer proceedings..... 3053  
Smoking by passengers and operating personnel on interstate buses; petition for institution of rulemaking proceeding..... 3053

## LAND MANAGEMENT BUREAU

### Notices

Idaho; filing of plats of survey... 3042

## NATIONAL TRANSPORTATION SAFETY BOARD

### Notices

Railroad accident at Franconia, Va.; investigation hearing..... 3042

## SMALL BUSINESS ADMINISTRATION

### Proposed Rule Making

Nondiscrimination in financial assistance programs; guaranty loan program; correction..... 3041  
Small business investment companies; records and reports..... 3032

## STATE DEPARTMENT

### Rules and Regulations

International traffic in arms; miscellaneous amendments..... 3029

## TRANSPORTATION DEPARTMENT

See Federal Aviation Administration; National Transportation Safety Board.

## TREASURY DEPARTMENT

See Internal Revenue Service.



## 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, 1970, and specifies how they are affected.

### 3 CFR

PROCLAMATION:

3961----- 3019

### 7 CFR

319----- 3021

910----- 3021

913----- 3021

980----- 3022

### 9 CFR

74 (2 documents)----- 3022, 3023

161----- 3023

### 12 CFR

545----- 3024

555----- 3024

563----- 3027

569----- 3027

### 13 CFR

PROPOSED RULES:

107----- 3032

113----- 3041

### 14 CFR

71----- 3029

PROPOSED RULES:

299----- 3032

### 21 CFR

3----- 3029

### 22 CFR

123----- 3029

125----- 3029

### 26 CFR

13----- 3030



# Presidential Documents

## Title 3—THE PRESIDENT

### Proclamation 3961

#### SMALL BUSINESS WEEK, 1970

By the President of the United States of America

#### A Proclamation

Theodore Roosevelt once said: "The foundation stone of national life is and ever must be the high individual character of the individual citizen." Nowhere has the force of that character been better demonstrated than in the small businesses of our nation. The imagination, courage and hard work of small businessmen have, since our country's founding, been a great source of national vitality and inventiveness.

Small business is not and never has been a small matter in our national life. Operating or working in small business has not only been a good way to make a living—it has been a good way to help make a country strong and free and prosperous.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, do hereby designate the week beginning May 17, 1970 as Small Business Week. I encourage chambers of commerce, boards of trade, and other public and private organizations to observe this week by recognizing the contributions which small business enterprises have made to our national development. I urge them to find appropriate means for paying tribute to the accomplishments of small business, and I trust they will encourage small businessmen to achieve new successes in the future.

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



[F.R. Doc. 70-1966; Filed, Feb. 12, 1970; 2:48 p.m.]





# Rules and Regulations

## Title 7—AGRICULTURE

Chapter III—Agricultural Research Service, Department of Agriculture

### PART 319—FOREIGN QUARANTINE NOTICES

Subpart—Nursery Stock, Plants and Seeds

#### LIST OF APPROVED PACKING MATERIALS

Pursuant to the authority conferred by § 319.37-16 of the regulations (7 CFR 319.37-16) supplemental to the Nursery Stock, Plants and Seeds Quarantine (Notice of Quarantine No. 37, 7 CFR 319.37), issued under sections 1, 5, and 9 of the Plant Quarantine Act of 1912 (7 U.S.C. 154, 159, 162), administrative instructions designated as § 319.37-16a (7 CFR 319.37-16a) are hereby amended by adding to the list of approved packing materials therein, in the proper alphabetical order, the following item:

§ 319.37-16a Administrative instructions; list of approved packing materials and instructions for their use.

(a) \* \* \*

Polymer stabilized cellulose.

(Secs. 1, 5, 9, 37 Stat. 315, 318, as amended; 7 U.S.C. 154, 162, 169, as amended; 29 F.R. 16210, as amended; 7 CFR 319.37-16)

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

This amendment adds "polymer stabilized cellulose" to the list of approved packing materials that may be used in connection with shipments of restricted plant material. Polymer stabilized cellulose is made of acrylonitrile stabilized wood pulp. It has been determined by the Director of the Division that the use of this material does not involve a risk of introducing insect pests and plant diseases.

Insofar as this amendment relieves certain restrictions, it should be made effective promptly in order to be of maximum benefit to shippers that wish to take advantage of the use of the product. Therefore, under the administrative procedure provisions of 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the amendment are impracticable and unnecessary, and good cause is found for making the amendment effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Hyattsville, Md., this 10th day of February 1970.

[SEAL]

W. H. WHEELER,  
Acting Director,  
Plant Quarantine Division.

[F.R. Doc. 70-1874; Filed, Feb. 13, 1970; 8:45 a.m.]

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

[Lemon Reg. 414]

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

#### Limitation of Handling

#### § 910.714 Lemon Regulation 414.

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

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

sons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on February 10, 1970.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period February 15 through February 21, 1970, are hereby fixed as follows:

- (i) District 1: 32,550 cartons;
- (ii) District 2: 125,550 cartons;
- (iii) District 3: 37,200 cartons.

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

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

Dated: February 12, 1970.

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

[F.R. Doc. 70-1944; Filed, Feb. 13, 1970; 8:48 a.m.]

[Grapefruit Reg. 35]

### PART 913—GRAPEFRUIT GROWN IN THE INTERIOR DISTRICT IN FLORIDA

#### Limitation of Handling

#### § 913.335 Grapefruit Regulation 35.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 913, as amended (7 CFR Part 913; 34 F.R. 12428), regulating the handling of grapefruit grown in the Interior District in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the Interior Grapefruit Marketing Committee, established under said marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

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



The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Interior grapefruit, and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee; and information concerning such provisions and effective time has been disseminated among handlers of such Interior grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on February 12, 1970.

(b) *Order.* (1) The quantity of grapefruit grown in the Interior District which may be handled during the period February 16, 1970, through February 22, 1970, is hereby fixed at 250,000 standard packed boxes.

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

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

Dated: February 12, 1970.

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

[F.R. Doc. 70-1992; Filed, Feb. 13, 1970;  
11:28 a.m.]

[980.108, Amdt. 1]

## PART 980—VEGETABLES; IMPORT REGULATIONS

### Onions

*Findings.* Notice of rule making regarding a proposed amendment to § 980.108, Onion import regulation (34 F.R. 13320), was published in the December 30, 1969, issue of the FEDERAL REGISTER (34 F.R. 20349). This regulation is effective under section 8e-1 of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 608e-1).

Interested persons were afforded an opportunity to file data, views, or arguments in regard to the proposed amendment not later than February 1, 1970. None was filed.

After consideration of all relevant matters, including the proposal set forth in the aforesaid notice, it is hereby found that the proposal as published in the no-

tice should be issued as hereinafter set forth. This regulation is subject to further amendment as domestic regulations are changed.

*Order as amended.* In § 980.108 *Onion import regulation* (34 F.R. 13320), the introductory paragraph and paragraphs (a) and (b) are deleted and the following new introductory paragraph and new paragraphs (a), (h), and (i) are substituted in lieu thereof and paragraph (b) is republished for information:

#### § 980.108 Onion import regulation.

Pursuant to section 608e-1 of the Act (7 U.S.C. 608e-1) and except as otherwise provided herein, during the period beginning March 15, 1970, and continuing through May 31, 1970, the importation of onions is prohibited unless such onions are inspected and meet the requirements of this section.

(a) *Minimum grade and size requirements.* (1) *Grade.* Not to exceed 20 percent defects of U.S. No. 1 grade. In percentage grade lots, tolerances for serious damage shall not exceed 10 percent including not more than 2 percent decay. Double the lot tolerance shall be permitted in individual packages in percentage grade lots. Applications of tolerances in U.S. Grade Standards shall apply to in-grade lots.

(2) *Size.* White onions—1 inch minimum diameter; all other varieties of onions—1¾ inches minimum diameter.

(b) *Condition.* Due consideration shall be given to the time required for transportation and entry of onions into the United States. Onions with transit time from country of origin to entry into the United States of 10 or more days may be entered if they meet an average tolerance for decay of not more than 5 percent provided they also meet the other requirements of this section.

(h) It is hereby determined that imports of onions, during the effective time of this section, are in most direct competition with domestic shipments of onions grown in South Texas. The requirements set forth in this section are the same as those applicable to the grade, size, quality, and maturity in the limitation of shipments regulation (§ 959.310 of this chapter, 34 F.R. 19290) effective under Marketing Order No. 959, as amended (Part 959 of this chapter) regulating the handling of onions grown in South Texas.

(i) *Definitions.* For the purpose of this section, "Onions" means all (except red) varieties of *Allium cepa* marketed dry, except dehydrated, canned and frozen onions, onion sets, green onions, and pickling onions. Onions commonly referred to as "braided," that is, with tops, may be imported if they meet the grade and size requirements except for top length. The term "U.S. No. 1" shall have the same meaning as set forth in the U.S. Standards for Grades of Bermuda-Granex-Grano Type Onions (§§ 51.3195-51.3209 of this title), U.S. Standards for Grades of Creole Onions (§§ 51.3955-

51.3970 of this title) or in the U.S. Standards for Grades of Onions Other Than Bermuda-Granex, Grano, and Creole Types (§§ 51.2830-51.2854 of this title), whichever is applicable to the particular variety. Tolerances for size shall be those in the applicable U.S. Standards. The requirements of Canada No. 1 grade are deemed comparable to the requirements of U.S. No. 1 grade. "Importation" means release from custody of the U.S. Bureau of Customs.

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

Dated February 11, 1970, to become effective March 15, 1970.

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

[F.R. Doc. 70-1896; Filed, Feb. 13, 1970;  
8:47 a.m.]

## Title 9—ANIMALS AND ANIMAL PRODUCTS

### Chapter I—Agricultural Research Service, Department of Agriculture

#### SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

#### PART 74—SCABIES IN SHEEP

##### Interstate Movement

Pursuant to the provisions of sections 4 through 7 of the Act of May 29, 1884, as amended, sections 1 and 2 of the Act of February 2, 1903, as amended, sections 1 through 4 of the Act of March 3, 1905, as amended, and the Act of July 2, 1962 (21 U.S.C. 111-113, 115, 117, 120, 121, 123-126), Part 74, Subchapter C, Chapter I, Title 9, Code of Federal Regulations, as amended, is hereby further amended in the following respects:

1. In § 74.2(a), subparagraph (5) is amended to read as follows:

§ 74.2 Designation of free and infected areas.

(a) \* \* \*

(5) All counties in New Jersey except Camden, Hunterdon, Monmouth, and Salem Counties.

2. In § 74.3(a), subparagraph (4) is amended to read as follows:

§ 74.3 Designation of eradication areas.

(a) \* \* \*

(4) The following counties in New Jersey: Camden, Hunterdon, Monmouth, and Salem Counties.

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

*Effective date.* The foregoing amendments shall become effective upon publication in the FEDERAL REGISTER.



The amendments add Hunterdon County in New Jersey to the list of infected and eradication areas, and delete such county from the list of free areas due to the presence of sheep scabies therein. After the effective date of the amendments the restrictions pertaining to the interstate movement of sheep from or into infected and eradication areas as contained in 9 CFR Part 74, as amended, will apply to such area.

The amendments impose certain restrictions on the interstate movement of sheep from Hunterdon County in New Jersey for the purpose of preventing the spread of scabies, a communicable disease of sheep, and must be made effective immediately in order to accomplish their purpose in the public interest. Accordingly, under the administrative procedure provisions of 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the amendments are impracticable and contrary to the public interest, and good cause is found for making the amendments effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 10th day of February 1970.

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

[F.R. Doc. 70-1875; Filed, Feb. 13, 1970;  
8:45 a.m.]

## PART 74—SCABIES IN SHEEP

### Interstate Movement

Pursuant to the provisions of sections 4 through 7 of the Act of May 29, 1884, as amended, sections 1 and 2 of the Act of February 2, 1903, as amended, sections 1 through 4 of the Act of March 3, 1905, as amended, and the Act of July 2, 1962 (21 U.S.C. 111-113, 115, 117, 120, 121, 123-126, 134b, 134f), Part 74, Subchapter C, Chapter I, Title 9, Code of Federal Regulations, as amended, is hereby further amended in the following respects:

1. In § 74.2(a), subparagraph (5) is amended to read as follows:

§ 74.2 Designation of free and infected areas.

(a) \* \* \*

(5) All counties in New Jersey except Camden, Gloucester, Hunterdon, Monmouth, and Salem Counties.

2. In § 74.3(a), subparagraph (4) is amended to read as follows:

§ 74.3 Designation of eradication areas.

(a) \* \* \*

(4) The following counties in New Jersey: Camden, Gloucester, Hunterdon, Monmouth, and Salem Counties.

(Secs. 4-7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791-792, as amended, secs. 1-4, 33 Stat. 1264, as amended, 1265, as amended,

76 Stat. 129-132; 21 U.S.C. 111-113, 115, 117, 120, 123-126, 29 F.R. 16210, as amended)

**Effective date.** The foregoing amendments shall become effective upon publication in the FEDERAL REGISTER.

The amendments add Gloucester County in New Jersey to the list of infected and eradication areas and delete such county from the list of free areas due to the presence of sheep scabies therein. After the effective date of the amendments, the restrictions pertaining to the interstate movement of sheep from or into infected and eradication areas as contained in 9 CFR Part 74, as amended, will apply to such area.

The amendments impose certain restrictions on the interstate movement of sheep from or into Gloucester County in New Jersey for the purpose of preventing the spread of scabies, a communicable disease of sheep, and must be made effective immediately in order to accomplish their purpose in the public interest. Accordingly, under the administrative procedure provisions of 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the amendments are impracticable and contrary to the public interest, and good cause is found for making them effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 10th day of February 1970.

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

[F.R. Doc. 70-1873; Filed, Feb. 13, 1970;  
8:45 a.m.]

## SUBCHAPTER I—ACCREDITATION OF VETERINARIANS AND SUSPENSION OR REVOCATION OF SUCH ACCREDITATION

### PART 161—REQUIREMENTS AND STANDARDS FOR ACCREDITED VETERINARIANS AND SUSPENSION OR REVOCATION OF SUCH ACCREDITATION

#### Suspension or Revocation of Veterinary Accreditation

Pursuant to the provisions of sections 3, 4, 5, 6, 11, and 13 of the Act of May 29, 1884, as amended, section 10 of the Act of August 30, 1890, sections 1 and 2 of the Act of February 2, 1903, as amended, section 3 of the Act of March 3, 1905, as amended, the Act of March 4, 1907, as amended, the Act of July 24, 1919, the Act of May 31, 1920, and sections 3 and 11 of the Act of July 2, 1962 (21 U.S.C. 105, 111-113, 114, 114a, 114a-1, 115, 116, 120, 121, 124, 125, 134b, 134f, and 613-618), Subchapter I of Title 9, Code of Federal Regulations, is hereby amended as follows:

1. The heading of Subchapter I is amended to read as set forth above.

2. The heading to Part 161 is amended to read as set forth above.

3. Section 161.3 is amended to read:

#### § 161.3 Suspension or revocation of veterinary accreditation.

(a) The Director is authorized to suspend for a given period of time, or to revoke, the accreditation of a veterinarian when he determines that the accredited veterinarian has not complied with the "Standards for Accredited Veterinarians" as set forth in § 161.2, or in lieu thereof to issue a written notice of warning to the accredited veterinarian when the Director determines that the failure to comply with said standards constitutes a minor violation and that it appears that a notice of warning will be adequate to attain compliance with the Standards.

(b) Any suspension or revocation of accreditation for failure to comply with the Standards shall be applicable in all States in which the veterinarian is accredited.

(c) Accreditation in a given State shall be automatically terminated when an accredited veterinarian's license to practice veterinary medicine in that State is terminated.

(23 Stat. 32, as amended; 58 Stat. 734, as amended; 65 Stat. 693; 26 Stat. 417; 32 Stat. 791, 792, as amended; 33 Stat. 1265, as amended; 34 Stat. 1263, 1264, as amended; 41 Stat. 699; 76 Stat. 130, 132; 81 Stat. 584; 21 U.S.C. 105, 111-113, 114, 114a, 114a-1, 115, 116, 120, 121, 125, 134b, 134f, 613-618; 29 F.R. 16210, as amended)

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

The purposes of the foregoing amendments are: (1) To provide as alternatives for revocation of accreditation that the Director may suspend the accreditation of a veterinarian for a given time, or issue a notice of warning for minor violations, and (2) to clarify the provisions of Part 161 by specifically providing that the accreditation of a veterinarian in a particular State is automatically terminated when his license to practice veterinary medicine has been terminated in that State since he then no longer meets the requirements for accreditation set forth in § 161.1(a)(2).

The amendments relate to the rules of practice and otherwise merely clarify the current provisions of 9 CFR Part 161. Accordingly, under the administrative procedure provisions of 5 U.S.C. § 553, it is found upon good cause that notice and other public procedure with respect to the amendments are unnecessary, and the amendments may be made effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 10th day of February 1970.

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

[F.R. Doc. 70-1872; Filed, Feb. 13, 1970;  
8:45 a.m.]



## Title 12—BANKS AND BANKING

### Chapter V—Federal Home Loan Bank Board

#### SUBCHAPTER C—FEDERAL SAVINGS AND LOAN SYSTEM

[No. 23,739]

#### PART 545—OPERATIONS

#### PART 555—BOARD RULINGS

#### Savings Accounts in Federal Savings and Loan Associations

JANUARY 21, 1970.

Resolved that the Federal Home Loan Bank Board considers it advisable to amend Parts 545 and 555 of the rules and regulations for the Federal Savings and Loan System (12 CFR Parts 545, 555) for the purposes (1) of making certain changes in the provisions governing the issuance by Federal savings and loan associations of savings deposits under §§ 545.1-2 and 545.1-4 of such regulations, fixed-balance bonus accounts under § 545.3(b), and variable rate savings accounts under § 545.3-1 and (2) deleting a reference, in § 555.8(e) of such regulations, to a provision revoked by resolution of this date. On the basis of such consideration and for such purposes, the Federal Home Loan Bank Board hereby amends said Parts 545 and 555 as follows, effective January 21, 1970:

1. Part 545 is amended by revising paragraph (b) (4) of § 545.1-2 to read as follows:

#### § 545.1-2 Savings deposits.

##### (b) Savings deposits. \* \* \*

(4) *Payment of interest.* Except as otherwise provided in this subparagraph, interest on savings deposits authorized by this section shall be paid semiannually on June 30 and December 31 of each year at the rate fixed by the board of directors of the association during the month immediately preceding the semiannual periods beginning January 1 and July 1. If the board of directors adopts a resolution providing for the payment of interest on savings deposits, or designated classes thereof, on a quarterly basis, interest on such deposits shall also be paid on March 31 and September 30 at the rate fixed by such board during the month immediately preceding such quarterly period. The board of directors may also provide for the payment of interest on savings deposits authorized by this section (i) on the same dates, or with the same frequency, as is provided for the distribution of earnings on savings accounts under § 545.3-1, and (ii) on the same bases, terms, and conditions as are provided for the distribution of earnings on savings accounts under § 545.1-1.

2. Part 545 is amended by revising § 545.1-4 to read as follows:

#### § 545.1-4 Other savings deposits.

(a) *General.* In addition to the savings deposits authorized by § 545.1-2,

any Federal association which has a charter in the form of Charter N or Charter K (rev.) and which has adopted the charter provision set forth in § 545.1-3 may, subject to the provisions of this section, accept savings deposits for fixed periods of time and bearing fixed rates of interest, which savings deposits shall have the same status and priority as is provided under subparagraph (3) of paragraph (b) of § 545.1-2 for savings deposits authorized by that section. Holders of savings deposits authorized by this section shall, to the same extent as is provided in subparagraph (2) of paragraph (b) of § 545.1-2 for holders of savings deposits authorized by that section, be members of the association and have voting rights.

(b) *Payment of interest.* Interest on savings deposits authorized by this section shall be paid at the rate fixed by the board of directors of the association prior to the acceptance of the deposit. The board of directors of the association shall provide that interest on such savings deposits, or designated classes thereof, shall be paid either quarterly, semiannually, annually, at the conclusion of the fixed term, or on any dates on which interest may be paid on savings deposits authorized by § 545.1-2. The board of directors of the association may provide for the payment of interest on savings deposits authorized by this section on the same bases, terms, and conditions as is provided for the distribution of earnings on savings accounts by § 545.1-1.

(c) *Limitations:* In accepting savings deposits under the authority contained in paragraph (a) of this section, no Federal association shall:

(1) Provide for the payment of interest on any savings deposit in excess of the applicable maximum rate of return prescribed for certificate accounts in Part 526 of this chapter;

(2) Provide for any forfeiture for breach of condition on the part of any depositor, other than loss of interest, or partial loss thereof, for the term of the savings deposit or other specified time period;

(3) Issue any negotiable form of certificate evidencing a savings deposit;

(4) Deny any member the opportunity to make any savings deposit at the same rate offered to any other member at that time on the same classification of savings deposit;

(5) Accept any fixed-term savings deposit for a term of less than 60 days or more than 10 years: *Provided,* That any savings deposit may provide for renewal, at the option of the association, for successive periods not exceeding 10 years for each renewal;

(6) Issue any fixed term savings deposit which is subject to redemption;

(7) Provide for withdrawal from any fixed term savings deposit prior to the expiration of that term, except as provided in paragraph (f) of this section; or

(8) Issue any form of certificate evidencing a savings deposit under this section unless the association has first (i) obtained a written opinion by its legal

counsel that such form of certificate complies with the requirements of applicable law and regulations and the association's charter, which opinion shall be retained by the association so long as it continues to issue certificates in such form, and (ii) submitted a copy of such form of certificate, together with a copy of such legal opinion, to the Federal Savings and Loan Insurance Corporation: *Provided,* That such legal opinion need not be obtained if the association uses a form of certificate which has already been approved by the Corporation for use by Federal associations.

(d) *Form of certificate.* Certificates evidencing savings deposits accepted pursuant to the authority contained in this section shall, subject to the limitations contained in paragraph (c) of this section and the disclosure requirements contained in paragraph (e) of this section, be in such form as the board of directors of the association may determine. Such certificates may be incorporated in passbooks or issued as separate certificates.

(e) *Disclosure.* Each certificate evidencing a savings deposit accepted pursuant to the authority contained in this section shall include in its provisions and display in easily read type:

(1) The rate of interest to be paid and the dates or frequency at which interest is payable;

(2) The amount of the deposit and the date on which it is made;

(3) The term of the deposit;

(4) The penalty or penalties imposed for withdrawal prior to completion of the fixed term or renewal and any restrictions on such withdrawal;

(5) The minimum balance requirement applicable to the deposit;

(6) Any provisions relating to renewal at the conclusion of the fixed term;

(7) Any provisions relating to the interest to be paid after the conclusion of a fixed term or renewal; and

(8) A provision converting the deposit at the conclusion of a fixed term or renewal, or at any time that the applicable minimum balance requirement ceases to be met, to the status of a savings deposit accepted for an indefinite period of time.

(f) *Withdrawal prior to expiration of term.* (1) In the event of withdrawal of all or any portion of a fixed-term savings deposit prior to the expiration of its term—

(i) If the term of such deposit is less than 180 days, except with respect to deposits of \$100,000 or more, the depositor shall receive interest on the amount withdrawn at such rate, not in excess of the rate then being paid on savings deposits accepted for an indefinite period of time, and subject to such other penalties, as the certificate evidencing such deposit may provide.

(ii) If the term of such deposit is 180 days or more, or if such deposit is in the amount of \$100,000 or more, the depositor shall receive interest at the stated rate on the amount withdrawn, less such penalty as the certificate evidencing such deposit may provide. Such penalty shall be in an amount not less than the lesser



of (a) the interest for 90 days (3 months) on the amount withdrawn or (b) all interest (since issuance or renewal of the deposit) on the amount withdrawn.

(iii) If any interest has been paid to the depositor prior to such withdrawal, a deduction shall be made from the amount withdrawn to adjust for the penalty applicable to such interest.

(2) In the case of early withdrawal of only a portion of such deposit, the certificate evidencing such deposit shall be canceled if the applicable minimum balance requirement ceases to be met. If such requirement continues to be met, (i) appropriate notation may be made on the certificate indicating the amount and date of such withdrawal and the remaining deposit balance, or (ii) the certificate may be canceled and a new certificate issued for the remaining portion of the deposit with the same term, rate, and dates as in the canceled certificate.

(3) A Federal association may provide that a depositor cannot withdraw any portion of a fixed-term savings deposit prior to the expiration of its term except under such emergency circumstances as it may set forth in the certificate evidencing such deposit.

3. Part 545 is amended by revising paragraph (b) of § 545.3 to read as follows:

**§ 545.3 Bonus on monthly payment and fixed-balance accounts.**

(b) *Fixed-balance accounts.* The board of directors of a Federal association which has a charter in a form not inconsistent with the provisions of this section and which has bylaws which include the provisions of paragraph (e) of § 544.6 of this chapter may determine that, in addition to other earnings distributed on savings accounts, such association shall distribute a bonus on accounts of such minimum amount, not less than \$1,000, which are maintained for such minimum qualifying period, not less than 3 months nor more than 36 months, as may be determined in accordance with and subject to the provisions of this paragraph.

(1) Each such bonus account shall be evidenced by a certificate issued in the amount originally invested in the account.

(2) Each such certificate, whether incorporated in an account book or printed as a separate certificate, shall be in the form prescribed pursuant to paragraph (b) of § 545.2 and shall also bear on its face the words: "A bonus is distributable on the amount of this certificate as provided in, and subject to, paragraph (b) of § 545.3 of the rules and regulations for the Federal Savings and Loan System, for which purpose the beginning of the qualifying period of \_\_\_\_\_ months is \_\_\_\_\_." Each such certificate

(Date) shall also set forth the terms of any penalty required under subparagraph (4) of this paragraph.

(3) While the bonus account certificate remains outstanding, earnings other than the bonus shall be distrib-

uted by payment in cash to the account holder or by crediting the bonus account or another account at the regular distribution dates established for such bonus accounts. The bonus on the amount originally invested in such bonus account shall be so distributed upon expiration of the qualifying period. Thereafter, all earnings, including any bonus, on the amount in such bonus account shall be so distributed at such regular distribution dates.

(4) In the event of withdrawal of all or any portion of any such bonus account having a qualifying period of 6 months or more, or a balance of \$100,000 or more, prior to the expiration of such qualifying period, there shall be deducted, from the earnings paid or credited on such account since its issuance, a penalty in an amount equal to the lesser of (i) the earnings paid or credited for 3 months on the amount withdrawn or (ii) all such earnings on the amount withdrawn. If any earnings have been distributed to the account holder prior to such withdrawal, a deduction shall be made from the amount withdrawn to adjust for the penalty applicable to such earnings.

(5) While such certificate remains outstanding, prior to the expiration of the qualifying period, a reserve for the bonus shall be maintained and appropriate credits and debits shall be made to such reserve at the regular distribution dates for such bonus accounts.

(6) The board of directors may fix a bonus rate not in excess of 0.75 percent per annum for any bonus plan offered by the association; but such board may not fix any bonus rate which, when added to the earnings otherwise distributable on a bonus account at the time such rate is fixed, would cause the total rate of earnings on such bonus account to exceed the applicable maximum rate of return prescribed for certificate accounts in Part 526 of this chapter. For any distribution period in which the bonus rate, when added to the earnings otherwise distributable on a bonus account, would cause the total rate of earnings on such bonus account to exceed such applicable maximum rate of return, the bonus rate shall be reduced, to such rate as will cause the total rate of earnings to equal such applicable maximum rate of return, in accordance with the provisions of subdivision (iii) of subparagraph (9) of this paragraph.

(7) A Federal association may offer more than one bonus plan pursuant to this paragraph at any one time. Each member who, at the date of determination to offer any such bonus plan, holds a savings account with a balance of not less than the minimum amount determined for such bonus plan shall have the right, for a reasonable period of time, which period shall be fixed by resolution of the board of directors and shall be not less than 3 months after the date of mailing, posting, or publishing of the written notice required by subparagraph (8) of this paragraph, to exchange all or any qualified portion of such savings account for one or more certificates issued

pursuant to the provisions of this paragraph and dated as of the date of exchange.

(8) The written notice of a particular bonus plan shall set forth the plan adopted. Such Federal association shall give such notice within not more than 30 days after the effective date of adoption of the plan by at least one of the following means:

(i) Mailing postage prepaid to each member described in subparagraph (7) of this paragraph at the last address appearing on the books of such Federal association;

(ii) Posting in a conspicuous place in each of the offices of the association for so long as the association continues to offer the plan; or

(iii) Publishing in a newspaper printed in the English language and of general circulation in the city or county in which each office of the association is located.

(9) The board of directors of such Federal association may by resolution:

(i) Fix the maximum dollar amount which may be held by any one account holder at any one time pursuant to this paragraph, which maximum shall be applicable alike to each holder;

(ii) Discontinue the issuance of certificates pursuant to the provisions of this paragraph except to the extent that holders of savings accounts may exchange all or a qualified portion of their accounts in accordance with subparagraph (7) of this paragraph;

(iii) Reduce the rate or discontinue the distribution of any bonus on outstanding certificates issued under any bonus plan adopted pursuant to this paragraph by giving at least 30 days' written notice mailed to all holders of such certificates, but no such reduction or discontinuance shall be effective as to any certificate prior to the date as of which a bonus is next distributable on such certificate; and

(iv) Determine that if the association adopts a bonus plan pursuant to this paragraph which provides for a higher bonus rate than is provided by any existing bonus plan subject to this paragraph, the bonus on any account subject to such existing bonus plan shall be computed at the higher bonus rate from the date of adoption of such higher-rate bonus plan if such existing bonus account meets the minimum amount required to qualify for the higher-rate bonus plan.

(10) No bonus shall be distributed under this paragraph on any savings account on which a bonus or earnings at a rate higher than the regular rate are being distributed under any other provision of the association's charter or of this part.

4. Part 545 is amended by revoking paragraph (h) of § 545.3-1 and by revising paragraphs (a), (b), (c), and (d) of § 545.3-1 to read as follows:

**§ 545.3-1 Distribution of earnings at variable rates.**

(a) *General.* Subject to the provisions of this section, the board of directors of



a Federal association which has a charter in the form of Charter N or Charter K (rev.), after having determined the rate at which earnings will be distributed on its savings accounts for a distribution period, hereinafter referred to as the regular rate, may provide for the distribution of earnings for that period (1) on a designated class of savings accounts on which earnings are paid to the date of withdrawal, at a rate lower than the regular rate and (2) on savings accounts which meet eligibility requirements fixed by the board of directors pursuant to paragraph (b) of this section and such additional requirements as the board of directors may impose, at a rate or rates higher than the regular rate.

(b) *Eligibility requirements.* The board of directors may, by resolution, provide for the distribution of earnings at a rate or rates higher than the regular rate only on savings accounts which meet the minimum requirements fixed by the board of directors pursuant to subparagraphs (1), (2), (3), and (4) of this paragraph and such additional requirements as the board of directors may impose, except that the board of directors shall not authorize the issuance of accounts evidenced by notice-account books pursuant to subparagraph (2) of this paragraph unless the association's charter contains the sentence specified in paragraph (b) of § 544.8 of this subchapter or the charter provision set forth in paragraph (a) of § 545.1-3.

(1) *Accounts evidenced by account books other than notice-account books.* For any distribution period for which the regular rate is less than the applicable maximum rate of return prescribed for regular accounts in Part 526 of this chapter, a savings account which is evidenced by an account book other than a notice-account book and is maintained at not less than \$1,000 for a continuous period of not less than 12 months may receive earnings at a rate higher than the regular rate, but not in excess of the applicable maximum rate of return prescribed for regular accounts in said Part 526.

(2) *Accounts evidenced by notice-account books.* A savings account which is evidenced by a notice-account book containing a requirement that the holder of the account give the Federal association written notice of at least 90 days prior to making any withdrawal from such account, except as otherwise provided in this subparagraph (2), may receive earnings at a rate higher than the regular rate but not in excess of the applicable maximum rate of return prescribed for notice accounts in Part 526 of this chapter. A Federal association may provide that such notice prior to withdrawal will not be required at the end of a dividend period or within 10 days thereafter in connection with the withdrawal of funds which have remained in such account for at least 90 days. In the event of any other withdrawal from such account prior to the expiration of such notice period, the holder of such account shall not be entitled to receive accrued and unpaid earnings on the amount

withdrawn for the period of time such funds remained in the association since the last date on which the association regularly distributed earnings on notice accounts.

(3) *Accounts evidenced by certificates.* A savings account which is evidenced by a certificate meeting the requirements of paragraph (c) of this section may receive earnings at a rate higher than the regular rate, but not in excess of the applicable maximum rate of return prescribed for certificate accounts in Part 526 of this chapter, if such account is maintained at not less than such minimum amount, for such continuous period of not less than 60 days, nor more than 10 years, commencing on the date of such certificate, as the association may determine. Such savings account may be evidenced by more than one certificate.

(4) *Split rates.*—(i) *General.* For any distribution period for which the regular rate is less than the applicable maximum rate of return prescribed for regular accounts in Part 526 of this chapter, a savings account which is evidenced by a certificate meeting the requirements set forth in subdivision (ii) of this subparagraph may receive earnings at a rate higher than the regular rate on the balance of any account in excess of such minimum balance as shall be fixed by the board of directors, which minimum balance shall not be less than \$200, and at a rate or rates in excess of such higher rate on such higher balance or balances as the board of directors may prescribe, but no such rate shall be in excess of the applicable maximum rate of return prescribed for regular accounts in said Part 526.

(ii) *Account books and certificates.* Each certificate, whether incorporated in an account book or printed as a separate certificate, evidencing an account issued pursuant to this subparagraph (4) shall be in the form prescribed by the Board pursuant to paragraph (b) of § 545.2 and shall bear on its face the following additional words:

Earnings are distributable on this account as determined by the board of directors of the association, subject to § 545.3-1(b) (4) of the rules and regulations for the Federal Savings and Loan System.

(c) *Form of certificate.* (1) Certificates evidencing savings accounts on which earnings are distributable at a rate higher than the regular rate pursuant to subparagraph (3) of paragraph (b) of this section shall, subject to the requirements contained in this paragraph, be in such form as the board of directors of the association may determine. Any form to be issued shall be set forth in the minutes of the board of directors together with the date after which, and the class of savings account for which, said form will be issued.

(2) Each such certificate, whether incorporated in an account book or printed as a separate certificate, shall include in its provisions and display in easily read type:

(i) The anticipated or stated rate of earnings to be paid and the dates or fre-

quency at which such earnings are distributable;

(ii) The amount of the certificate account and the date on which it is issued;

(iii) The time and minimum balance eligibility requirements applicable to such certificate account if it is to receive earnings at a rate higher than the regular rate;

(iv) The penalty or penalties imposed, for withdrawal prior to completion of the time eligibility period, in accordance with the provisions of subparagraph (3) of this paragraph.

(v) Any provisions limiting the right of the holder to withdraw all or any portion of the certificate account prior to completion of the time eligibility period;

(vi) Any provisions relating to renewal of such certificate account upon expiration of the time eligibility period, which renewal or renewals, for successive periods not exceeding 10 years for each renewal, shall be at the option of the association; and

(vii) Any provisions relating to the earnings distributable on the certificate account after expiration of the time eligibility period or any renewal of such account.

(3) In the event of withdrawal of all or any portion of any certificate account, issued pursuant to subparagraph (3) of paragraph (b) of this section, prior to completion of the time eligibility period set forth in the certificate evidencing such account—

(i) If the time eligibility period is less than 180 days, except with respect to accounts of \$100,000 or more, the account holder shall receive earnings on the amount withdrawn, at such rate, not in excess of the regular rate, and subject to such other penalties, as may be provided in the certificate.

(ii) If the time eligibility period is 180 days or more, or if such account is in the amount of \$100,000 or more, the account holder shall receive earnings at the applicable certificate rate, less such penalty as may be provided in the certificate. Such penalty shall be in an amount not less than the lesser of (a) the earnings for 90 days (3 months) on the amount withdrawn or (b) all earnings (since issuance or renewal of the certificate account) on the amount withdrawn.

(iii) If any earnings have been distributed to the account holder prior to such withdrawal, a deduction shall be made from the amount withdrawn to adjust for the penalty applicable to such earnings.

(4) In the case of early withdrawal of only a portion of a certificate account, the certificate evidencing such account shall be canceled if the applicable minimum balance eligibility requirement ceases to be met. If such requirement continues to be met, (i) appropriate notation may be made on the certificate indicating the amount and date of such withdrawal and the remaining account balance, or (ii) the certificate may be canceled and a new certificate issued for the remaining balance of the account with the same eligibility requirements,



rate, and dates as in the canceled certificate.

(5) No Federal association shall issue any form of certificate under this paragraph unless the association has first (i) obtained a written opinion by its legal counsel that such form of certificate complies with the requirements of applicable law and regulations and the association's charter, which opinion shall be retained by the association so long as it continues to issue certificates in such form, and (ii) submitted a copy of such form of certificate, together with a copy of such legal opinion, to the Federal Savings and Loan Insurance Corporation: *Provided*, That such legal opinion need not be obtained if the association uses a form of certificate which has already been approved by the Corporation for use by Federal associations.

(d) *Time and manner of distributing earnings.* (1) As to an account evidenced by an account book or a notice-account book issued pursuant to this section, or by a certificate issued pursuant to subparagraph (4) of paragraph (b) of this section, earnings shall be distributed on such dates as are provided in the association's charter or as have been designated as distribution dates for such class of savings accounts pursuant to paragraph (b) of § 545.1-1.

(2) As to an account evidenced by a certificate issued pursuant to subparagraph (3) of paragraph (b) of this section, earnings shall be distributed, as provided in such certificate, either quarterly, semiannually, annually, at the conclusion of the time eligibility period, or on such dates as are provided in the association's charter or as have been designated as distribution dates for such class of savings accounts pursuant to paragraph (b) of § 545.1-1.

(3) When any savings account issued pursuant to this section has met the applicable eligibility requirements fixed pursuant to paragraph (b) of this section, any earnings on the account that then remain undistributed may thereupon be credited or paid to the owner thereof.

(4) As to an account issued under this section which is evidenced by an account book and which has met the applicable eligibility requirements fixed pursuant to paragraph (b) of this section, the association, while such account continues to be eligible to receive a higher rate, shall continue to distribute earnings at a higher rate pursuant to this section at each date as of which the association regularly distributes earnings on such class of savings accounts, until such time as the board of directors determines to discontinue such higher rate.

(5) As to any account issued under subparagraph (3) of paragraph (b) of this section which is evidenced by a certificate issued on or after October 1, 1966, and which does not provide for renewal, earnings at the regular rate shall be distributed for any period during which such account is outstanding beyond the time eligibility requirements fixed pursuant to paragraph (b) of this section at

each date on which the association regularly distributes earnings on such class of savings accounts.

(6) While an account evidenced by a certificate issued prior to October 1, 1966, under this section continues to be eligible to receive, and the association continues to distribute, earnings at a higher rate pursuant to this section, earnings on such account shall be distributed, for any period during which such account is outstanding beyond the time eligibility requirement fixed pursuant to paragraph (b) of this section, at each date on which the association regularly distributes earnings on such class of savings accounts, at such applicable higher rate as is from time to time determined by the board of directors, within the limitations of this section.

(7) While any certificates issued pursuant to subparagraph (3) of paragraph (b) of this section remain outstanding, a reserve for undistributed earnings on such accounts shall be maintained and appropriate credits and debits shall be made to such reserve at each date on which the association regularly distributes earnings on such class of savings accounts.

(h) [Revoked]

5. Part 555 is amended by revising paragraph (e) of § 555.8 to read as follows:  
§ 555.8 Savings accounts.

(e) *Single rate for entire distribution period.* A Federal association may not declare or distribute earnings at different rates on the same class of account during a single distribution period unless a reduction in rate during such period is required in order to conform with the limitations on rate of return prescribed in Part 526 of this chapter.

(Sec. 5, 48 Stat. 132, as amended; 12 U.S.C. 1464. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1943-48 Comp., p. 1071)

Resolved further that, since affording notice and public procedure on the above amendments would delay them from becoming effective for a period of time and since it is in the public interest that the authority contained in the amendments become effective without delay, the Board hereby finds that notice and public procedure on the amendments are contrary to the public interest under the provisions of 12 CFR 508.11 and 5 U.S.C. 553(b); and for the same reason, the Board finds that publication of the amendments for the 30-day period specified in 12 CFR 508.14 and 5 U.S.C. 553(d) prior to the effective date thereof is likewise contrary to the public interest; and the Board hereby provides that the amendments shall become effective immediately, as hereinbefore set forth.

By the Federal Home Loan Bank Board.

[SEAL]

JACK CARTER,  
Secretary.

[F.R. Doc. 70-1879; Filed, Feb. 13, 1970;  
8:46 a.m.]

SUBCHAPTER D—FEDERAL SAVINGS AND LOAN  
INSURANCE CORPORATION

[No. 23,740]

PART 563—OPERATIONS

PART 569—LIMITATIONS ON RATE  
OF RETURN

Miscellaneous Amendments

JANUARY 21, 1970.

Resolved that the Federal Home Loan Bank Board considers it advisable to (1) amend Part 563 of the rules and regulations for Insurance of Accounts (12 CFR Part 563) for the purposes of revising the requirements of § 563.3-1 relating to certificate forms for fixed-rate, fixed-term savings accounts and adding a new § 563.3-2 relating to certificate forms for other savings accounts and (2) to revoke Part 569 of such regulations (12 CFR Part 569) for the purpose of eliminating unnecessary duplication in the regulations relating to limitations on rate of return paid by insured institutions.

On the basis of such consideration and for such purposes, the Federal Home Loan Bank Board hereby revokes said Part 569 and amends said Part 563 as follows, effective January 21, 1970:

1. Part 563 is amended by revising § 563.3-1 to read as follows:

§ 563.3-1 Fixed-rate, fixed term accounts.

(a) *General approval.* A State-chartered institution which, in accordance with State law, may accept accounts bearing a definite rate of return for fixed periods of time (hereinafter referred to as "fixed-rate, fixed-term accounts") and whose board of directors has adopted a resolution providing for the issuance of such fixed-rate, fixed-term accounts may, subject to the limitations contained in paragraph (b) of this section and to the disclosure provisions contained in paragraph (c) of this section, issue certificates evidencing such fixed-rate, fixed-term accounts in such form as the board of directors of the institution may determine.

(b) *Limitations.* In issuing certificates evidencing fixed-rate, fixed-term accounts pursuant to the approval contained in paragraph (a) of this section no insured institution shall:

(1) Provide for the payment of interest on any fixed-rate, fixed-term account in excess of the applicable maximum rate of return prescribed for certificate accounts in Part 526 of this chapter;

(2) Provide for any forfeiture for breach of condition on the part of any holder, other than loss of interest, or partial loss thereof, for the term of the fixed-rate, fixed-term account, or other specified time period;

(3) Issue any negotiable form of certificate evidencing a fixed-rate, fixed-term account;

(4) Deny any member the opportunity to invest at the same rate offered to any other member at that time on



the same classification of fixed-rate, fixed-term account;

(5) Accept any fixed-rate, fixed-term account for a term of less than 60 days or more than 10 years: *Provided*, That any fixed-rate, fixed-term account may provide for renewal at the option of the institution, for successive periods not exceeding 10 years for each renewal;

(6) Provide for withdrawal from any fixed-rate, fixed-term account prior to the expiration of the fixed term, except as provided in paragraph (d) of this section;

(7) Issue any fixed-rate, fixed-term account which is subject to redemption; or

(8) Issue any form of certificate evidencing a fixed-rate, fixed-term account unless the institution has first (i) obtained a written opinion by its legal counsel that such form of certificate complies with the requirements of applicable law and regulations and the institution's charter, constitution, and bylaws, which opinion shall be retained by the institution so long as it continues to issue certificates in such form, and (ii) submitted a copy of such form of certificate, together with a copy of such legal opinion, to the Federal Savings and Loan Insurance Corporation: *Provided*, That such legal opinion need not be obtained if the institution uses a form of certificate which has already been approved by the Corporation for use by insured institutions in the State where such institution is located.

(c) *Disclosure*. Each certificate evidencing a fixed-rate, fixed-term account accepted pursuant to the approval contained in paragraph (a) of this section shall include in its provisions and display in easily read type:

(1) The rate of interest to be paid and the dates or frequency at which interest is payable;

(2) The amount of the fixed-rate, fixed-term account and the date on which it is issued;

(3) The term of the fixed-rate, fixed-term account;

(4) The penalty or penalties imposed for withdrawal prior to completion of the fixed term or renewal;

(5) The minimum balance requirement applicable to the fixed-rate, fixed-term account.

(6) Any provisions relating to renewal at the conclusion of the fixed term;

(7) Any provisions relating to the interest to be paid after the conclusion of a fixed term or renewal; and

(8) A provision converting the fixed-rate, fixed-term account at the conclusion of a fixed term or renewal, or at any time that the applicable minimum balance requirement ceases to be met, to the status of an account accepted for an indefinite period of time.

(d) *Withdrawal prior to expiration of term*. (1) Each certificate issued by an insured institution for a fixed-rate, fixed-term account shall provide that, in the event of withdrawal of all or any portion of such account prior to the expiration of its term—

(i) If the term of such account is less than 180 days, except with respect to accounts of \$100,000 or more, the account holder shall receive interest on the amount withdrawn at such rate, not in excess of the rate then being paid on savings accounts accepted for an indefinite period of time, and subject to such other penalties, as the certificate evidencing such account may provide.

(ii) If the term of such account is 180 days or more, or if such account is in the amount of \$100,000 or more, the account holder shall receive interest at the stated rate on the amount withdrawn, less such penalty as the certificate evidencing such account may provide. Such penalty shall be in an amount not less than the lesser of (a) the interest for 90 days (3 months) on the amount withdrawn or (b) all interest (since issuance or renewal of the account) on the amount withdrawn.

(iii) If any interest has been paid to the account holder prior to such withdrawal, a deduction shall be made from the amount withdrawn to adjust for the penalty applicable to such interest.

(2) In the case of early withdrawal of only a portion of such account, the certificate evidencing such account shall be canceled if the applicable minimum balance requirement ceases to be met. If such requirement continues to be met, (i) appropriate notation may be made on the certificate indicating the amount and date of such withdrawal and the remaining account balance, or (ii) the certificate may be canceled and a new certificate issued for the remaining portion of the account with the same term, rate, and dates as on the canceled certificate.

(3) A certificate issued by an insured institution for a fixed-rate, fixed-term account may provide that the holder cannot withdraw any portion of such account prior to the expiration of its term except under such emergency circumstances as may be set forth therein.

2. Part 563 is amended by adding a new § 563.3-2, immediately after § 563.3-1, to read as follows:

§ 563.3-2 Certificates evidencing other accounts.

(a) *General approval*. A State-chartered insured institution which, in accordance with State law, may issue savings accounts, evidenced by certificates, which receive earnings at a rate higher than the rate on regular accounts if certain eligibility requirements as to time and minimum balance are met (hereinafter referred to as "certificate accounts") and whose board of directors has adopted a resolution providing for the issuance of any class of such certificate accounts may, subject to the limitations contained in paragraph (b) of this section and to the disclosure provisions contained in paragraph (c) of this section, issue certificates evidencing such accounts in such form as the board of directors may determine.

(b) *Limitations*. In issuing certificates pursuant to the approval contained in paragraph (a) of this section, no insured institution shall:

(1) Provide for the distribution of earnings on any certificate account at a rate in excess of the applicable maximum rate of return prescribed for certificate accounts in Part 526 of this chapter;

(2) Provide for any penalty for breach of condition on the part of any holder, other than loss of earnings, or partial loss thereof, for the term of the certificate account or other specified time period;

(3) Deny any member the opportunity to invest at the same rate offered to any other member at that time on the same classification of certificate account;

(4) Issue any certificate account with a time eligibility period of less than 60 days or more than 10 years; or

(5) Issue any form of certificate under this section unless the institution has first (i) obtained a written opinion by its legal counsel that such form of certificate complies with the requirements of applicable law and regulations and the institution's charter, constitution, and bylaws, which opinion shall be retained by the institution so long as it continues to issue certificates in such form, and (ii) submitted a copy of such form of certificate, together with a copy of such legal opinion, to the Federal Savings and Loan Insurance Corporation: *Provided*, That such legal opinion need not be obtained if the institution uses a form of certificate which has already been approved by the Corporation for use by insured institutions in the State where such institution is located.

(c) *Disclosure*. Each certificate issued pursuant to the approval contained in paragraph (a) of this section shall include in its provisions and display in easily read type:

(1) The anticipated or stated rate of earnings to be paid and the dates or frequency at which such earnings are distributable;

(2) The amount of the certificate account and the date on which it is issued;

(3) The time and minimum balance eligibility requirements applicable to such certificate account if it is to receive earnings at a rate higher than the regular rate;

(4) The penalty or penalties imposed, for withdrawal prior to completion of the time eligibility period, in accordance with the provisions of paragraph (d) of this section;

(5) Any provisions limiting the right of the holder to withdraw all or any portion of the certificate account prior to completion of the time eligibility period;

(6) Any provisions relating to renewal of such certificate account upon expiration of the time eligibility period, which renewal or renewals, for successive periods not exceeding 10 years for each renewal, shall be at the option of the association; and

(7) Any provisions relating to the earnings distributable on the certificate account after expiration of the time eligibility period or any renewal of such account.

(d) *Provisions relating to early withdrawal*. (1) Each certificate issued by an



insured institution for a certificate account shall provide that, in the event of withdrawal of all or any portion of such account prior to completion of its time eligibility period—

(i) If the time eligibility period is less than 180 days, except with respect to accounts of \$100,000 or more, the account holder shall receive earnings on the amount withdrawn, at such rate, not in excess of the regular rate, and subject to such other penalties, as may be provided in the certificate.

(ii) If the time eligibility period is 180 days or more, or if such account is in the amount of \$100,000 or more, the account holder shall receive earnings at the applicable certificate rate, less such penalty as may be provided in the certificate. Such penalty shall be in an amount not less than the lesser of (a) the earnings for 90 days (3 months) on the amount withdrawn or (b) all earnings (since issuance or renewal of the certificate account) on the amount withdrawn.

(iii) If any earnings have been distributed to the account holder prior to such withdrawal, a deduction shall be made from the amount withdrawn to adjust for the penalty applicable to such earnings.

(2) In the case of early withdrawal of only a portion of a certificate account, the certificate evidencing such account shall be canceled if the applicable minimum balance eligibility requirement ceases to be met. If such requirement continues to be met, (i) appropriate notation may be made on the certificate indicating the amount and date of such withdrawal and the remaining account balance, or (ii) the certificate may be canceled and a new certificate issued for the remaining balance of the account with the same eligibility requirements, rate, and dates as in the canceled certificate.

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

Resolved further that, since affording notice and public procedure on the above amendments would delay them from becoming effective for a period of time and since it is in the public interest that the changes contained in the amendments become effective without delay, the Board hereby finds that notice and public procedure on the amendments are contrary to the public interest under the provisions of 12 CFR 508.11 and 5 U.S.C. 553(b); and for the same reason, the Board finds that publication of the amendments for the 30-day period specified in 12 CFR 508.14 and 5 U.S.C. 553(d) prior to the effective date thereof is likewise contrary to the public interest; and the Board hereby provides that the amendments shall become effective immediately, as hereinbefore set forth.

By the Federal Home Loan Bank Board.

[SEAL]

JACK CARTER,  
Secretary.

[F.R. Doc. 70-1880; Filed, Feb. 13, 1970; 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 3—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

#### Drug Labeling for Cyclamate-Containing Artificial Sweeteners

##### Correction

In F.R. Doc. 70-1619 appearing at page 2774 in the issue of Tuesday, February 10, 1970, in the third line of § 3.75(c) the word "be" should be inserted between the words "shall" and "relabelled".

## Title 14—AERONAUTICS AND SPACE

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

[Airspace Docket No. 68-CE-81]

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

#### Alteration of Control Zone and Transition Area

In a notice of proposed rule making published in the FEDERAL REGISTER on October 19, 1968 (33 F.R. 15557 and 15558), F.R. Doc. 68-12735, and in a supplemental notice of proposed rule making published in the FEDERAL REGISTER on August 16, 1969 (34 F.R. 13330), F.R. Doc. 69-9697, the Federal Aviation Administration proposed to alter the Olathe, Kans., and Grandview, Mo., control zones and the Grandview, Mo., transition area.

Interested persons were afforded an opportunity to participate in the rule making through the submission of written comments. No objections were received concerning the proposal.

Subsequent to the issuance of the proposal the IFR requirements in the Olathe, Kans., terminal area have or will change. Specifically, on February 9, 1970, all navigational aids at the NAS Olathe will be decommissioned and air traffic into and out of this base will be VFR. The NAS Olathe control tower will be decommissioned on April 15, 1970, on June 30, 1970 the NAS Olathe will be closed and the Olathe, Kans., control zone has been revoked and is no longer required. As a result of these changes, no controlled airspace is required for the protection of IFR air traffic at the NAS Olathe. Since there is no weather reporting at Johnson County Airport, Olathe, Kans., no control zone can be designated at this location. Consequently, two portions of the proposal which provided a control zone and a 700-foot floor transition area for NAS Olathe must be deleted. These changes will require less airspace than originally proposed.

Since these changes will either delete or reduce the proposed control zone and transition area redesignations, they are relaxatory in nature, will impose no additional burden on any person and notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0901 G.m.t., February 9, 1970, as hereinafter set forth:

(1) In § 71.171 (35 F.R. 2054), the following control zone is amended to read:

##### GRANDVIEW, MO.

Within a 5-mile radius of Richards-Gebaur AFB (latitude 38°50'50" N., longitude 94°33'20" W.); within 2½ miles each side of the Richards-Gebaur AFB ILS localizer south course, extending from the 5-mile radius zone to 1 mile south of the OM; and within 2½ miles each side of the Richards-Gebaur AFB TACAN 195° radial, extending from the 5-mile radius zone to 5½ miles south of the TACAN, excluding the area north of latitude 38°52'30" N., and west of longitude 94°35'50" W.

(2) In § 71.181 (35 F.R. 2134), the following transition area is amended to read:

##### GRANDVIEW, MO.

That airspace extending upward from 700 feet above the surface within an 8-mile radius of Richards-Gebaur AFB (latitude 38°50'50" N., longitude 94°33'20" W.); within a 6-mile radius of Johnson County Airport (latitude 38°51'00" N., longitude 94°44'15" W.); and within 3 miles each side of the 188° bearing from Johnson County Airport, extending from the 6-mile radius area to 8 miles south of the airport; and that airspace extending upward from 1,200 feet above the surface within the area bounded on the south by latitude 38°00'00" N., on the west by the west edge of V-12, on the north by the arc of a 10-mile radius circle centered on the Kansas City, Mo., Municipal Airport (latitude 39°07'20" N., longitude 94°35'30" W.); and on the east by the west edge of V-159, excluding the portion which overlies the Emporia, Kans., and Wichita, Kans., transition areas.

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

Issued in Kansas City, Mo., on January 29, 1970.

EDWARD C. MARSH,  
Director, Central Region.

[F.R. Doc. 70-1869; Filed, Feb. 13, 1970; 8:45 a.m.]

## Title 22—FOREIGN RELATIONS

### Chapter I—Department of State

#### SUBCHAPTER M—INTERNATIONAL TRAFFIC IN ARMS

[Departmental Reg. 108.615]

### PART 123—LICENSES FOR UNCLASSIFIED ARMS, AMMUNITION AND IMPLEMENTS OF WAR

#### PART 125—TECHNICAL DATA

##### Miscellaneous Amendments

Parts 123 and 125 of the Code of Federal Regulations are amended as set forth below:



1. Section 123.02 is amended to read as follows:

**§ 123.02 Imports.**

Equipment on the U.S. Munitions List shall not be imported into the United States unless (a) it had been previously exported temporarily under a license issued by the Department of State; (b) it constitutes a temporary import under the Intransit License procedure (see §§ 123.03 and 123.09); or (c) its import has been authorized or exempted by the Secretary of the Treasury (26 CFR Parts 178 to 180).

2. Section 123.36 is amended to read as follows:

**§ 123.36 Certain helium gas exports.**

Subject to the provisions of §§ 121.14 and 126.01 of this subchapter, district directors of customs are authorized to permit the export, without a license, of miniature cylinders containing natural helium gas (not isotopically enriched) in fractional cubic foot quantities mixed with other gases; *Provided*, That the shipment does not exceed 10 cubic feet of "contained helium" to any consignee in any one shipment, and (a) the gas is intended for medical use or for the use of educational and research institutions and laboratories where such organizations have education and research as their primary purpose; or (b) the gas is to be used by U.S. companies to repair or provide maintenance on equipment for which they have contractual responsibilities.

3. The Table of Contents for Part 125 is revised to read as follows:

Sec.	
125.01	Technical data.
125.02	Classified information.
125.03	Export of technical data.
125.04	Export of unclassified technical data.
125.05	Export of classified information (data and equipment).

**EXEMPTIONS**

125.10	Shipments by U.S. Government agencies.
125.11	General exemptions.
125.12	Canadian shipments.
125.13	Data on nuclear materials.

**PROCEDURES**

125.20	Export of unclassified technical data.
125.21	Export of classified information (data and equipment).
125.22	Certification requirements.
125.23	Filing of licenses for export of unclassified technical data.
125.24	Filing of licenses for export of classified information (data and equipment).

4. Section 125.04(b) is revised to read as follows:

**§ 125.04 Export of unclassified technical data.**

(b) *Patents.* A license issued by the Department of State shall be required for the export of unclassified technical data relating to arms, ammunition, and implements of war which exceed the data used to support a domestic or foreign filing of a patent application. The export of technical data supporting the filing and prosecution of patent applications in

foreign countries is subject to regulations issued by the U.S. Patent Office under 35 U.S.C. 184.

5. Section 125.05(a) is revised to read as follows:

**§ 125.05 Export of classified information (data and equipment).**

(a) Any request for authority to export classified information (data or equipment) by other than the cognizant department or agency of the U.S. Government shall be submitted to the Department of State for approval. (See §§ 125.10 and 125.11 for exemptions.) The application shall set forth all pertinent information with full details of the proposed transaction. (See § 125.21 for procedure.)

6. Section 125.20(b) is revised to read as follows:

**§ 125.20 Export of unclassified technical data.**

(b) *Patents.* All requests for filing patent applications in a foreign country, and requests for filing amendments, modifications or supplements thereto, shall be directed to the U.S. Patent Office in accordance with 37 CFR Part 5. If the applicant complies with the regulations of the Patent Office, no approval of the Department of State is required unless the applicant seeks to export technical data exceeding that used to support a patent application in a foreign country. In such case an application shall be required to be submitted on form DSP-5 in accordance with the provisions of paragraph (a) of this section.

7. Section 125.21 is revised to read as follows:

**§ 125.21 Export of classified information (data and equipment).**

Unless exempted in § 125.10 or § 125.11, applications for approval to export or disclose classified information (data or equipment) to foreign nationals shall be submitted to the Department of State on form DSP-85. When the application is for export of classified technical data only it shall be accompanied by 5 copies of the data to permit an evaluation of whether an export license may be issued. When the application is for export of classified equipment it shall be accompanied by 5 copies of suitable descriptive information to permit an evaluation of whether an export license may be issued. All classified material accompanying an application shall be annotated to show U.S. Government authority for its reproduction. (See Defense Industrial Security Manual, section I, paragraphs 5 g and o.)

8. Section 125.23 is revised to read as follows:

**§ 125.23 Filing of licenses for export of unclassified technical data.**

DSP-5 licenses authorizing the export of unclassified technical data shall be presented to, and filed with the appro-

priate district director of customs or postmaster at the time of shipment or mailing. The district director of customs or postmaster shall endorse and transmit the licenses to the Office of Munitions Control, Department of State, in accordance with the instructions contained on the reverse thereof.

9. Section 125.24 is added to Part 125 to read as follows:

**§ 125.24 Filing of licenses for export of classified information (data and equipment).**

DSP-85 licenses authorizing the export of classified data or classified equipment shall be forwarded by the Department of State to agents of the Department of Defense (Defense Supply Agency) to arrange for transmission in accordance with the Department of Defense Industrial Security Manual. The Department of State shall forward a copy of the issued license to the applicant for his information. Upon completion of the export transaction the Defense Supply Agency shall return the license to the Department of State with endorsements in accordance with the instructions contained on the reverse thereof.

*Effective date.* These amendments are effective February 1, 1970, but the Director, Office of Munitions Control, may establish a later effective date for §§ 125.05 (a), 125.21, and 125.24 if he determines that a deferment is necessary for administrative reasons.

(Sec. 414, as amended, 68 Stat. 848; 22 U.S.C. 1934; secs. 101, 105, E.O. 10973, 26 F.R. 10469; sec. 6, Department Delegation of Authority No. 104, 26 F.R. 10608, as amended, 27 F.R. 9925, 28 F.R. 7231; Redlegation of Authority No. 104-3-A, 28 F.R. 7231)

Dated: February 5, 1970.

[SEAL] WILLIAM P. ROGERS,  
Secretary of State.

[F.R. Doc. 70-1870; Filed, Feb. 13, 1970; 8:45 a.m.]

## Title 26—INTERNAL REVENUE

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

#### SUBCHAPTER A—INCOME TAX

[T.D. 7025]

### PART 13—TEMPORARY INCOME TAX REGULATIONS UNDER THE TAX RE- FORM ACT OF 1969

#### Accumulation Trusts—Election Re- garding Distributions in First 65 Days of Taxable Year; Definition of "First Taxable Year in Which In- come is Accumulated"

The following temporary regulations relate to the rules regarding the election authorized by section 663(b) of the Internal Revenue Code of 1954, as amended by section 331(b) of the Tax Reform Act of 1969 (83 Stat. 598) and to the definition of the phrase "first



taxable year in which income is accumulated" as such phrase is used in the last sentence of section 668(a) of the Internal Revenue Code of 1954, as amended by section 331(a) of the Tax Reform Act of 1969 (83 Stat. 592).

In order to provide such temporary regulations under sections 663(b) and 668(a) of the Internal Revenue Code of 1954, the following regulations are adopted:

**§ 13.6 Accumulation trusts; 65 day election; "first taxable year in which income is accumulated."**

(a) *Election regarding distributions in first 65 days of taxable year*—(1) *In general.* With respect to taxable years beginning after December 31, 1968, the fiduciary of a trust may elect under section 663(b) to treat distributions to a beneficiary within the first 65 days following the taxable year as amounts which were paid or credited on the last day of such taxable year. An election is effective only with respect to the taxable year for which the election is made. An election shall be made for each taxable year for which the treatment is desired.

(2) *Effect of election.* If an election is made with respect to a taxable year of a trust, this section applies to all amounts properly paid or credited within the first 65 days following such year. Any amount considered under section 663(b) as having been distributed in the

preceding taxable year shall be so treated for all purposes. For example, in determining the beneficiary's tax liability, such amount shall be considered as having been received by the beneficiary in his taxable year in which or with which the last day of the preceding taxable year of the trust ends.

(3) *Manner and time of election; revocations.* The election shall be made in a statement attached to the return of the trust for the taxable year for which the election is made. The election shall be made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof). An election shall become irrevocable after the last day prescribed for making the election.

(4) *Elections under prior law.* Elections made pursuant to section 663(b) prior to its amendment by section 331(b) of the Tax Reform Act of 1969 (83 Stat. 598), which, under prior law, were irrevocable for the taxable year for which the election was made and all subsequent years, are not effective for taxable years beginning after December 31, 1968. In the case of a trust for which an election was made under prior law, the fiduciary shall make the election for each taxable year beginning after December 31, 1968, for which the treatment provided by section 663(b) is desired.

(b) *Definition of "first taxable year in which income is accumulated."* Section

668(a)(3) imposes a partial tax as determined under section 669 in the case of a beneficiary of a trust which is not required to distribute all of its income currently. Section 668(a) further provides that a trust shall not be considered to be a trust which is not required to distribute all of its income currently for any taxable year prior to the first taxable year in which income is accumulated. For purposes of section 668(a), the phrase "the first taxable year in which income is accumulated" does not include any taxable year prior to the first taxable year beginning after December 31, 1968. See section 643(b) and § 1.643(b)-1 for the definition of the term "income".

Because of the need for immediate guidance with respect to the provisions contained in this Treasury decision, it is found impracticable to issue it with notice and public procedure thereon under subsection (b) of section 553 of title 5 of the United States Code or subject to the effective date limitation of subsection (d) of that section.

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

Approved: February 11, 1970.

EDWIN S. COHEN,  
Assistant Secretary  
of the Treasury.

[F.R. Doc. 70-1898; Filed, Feb. 13, 1970;  
8:47 a.m.]



# Proposed Rule Making

## CIVIL AERONAUTICS BOARD

[ 14 CFR Part 299 ]

[Docket No. 21452; EDR-176]

### EXEMPTION OF AIR CARRIERS FROM CERTAIN REQUIREMENTS

#### Revision of Dollar Amount Specified for Exemption and Clarification

Notice is hereby given that the Civil Aeronautics Board has under consideration an amendment to Part 299 of the Board's economic regulations (14 CFR Part 299) which would raise the dollar amount specified in § 299.2(b) (1) to \$30 million in market value and make certain clarifications of existing language.

The principal features of the proposed amendments are described in the explanatory statement and the proposed amendments are set forth in the proposed rule. The amendments would be pursuant to the authority of sections 204 and 416 of the Federal Aviation Act of 1958, as amended (72 Stat. 743; 49 U.S.C. 1324, 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 matter in communications received on or before March 12, 1970, will be considered by the Board before taking final action on the proposed rules. Copies of such communications will be available for examination by interested persons upon receipt in the Docket Section of the Board, Room 712, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

By the Civil Aeronautics Board.

[SEAL]

HARRY J. ZINK,  
Secretary.

**Explanatory statement.** Pan American World Airways has petitioned the Board for an amendment to § 299.2(b) (1) of the economic regulations which exempts air carriers from sections 408(a) (2) and 408(a) (3) of the Act in cases where, inter alia, an air carrier's purchase, lease or lease with purchase option of aircraft from a certificated air carrier does not exceed \$10 million in market value. Pan American requests that the Board raise the dollar amount to \$30 million.

In light of the rapidly increasing cost of modern aircraft, the \$30 million limitation is not unreasonable, and it is proposed to amend Part 299 in accordance with Pan American's petition. Section 299.2(b) (2) and (3) will continue to give the Board control over inter-carrier transactions, since the numerical limitation of no more than 20 percent of the

total number, market value, or lift capacity of aircraft will remain unchanged (a transaction must satisfy all the criteria of § 299.2(b) before an exemption can be granted).

Failure to amend the regulation would undoubtedly result in additional formal applications requesting relief from section 408 on the ground that the market value of the aircraft involved exceeds the present limitation. In fact, the Board has been called upon recently to process several applications for relief from section 408 merely on the ground that the transaction involved aircraft valued in excess of \$10 million, whereas the Part 299 exemption otherwise would have applied. We believe that instances of this nature will tend to increase in number should the regulation not be amended.

In light of the foregoing, it is found that enforcement of sections 408(a) (2) and 408(a) (3) of the Act with respect to the transactions in question is or would be an undue burden on the air carriers by reason of the limited extent of and unusual circumstances affecting the operations of the air carriers and is not in the public interest.

The Board has also decided to further amend the regulation by defining "financial interest" as the term is used in § 299.2(a) (2) and (3). Under Part 299, where either of the parties to the agreement owns, directly or beneficially, any "financial interest" in the other party to the agreement, the exemption is inoperative. Uncertainty over the meaning of this term has resulted in the filing of many applications for approval, the formal review of which served no real regulatory purpose. Accordingly, we believe that it is desirable to clarify the regulation by defining the term "financial interest."

**Proposed rule.** It is proposed to amend Part 299 of the economic regulations (14 CFR Part 299) as follows:

1. Amend § 299.1 by adding a definition of "financial interest" to read as follows:

#### § 299.1 Definitions.

(d) "Financial interest" means any relationship where (1) an air carrier holds directly or beneficially 5 percent or more of the outstanding debt, or 5 percent or more of any class of the capital stock, of the person whose aircraft are being purchased or leased or (2) a person whose aircraft are being purchased or leased holds directly or

<sup>1</sup> See, for example, National/Airlift, Order E-25640, Sept. 7, 1967; Braniff/Air West, Order 69-2-57; Overseas National/Flying Tiger, Order 69-4-1; and Pan American World Airways/American Airlines, Order 70-1-157.

<sup>2</sup> The phrase "whichever is less" in § 299.2 (b) is both ambiguous and unnecessary and is deleted herein.

beneficially 5 percent or more of the outstanding debt, or 5 percent or more of any class of the capital stock, of the air carrier purchasing or leasing such person's aircraft.

2. Amend § 299.2(b) to read as follows:

#### § 299.2 Exemption.

An air carrier which engages directly in the operation of aircraft in air transportation shall be exempt from sections 408(a) (2) and 408(a) (3) of the Federal Aviation Act of 1958, insofar as the provisions thereof relate to the purchase, lease, or lease with purchase option of aircraft from another air carrier or from any person engaged in any phase of aeronautics, if the underlying agreement has been entered into after arm's length bargaining and does not involve:

(b) A purchase, lease, or lease with purchase option by an air carrier from a certificated air carrier of aircraft of more than

(1) \$30 million in market value, or

(2) 10 in number, or

(3) 20 percent of either the total number, total market value, or total lift capacity (pay load) of aircraft of a certificated air carrier,

either in a single transaction or in successive transactions within a 6-month period. For purposes of computing total aircraft, in accordance with subparagraph (3) of this paragraph, all aircraft of the certificated air carrier shall be included except aircraft which are under lease to such carrier for 6 months or less, and aircraft which are owned by such carrier but are under lease to some other person for a period of more than 6 months.

[F.R. Doc. 70-1891; Filed, Feb. 13, 1970; 8:47 a.m.]

## SMALL BUSINESS ADMINISTRATION

[ 13 CFR Part 107 ]

### SMALL BUSINESS INVESTMENT COMPANIES

#### Records and Reports

Notice is hereby given that pursuant to authority contained in section 308 of the Small Business Investment Act of 1958, Public Law 85-699, 72 Stat. 694, as amended, it is proposed to amend, as

<sup>1</sup> This exemption does not release a party to an aircraft sale or lease agreement from conditions in any Board order prohibiting or limiting transactions involving such party.



set forth below, Part 107 of Subchapter B, Chapter I, of Title 13 of the Code of Federal Regulations, as revised in 33 F.R. 326, and amended in 33 F.R. 11147, 33 F.R. 20035, 34 F.R. 1234, and 34 F.R. 5796, by amending §§ 107.2, 107.202(b), 107.901(e), 107.1002(c), 107.1102 (e) and (f), 107.1104 (a) and (c), and Appendixes 1 and 2. Prior to final adoption of such amendments, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in triplicate, to the Office of Investment, Small Business Administration, Washington, D.C. 20416, within a period of fifteen (15) days from the date of publication of this notice in the FEDERAL REGISTER.

**Information.** The proposed amendments would prescribe that all SBA forms and instructions for their preparation mentioned throughout Part 107 refer to the current issue of such forms and instructions.

This would eliminate the necessity of referencing by date of revision changes made in SBA forms and instructions contained in Part 107.

The proposed amendments to §§ 107.202(b), 107.901(e), 107.1002(c), 107.1102 (e) and (f), and 107.1104 (a) and (c) are required to remove revision dates wherever they appear when reference is made to SBA forms and instructions contained therein.

The proposed amendments to § 107.1102 and to Appendixes 2 and 3 would prescribe a revised Financial Report, SBA Form 468, and a revised Program Evaluation Report, SBA Form 684.

The revised Financial Report identified as SBA Form 468 (3-70), includes the following principal changes:

1. Places investments in four separate schedules (Schedule 1—Loans, Schedule 2—Debt Securities, Schedule 3—Capital Stock of Small Business Concerns, and Schedule 4—Warrants, Options and Other Stock Rights) which were formerly condensed in Schedules 1 and 2. This separation will facilitate data-processing procedures and eliminate coding the type of financing made.

2. Two additional columns are provided for in proposed schedules numbered 1, 2, 3, and 4 which will provide additional information to SBA regarding the cash flow in the SBIC program.

3. Added keypunch-oriented boxes in these schedules, for SBA use only, will increase data reliability, reduce overall processing time, reduce manual entries, and reduce keypunch time.

4. Requires listing in Schedule 4 of all warrants, options, and other stock rights acquired from small business investment companies, whether or not a separate cost, market value, or fair value has been determined.

5. Schedule 16 titled "Shareholders, Officers and Directors of the Licensee" replaces Schedule 13 titled "Ownership of Equity Securities of SBIC." It eliminates listing of employees formerly required, whether or not they owned any equity securities of the Licensee. Adds the requirement to list the total remuneration for the period of each officer, director, or manager of the Licensee.

6. Adds Schedule 18 titled "Loans and Investments and Actual Loss Experience." The information furnished in this schedule will enable SBA to calculate the industry-wide loss experience factor for the fiscal year.

7. Provision is made for printing of two zeros (00) on the Financial Statements to assure that amounts required in the statements will be expressed in whole dollars.

The revised Program Evaluation Report, identified as SBA Form 684 (3-70), is redesigned to simplify the preparation of the form, reduce the manual coding, reduce the data processing time, and improve the accuracy of the information being recorded.

The proposed amendment to Appendix 1 "Report of Audit (Financial Examination)" under the heading "General" is required because of the increase in the number of pages comprising SBA Form 468, referred to under this heading. Any reference to SBA Form 468 page numbers under the heading "General" will be eliminated.

The proposed amendment to Addendum 1—Fidelity Bond, Part 2, Type of Bond, contained in Appendix 1—"Audit and Examination Guide For Small Business Investment Companies," broadens the protection available to an SBIC by removing certain prohibitions against discovery coverage.

The proposed amended Appendix 2, Instructions for Preparation of the Financial Report, SBA Form 468, would prescribe instructions for preparation of the revised Financial Report, SBA Form 468 (3-70), replacing the instructions for the previous version of such report, SBA Form 468 (3-69).

The proposed amended Appendix 3, Instructions for the Preparation of the Program Evaluation Report, SBA Form 684, would prescribe instructions for preparation of the revised Program Evaluation Report, SBA Form 684 (3-70), replacing the instructions for the previous version of such report, SBA Form 684 (3-69).

Copies of SBA Form 468 (3-70) and SBA Form 684 (3-70) have been filed with and are available for public inspection at the Office of the Federal Register. Copies may also be obtained from the Office of Investment, SBA, 1441 L Street NW., Washington, D.C. 20416.

It is proposed that Part 107 be amended as follows:

1. By amending § 107.2 and footnote 1 thereto to read as follows:

§ 107.2 Information, forms, and instructions.

All SBA forms and instructions for their preparation mentioned throughout the regulations in this Part 107 refer to the current issue of such forms. The forms have been filed with the Office of Federal Register along with the original document and appropriate amendments the subject matter of which relates to SBA forms and instructions. Copies may be obtained from SBA, 1441 L Street

NW., Washington, D.C. 20416. All applications, reports, or other forms filed with SBA must be completed on the current issue of such document, and in accordance with applicable instructions.<sup>1</sup>

2. By amending § 107.202(b) to read as follows:

§ 107.202 SBA funds available under section 303(b)(2) of the Act based on venture capital financing.

(b) The term, "total funds available for investment," shall mean total short-term assets and total loans and investments of a Licensee required (in accordance with the Instructions for Preparation of the Financial Report, SBA Form 468) to be set forth as Items 8 and 15, respectively, on page 1 of the Financial Report, SBA Form 468, submitted by such Licensee. Venture capital investments, as defined in § 107.3, shall be valued on the same basis as Licensee's assets comprising its "total funds available for investment."

3. By amending § 107.901(e) to read as follows:

§ 107.901 Control of small business concern.

(e) The Licensee shall furnish to SBA with its annual Financial Report, SBA Form 468, a statement (in triplicate) setting forth current prospects for the implementation of the divestiture plan, and additional factors, if any, affecting the status or feasibility of relinquishing control.

4. By amending § 107.1002(c) to read as follows:

§ 107.1002 Capital impairment.

(c) For capital impairment purposes, gains may be recognized by SBA only to the extent permitted in Addendum II (Realization and Use of Income and Gains) to SBA's Audit and Examination Guide for Small Business Investment Companies printed in Appendix 1 as part of the regulations of this part.

5. By amending § 107.1102 (e) and (f) to read as follows:

§ 107.1102 Records and reports.

(e) Forms for financial reports: The financial reports required by this section to be filed with SBA by Licensees shall be on the prescribed form constituting the Financial Report, SBA Form 468, which shall be filed in triplicate with the Office of Investment, SBA, Washington, D.C. 20416, on or before the last day of the month immediately following the close of the period covered by the report (in the case of an unaudited report),

<sup>1</sup> Instructions for Preparation of the Financial Report, SBA Form 468, and Instructions for Preparation of the Program Evaluation Report, SBA Form 684, are printed in Appendixes 2 and 3 to Part 107.



and on or before the last day of the third month following the close of the period covered by the report (in the case of an audited report).

(1) Licensees which are 1940 Act companies, as defined in § 107.3, should refer to the rules promulgated by the Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549, for the requirements as to financial reports to be filed with SEC and the time allowed for filing.

(2) The Financial Report filed by each Licensee shall present fairly the financial position of the Licensee as of the close of the period covered by the report and the results of the Licensee's operations for such period, and shall be prepared in accordance with the Instructions for Preparation of the Financial Report, SBA Form 468, which are printed in Appendix 2 as part of the regulations in this part. Copies of SBA Form 468 and of the Instructions may be obtained from SBA.

(f) Program evaluation reports:

(1) The Program Evaluation Report, SBA Form 684, shall be prepared by each Licensee as of March 31 of every calendar year and filed in triplicate with SBA not later than June 30 of such year, to reflect all transactions involving Licensee's debt or equity financing of small business concerns which were outstanding at any time during the preceding 12-month period ending March 31. The report shall be prepared in accordance with Instructions for Preparation of the Program Evaluation Report, SBA Form 684, which are printed in Appendix 3 as part of the regulations of this part. Copies of SBA Form 684 and of the Instructions may be obtained from SBA.

(2) Each Licensee shall, as a condition of all financing agreements consummated or renegotiated with small business concerns after March 25, 1966, require such concerns to furnish to the Licensee all information needed by such Licensee for the preparation and filing of SBA Form 684.

(3) The provisions of Part 102 of this chapter prohibiting the disclosure of information contained in SBA's files, documents and records, apply to Program Evaluation Reports filed with SBA. Information submitted on SBA Form 684 is for SBA's official use in the performance of its statutory responsibilities, and not for public disclosure. It will not be published or released, as a matter of public information, except in the form of statistical totals or summaries which will not divulge the identity of the Licensee or its portfolio small business concerns.

6. By amending § 107.1104 (a) and (c) to read as follows:

§ 107.1104 Fidelity insurance.

(a) Each Licensee shall maintain a fidelity bond in the form and amount set forth in Addendum I (Fidelity Bond) to SBA's Audit and Examination Guide for Small Business Investment Companies which must be executed by a

surety holding a certificate of authority from the Secretary of the Treasury pursuant to sections 6-13 of title 6 of the United States Code as an acceptable surety on Federal bonds. Each officer and employee who has control over or access to cash, securities, or other property of the Licensee shall be covered by such fidelity bond.

(c) The Audit and Examination Guide for Small Business Investment Companies is printed in Appendix 1 as part of the regulations of this part.

7. By amending Appendix 1 titled "Audit and Examination Guide For Small Business Investment Companies" under the heading "Report of Audit (Financial Examination)", and the subheading "General" so that the first paragraph would read as follows:

#### General

The financial statements referred to in this guide are those constituting the Financial Report, SBA Form 468, and should be prepared on such form. The accountant's examination should be directed toward the expression of an opinion as to whether the statements of (a) financial condition, (b) surplus reconciliations, (c) income and expense, and (d) realized gains and losses on investments, present fairly the financial position of the SBIC as of the audit date and the results of its operations for the period then ended in conformity with generally accepted accounting principles. The schedules of SBA Form 468 should be subjected to the audit procedures applied in the accountant's examination of the basic financial statements to enable him to express an opinion as to whether these schedules are fairly stated in all material respects in relation to the basic financial statements.

8. By amending paragraph 2 of Addendum I, "Fidelity Bond" of Appendix 1—"Audit and Examination Guide For Small Business Investment Companies" to read as follows:

#### ADDENDUM I—FIDELITY BOND

##### 2. TYPE OF BOND

Each Licensee shall be covered by a Brokers Blanket Bond, Standard Form No. 14, or such other form of equivalent coverage as SBA may specifically approve. A Licensee may be covered by Bankers Blanket Bond, Standard Form No. 24, if it meets the provisions of paragraph 3 following. Riders to such standard form bonds are unacceptable if a rider decreases the benefits of the policy or adversely affects the interest of SBA. The following riders are unacceptable with respect to Brokers Blanket Bond, Standard Form No. 14:

- SR 5307, Valuation Clause Rider;
- SR 5301, Delete Misplacement Rider.

9. By amending Appendixes 2 and 3 to read as follows:

#### APPENDIX 2—INSTRUCTIONS FOR PREPARATION OF THE FINANCIAL REPORT, SBA FORM 468

##### GENERAL

There are set forth herein the instructions for preparation of the Financial Report, SBA Form 468, which report is required by Small Business Administration regulations to be filed with SBA by each licensed small busi-

ness investment company at the end of the first 6-month period of each fiscal year and at the end of each fiscal year, such fiscal year being, for SBA purposes, the period beginning April 1 and ending March 31, and at such other times as SBA may request. The Financial Report filed by each Licensee shall present fairly the financial position of the Licensee as of the close of the period covered by the report and the results of the Licensee's operations for such period, and shall be prepared in accordance with these instructions. The accounts referred to by account number in these instructions are those prescribed by SBA in the System of Account Classifications for Small Business Investment Companies as set forth in Part 111 of this chapter.

The Financial Report, SBA Form 468, shall be filed in triplicate with the Investment Division, Small Business Administration, 1441 L Street NW., Washington, D.C. 20416, on or before the last day of the month immediately following the close of the period covered by the report (in the case of an unaudited report), and on or before the last day of the third month following the close of the period covered by the report (in the case of an audited report).

Licensees which are registered investment companies should refer to the rules promulgated by the Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549, for the official requirements as to financial reports to be filed with SEC and the time allowed for filing.

The Financial Report, SBA Form 468, requires a statement of financial condition, statement of surplus reconciliations, statement of income and expense, statement of realized gain or loss on investments, and supporting schedules. If any statement or schedule is not applicable, it is still required to be filed but should be marked "N/A" or "Not Applicable."

When the Licensee has a wholly owned subsidiary organized solely for the purpose of rendering management consulting services, financial reports submitted to SBA by the parent Licensee shall reflect consolidated figures covering the activities of both the parent Licensee and its subsidiary corporation.

When the Licensee has one or more branch offices, the data contained in the basic financial statements and all supporting schedules shall comprise a combination of the figures for the principal office and all branches. All money amounts required to be shown in the financial statements and schedules shall be expressed in whole dollars. Appropriate adjustments of individual amounts shall be made for the fractional part of a dollar so that the items will add to the totals shown.

#### HEADING

Set forth in the appropriate spaces the information called for representing the identification and the principal-office address of the Licensee. As the employer identification number, enter the number assigned to the Licensee by the U.S. Treasury Department. If such number has not yet been assigned, an Application for Employer Identification Number, Form SS-4, shall be submitted to the U.S. Director of Internal Revenue for the area in which the Licensee's principal office is located.

#### STATEMENT OF FINANCIAL CONDITION

##### Assets

##### Items:

1. Cash. State the total of the balances contained in accounts Nos. 100 through 120.
2. U.S. Government obligations, insured savings, and time certificates of deposit. State the total of the balances contained in accounts Nos. 130 through 137.



3. *Notes receivable.* State the balance contained in account No. 140.

4. *Accounts receivable.* State the balance contained in account No. 150.

(a) *Less: Allowance for uncollectibles* (applicable to items 3 and 4). State the balance contained in account No. 151.

5. *Accrued interest receivable.* State the balance contained in account No. 160.

(a) *Less: Allowance for uncollectibles.* State the balance contained in account No. 161.

6. *Due from directors, officers, and employees.* State the balance contained in account No. 255.

7. *Funds in escrow and other current assets.* State the balance contained in account No. 179 and the current portion of account No. 220.

8. *Total Short-Term Assets.* Enter the total of the appropriate amounts opposite items 1, 2, 4(a), 5(a), 6, and 7.

9. *Loans (section 305).* State the balance contained in account No. 170.

(a) *Less: Amount sold with recourse.* State the balance contained in account No. 310.

(b) *Less: Allowance for uncollectibles.* State the balance contained in account No. 171.

(c) *Less: Unearned discount, fees, etc.* State the balance contained in account No. 173.

10. *Debt securities of SBC's (section 304).* State the total of the balances contained in accounts Nos. 180 and 184.

(a) *Less: Amount sold with recourse.* State the total of the balances contained in accounts Nos. 312 and 314.

(b) *Less: Allowance for losses.* State the balance contained in account No. 185.

(c) *Unearned discount, fees, etc.* State the balance contained in account No. 187.

11. *Capital stock of SBC's (section 304).* State the total of the balances contained in accounts Nos. 190 and 192.

(a) *Less: Allowance for losses.* State the balance contained in account No. 193.

12. *Warrants, options, and other stock rights, acquired from SBC's (section 304).* State the balance contained in account No. 196.

(a) *Less: Allowance for losses.* State the balance contained in account No. 197.

13. *Assets acquired in liquidation of loans and debt securities.* State the balance contained in account No. 200.

(a) *Less: Accumulated depreciation.* State the balance contained in account No. 203.

(b) *Less: Mortgages payable.* State the balance contained in account No. 318.

(c) *Less: Allowance for losses.* State the balance contained in account No. 201.

14. *Amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.* State the balance contained in account No. 210.

(a) *Less: Allowance for uncollectibles.* State the balance contained in account No. 211.

15. *Total Loans and Investments.* Enter the total of the appropriate amounts opposite items 9(c), 10(c), 11(a), 12(a), 13(c), and 14(a).

16. *Corporate premises owned and furniture and equipment.* State the total of the balances contained in accounts Nos. 230, 240, and 242.

(a) *Less: Accumulated depreciation.* State the total of the balances contained in accounts Nos. 231 and 241.

17. *Organization costs.* State the balance contained in account No. 256.

18. *Other.* State the total of the balances contained in accounts Nos. 140, 220 (non-current portions), and 257.

19. *Total Other Assets.* Enter the total of the appropriate amounts opposite items 16(a), 17, and 18.

20. *Total.* Enter the total of items 8, 15, and 19.

#### Liabilities, Capital Stock, and Surplus

21. *Accounts payable.* State the balance contained in account No. 340.

22. *Accrued interest payable.* State the balance contained in account No. 350.

23. *Accrued taxes on income.* State the total of the balances contained in accounts Nos. 354.1, 354.2, etc.

24. *Other accrued expenses.* State the balance contained in account No. 358.

25. *Dividends payable.* State the total of the balances contained in accounts Nos. 360 through 364.

26. *Employee taxes withheld.* State the balance contained in account No. 370.

27. *Unapplied receipts and trust receipts.* State the total of the balances contained in accounts Nos. 374 and 378.

28. *Other.* State the total of the balances contained in accounts Nos. 320, 381, and 383 (portions applicable).

29. *Total Short-Term Liabilities.* Enter the total of items 21 through 28.

30. *Notes payable to SBA.* State the balance contained in account No. 300.

31. *Notes payable to other than SBA, guaranteed by SBA.* State the balance contained in account No. 315.

32. *Notes payable to other than SBA, not guaranteed by SBA.* State the balance contained in account No. 316.

33. *Mortgages payable for funds borrowed.* State the balance contained in account No. 317.

34. *Other.* State the total of the balances contained in accounts Nos. 320, 381, and 383 (portions applicable).

35. *Debentures payable issued to SBA.* State the balance contained in account No. 301.

36. *Total Liabilities.* Enter the total of the appropriate amounts opposite items 29, 30, 33, 34, and 35.

37. *Capital stock.* State the total of the balances contained in accounts Nos. 400 through 404 minus the balances contained in accounts Nos. 405 through 409.

38. *Paid-in surplus.* State the balance contained in account No. 420.

39. *Less: ----- shares of treasury stock at cost.* State the total of the balances contained in accounts Nos. 415 through 419.

40. *Total.* Enter the total of items 37 and 38 minus item 39.

41. *Capital stock subscribed.* State the total of the balances contained in accounts Nos. 410 and 411.

(a) *Less: Subscriptions receivable.* State the total of the balances contained in account Nos. 413 and 414.

42. *Total Stockholders' Paid-In Capital and Paid-In Surplus.* Enter the total of the appropriate amounts opposite items 40 and 41(a).

43. *Retained earnings.* State the balance contained in the account No. 425.

44. *Appropriated retained earnings.* State the balance contained in account No. 427.

45. *Total Capital Stock and Surplus.* Enter the total of the appropriate amounts opposite items 42 and 44.

46. *Total.* Enter the total of items 36 and 45.

*Memorandum footnote.* Show in the space provided the market or fair value of loans and investments (shown at cost less allowance for losses in item 15 of the Statement of Financial Condition). In determining the market or fair value of portfolio securities (including securities which may be readily acquired through exercise of rights), securities for which market quotations are readily available shall be valued at the market bid price, provided the securities are registered, or readily registrable, and

salable, and further provided that, in the opinion of the board of directors, the bid price could be realized on immediate liquidation of the investment.

Securities other than those referred to above shall be at cost less allowance for probable losses unless, because of steady progress in the affairs of the portfolio company, an increase above cost to the small business investment company is clearly indicated in the SBIC's equity in the book value of the portfolio company's securities as shown on the portfolio company's books. In the latter case the securities may be valued at fair value as determined in good faith by the board of directors.

The value of loans and investments determined in accordance with the foregoing shall be reduced for purposes of this report by the amount of what would be an appropriate provision for taxes in respect of the unrealized appreciation included in the determined value.

In column (10) of Schedules 1 through 4, and column (8) of Schedule 7, identify with an asterisk each security which was valued above cost in arriving at the amount shown at market or fair value of loans and investments.

*Footnote on contingent liabilities.* Complete the footnote on page 2, at the end of the Statement of Financial Condition, which indicates the total amount of all contingent liabilities of the company. This amount shall be the same as the grand total of Schedule 12 of the report.

#### STATEMENT OF SURPLUS RECONCILIATIONS

Set forth in this statement all activities in accounts for paid-in surplus, retained earnings, and appropriated retained earnings during the fiscal year to date, showing opening balances, additions and deductions, and balances at close of the period. State separately the various additions and deductions, describing clearly the nature of the transactions out of which the items arose. Net income or loss from page 3 should be labeled "from net income, or (loss)" and realized gain or loss on investments from page 4 should be labeled "from net realized gain or (loss) on investments."

#### STATEMENT OF INCOME AND EXPENSE FOR THE FISCAL YEAR TO DATE

##### Income

##### Item:

1. *Commitment income.* State the balance contained in account No. 500.

2. *Interest on loans.* State the balance contained in account No. 512.

3. *Interest on debt securities.* State the balance contained in account No. 516.

4. *Interest on invested idle funds.* State the balance contained in account No. 510.

5. *Interest income—other.* State the balance contained in account No. 520.

6. *Management consulting service fees.* State the balance contained in account No. 532.

7. *Investigation and service fees charged other lenders.* State the balance contained in account No. 534.

8. *Application and appraisal fees.* State the balance contained in account No. 536.

9. *Dividends on capital stock of SBC's.* State the balance contained in account No. 540.

10. *Sharings in income or revenue of SBC's.* State the balance contained in account No. 541.

11. *Income less expense of \$----- from assets acquired in liquidation of loans and debt securities.* State the balance in account No. 582 minus the balance in account No. 710. Show the balance contained in account No. 710 as a separate item in the space provided for the expense.



12. *Other income.* State the balance contained in account No. 584.

13. *Total income.* Enter the total of the appropriate amounts opposite Items 1, 5, 8, 10, and 12.

#### Expenses

14. *Commitment expense.* State the balance contained in account No. 600.

15. *Interest on obligations payable to SBA.* State the balance contained in account No. 610.

16. *Interest on obligations payable to other than SBA.* State the balance contained in account No. 622.

17. *Stock record and other financial expenses.* State the balance contained in account No. 642.

18. *Total Financial Expenses.* Enter the total of Items 14 through 17.

19. *Advertising and promotional costs.* State the balance contained in account No. 650.

20. *Appraisal and investigation costs.* State the balance contained in account No. 651.

21. *Auditing and examination costs.* State the balance contained in account No. 652.

22. *Communications.* State the balance contained in account No. 653.

23. *Cost of space occupied.* State the balance contained in account No. 654.

24. *Depreciation of corporate premises owned, furniture, and equipment.* State the balance contained in account No. 655.

25. *Directors' and stockholders' meetings costs.* State the balance contained in account No. 657.

26. *Insurance.* State the balance contained in account No. 658.

27. *Investment adviser costs.* State the balance contained in account No. 660.

28. *Legal services.* State the balance contained in account No. 661.

29. *Salaries of officers.* State the balance contained in account No. 663.1.

30. *Salaries of employees.* State the balance contained in account No. 663.2.

31. *Taxes, excluding income taxes.* State the balance contained in account No. 664.

32. *Travel.* State the balance contained in account No. 665.

33. *Employee benefits expense.* State the balance contained in account No. 670.

34. *Organization expense.* State the balance contained in account No. 672.

35. *Miscellaneous operating expenses.* State the balance contained in account No. 679.

36. through 39. (For unclassified items.)

40. *Total Operating Expenses.* Enter the total of Items 19 through 39.

41. *Other expenses.* State the balance contained in account No. 715.

42. *Total Expenses.* Enter the total of Items 18, 40, and 41.

43. *Net Operating Income before provision for probable losses and income taxes.* Enter the balance resulting from the deduction of Item 42 from Item 13.

44. *Provision for probable losses on receivables.* State the balance contained in account No. 680.

45. *Provision for probable losses on portfolio securities.* State the balance contained in account No. 682.

46. *Provision for probable losses on assets acquired in liquidation of loans and debt securities.* State the balance contained in account No. 684.

47. *Provision for probable losses on amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities.* State the balance contained in account No. 686.

48. *Net Operating Income before provision for income taxes.* Enter the balance resulting from the deduction of the appropriate amount opposite Item 47 from Item 43.

49. *Provision for Federal income taxes—net income.* State the balance contained in account No. 720.1.

50. *Provision for State and other income taxes.* State the balance contained in account No. 720.2.

51. *Net Income (Loss) From Operations.* Enter the balance resulting from the deduction of the appropriate amount opposite Item 50 from Item 48.

#### STATEMENT OF REALIZED GAIN OR LOSS ON INVESTMENTS

1. *U.S. Government securities.* Show the aggregate cost, aggregate net proceeds, and net gain or net loss on the sale or other disposition of U.S. Government obligations, direct and fully guaranteed.

2. *Debt securities of SBCs.* Show the aggregate cost less allowance for losses, aggregate net proceeds, and net gain or loss on the sale or other disposition of debt securities of small business concerns.

3. *Capital stock of SBCs.* Show the aggregate cost less allowance for losses, aggregate net proceeds, and net gain or loss on the sale or other disposition of capital stock of small business concerns.

4. *Warrants, options, and other stock rights acquired from SBCs.* Show the aggregate cost less allowance for losses, aggregate net proceeds, and net gain or loss on the sale or other disposition of warrants, options, and other stock rights acquired by the company from small business concerns.

5. *Assets acquired in liquidation of loans and debt securities.* Show the aggregate cost less allowance for losses and mortgages payable, aggregate net proceeds, and net gain or loss on the sale or other disposition of assets acquired in liquidation of loans and debt securities of small business concerns. The aggregate cost shown for this item shall be the same as that recorded in the books of account on the basis determined by the board of directors from among (1) bid-in price of the property, (2) agreed consideration for the property, and (3) fair appraised value of the property, but not to exceed the total amount of the related loan or debt security involved.

6. *Other.* Show the aggregate cost less allowance for losses, aggregate net proceeds, and net gain or loss on the sale or other disposition of any investments not included in Items 1 through 5.

7. *Net Gain and/or Loss on Investments.* Enter the net total of Items 1 through 6.

8. *Combined Net Gain (Loss) on Investments.* Enter the balance resulting from the deduction of Item 7, column (5) from Item 7, column (4).

9. *Add realized gain for current year from prior sales of investments (Deferred Credits).* State the amount of deferred gain of prior years transferred to gain accounts in the current year.

10. *Less portion of gain not realized in cash, demand certificates of deposit issued by FDIC-member banks, and/or negotiable direct obligations of the U.S. Government.* State the amount of the above gain represented by proceeds other than cash, demand certificates of deposit issued by FDIC-member banks, and/or negotiable direct obligations of the U.S. Government.

11. *Net Realized Gain (Loss) on Investments before provision for income taxes.* Enter the balance resulting from the addition of Item 9 and deduction of Item 10 from Item 8.

12. *Federal income taxes—net realized gain on investments.* State the amount of estimated Federal income taxes applicable to net realized gain on investments for the fiscal year to date.

13. *State and other income taxes—net realized gain on investments.* Show the

amount of estimated State and other non-federal income taxes applicable to net realized gain on investments for the fiscal year to date.

14. *Total provision for income taxes.* Enter the total of Items 12 and 13.

15. *Net Realized Gain (Loss) on Investments.* Enter the balance resulting from the deduction of Item 14 from Item 11.

NOTE: Describe the transactions in this Statement in accordance with the instructions set forth in the note at bottom of the form.

#### SCHEDULE 1—LOANS (SECTION 305)

The items to be listed in this schedule shall include all loans held, made, or otherwise obtained, or disposed of by the company during the fiscal year to date setting forth the pertinent data indicated by the column headings. The reporting company's portion of participation in loans shall be included.

List each loan by employer identification number; owner group code number designating the group classification of the principal ownership of the small business concern as follows: (0) Negroes; (1) Puerto Ricans; (2) American Indians; (3) Spanish Americans; (4) Asians (Japanese, Chinese, Koreans, Filipinos); (5) Eskimos and Aleuts; (6) Undetermined and (7) Others—including whites; financing number; interest rate; Standard Industrial Classification code; name of financed small business concern, together with street address, city, state, zip code, and county in which located; date and maturity date; principal balance at beginning of period; cash additions during period; noncash additions during period (include refinancing); cash deductions during period; noncash deductions during period; and principal balance at close of period. The total in column (9) shall agree with item 9 of the Statement of Financial Condition.

Show in column (10) the market value, or fair value as determined by the board of directors, of each loan which is determined to be worth less than the cost amount shown for it in column (9) minus any allowance for losses established for it. Any loan for which an allowance for losses has been established shall not be listed in column (10) at any value higher than cost less such allowance.

An explanatory notation or footnote shall be entered in the schedule with respect to any loan (or any interest therein) obtained from another licensee.

Treat multiple disbursements under the same financing agreement as a single financing. Show the total of all loan financing on the last sheet of this schedule.

In column (1) enter the employer identification number of each listed small business concern; if a concern does not have such number, it should obtain one by filing Form SS-4 with the U.S. Director of Internal Revenue for the area in which the concern is located. Insert the appropriate owner group code number, in parentheses, following the employer identification number of each small business concern.

Enter for each listed small business concern the four-digit Standard Industrial Classification Code of the principal industry in which the concern is engaged; refer to the SIC Manual issued by the Bureau of the Budget.

If the licensee has had more than one financing in the same category outstanding to the same small business concern (cumulative beginning with Mar. 31, 1966, outstanding balances), each such similar financing should be assigned a financing number (1-2-3, etc.) for identification purposes, and this number should be shown in the applicable column on this report and on



future reports in relation to the same financing. A number once assigned to a specific financing of a small business concern should never be reassigned to another financing in the same category to the same concern.

In column (9) identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate. Also, identify by the letter (V) each item qualifying under the regulations as venture capital and by the letters (SP) each item qualifying under the regulations as special discretionary portfolio. Show the total of all venture capital amounts on the last sheet of this schedule immediately under the "Totals" line at the foot of column (9). Show the total of all special discretionary portfolio amounts on the last sheet of this schedule immediately under the "Total venture capital".

**SCHEDULE 2—DEBT SECURITIES (SECTION 304)**  
(§ 107.302(b) (2) OF REGULATIONS)

The items to be listed shall include all debt securities held, acquired, converted, or disposed of during the fiscal year to date, setting forth the pertinent data indicated by the column headings. The reporting company's portion of participation in debt securities shall be included.

List each debt security by employer identification number; owner group code number designating the group classification of the principal ownership of the small business concern as follows: (0) Negroes; (1) Puerto Ricans; (2) American Indians; (3) Spanish Americans; (4) Asians (Japanese, Chinese, Koreans, Filipinos); (5) Eskimos and Aleuts; (6) Undetermined and (7) Others—including whites; financing number; interest rate; Standard Industrial Classification code; name of financed small business concern, together with street address, city, state, zip code, and county in which located; date and maturity date; principal balance at beginning of period; cash additions during period; noncash other additions during period; cash deductions during period; noncash deductions during period; and principal balance at close of period. The total in column (9) shall agree with item 10 of the Statement of Financial Condition.

Show in column (10) the market value, or fair value as determined by the board of directors, of each debt security which is determined to be worth more than the cost amount shown for it in column (9) and each debt security which is determined to be worth less than the cost amount shown for it in column (9), minus any allowance for losses established for it. Any debt security for which an allowance for losses has been established shall not be listed in column (10) at any value higher than cost less such allowance.

Show in column (11) opposite each debt security financing the percentage of the financed small business concern's voting securities which has been and/or can be obtained by the Licensee through exercise of conversion privileges and/or stock purchase warrants or options received in connection with the specific financing. This percentage shall be computed without giving consideration to the possibility of simultaneous exercise of stock rights by other investment interests. Whenever a Licensee considers it important to disclose that its percentage of actual and potential ownership is affected by the probable action of others in exercising their stock rights, a footnote should be appended to the percentage figure arrived at by consideration of only the Licensee's action. In such footnote the percentage of actual and potential ownership giving consideration to the probable action of others should be set forth, together with an explanation including the names of the other investors who are likely to exercise

their rights, the percentages of actual and potential ownership they hold, and the general terms of their stock rights.

An explanatory notation or footnote shall be entered in the schedule with respect to any debt security (or any interest therein) obtained from another Licensee.

Treat multiple disbursements under the same financing agreement as a single financing. Show the total of all debt security financing on the last sheet of this schedule.

In column (1) enter the employer identification number of each listed small business concern; if a concern does not have such number, it should obtain one by filing Form SS-4 with the U.S. Director of Internal Revenue for the area in which the concern is located.

Insert the appropriate owner group code number, in parentheses, following the employer identification number of each small business concern.

Enter for each listed small business concern the four-digit Standard Industrial Classification Code of the principal industry in which the concern is engaged; refer to the SIC Manual issued by the Bureau of the Budget.

If the Licensee has had more than one financing in the same category outstanding to the same small business concern (cumulative beginning with March 31, 1966, outstanding balances), each such similar financing should be assigned a financing number (1-2-3, etc.) for identification purposes, and this number should be shown in the applicable column on this report and on future reports in relation to the same financing. A number once assigned to a specific financing of a small business concern should never be reassigned to another financing in the same category to the same concern.

In column (9) identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate. Also, identify by the letter (V) each item qualifying under the regulations as venture capital and by the letters (SP) each item qualifying under the regulations as special discretionary portfolio. Show the total of all venture capital amounts on the last sheet of this schedule immediately under the "Totals" line at the foot of column (9). Show the total of all special discretionary portfolio amounts on the last sheet of this schedule immediately under the "Total venture capital".

**SCHEDULE 3—CAPITAL STOCK OF SBCs**

Furnish in this schedule a summary of all capital stock of small business concerns setting forth the pertinent data indicated by the column headings. The items to be listed shall include all capital stock of small business concerns held, acquired, converted or disposed of during the fiscal year to date setting forth the pertinent data indicated by the column headings. The reporting company's portion of participation in investments shall be included.

List each investment by employer identification number; Owner Group Code number; financing number; Standard Industrial Classification code; name of financed small business concern, together with street address, city, state, ZIP code, and county in which located; date acquired, type and class, number of shares, etc.; balance at cost at beginning of period; cash additions during period; noncash additions during period at cost; cash deductions during period; noncash deductions during period at cost; and balance at cost at close of period.

The total in column (9) for capital stock of SBCs shall agree with Item 11 of the Statement of Financial Condition.

Show in column (10) the market value, or fair value as determined by the board of

directors, of each investment which is determined to be worth more than the cost amount shown for it in column (9) and each investment which is determined to be worth less than the cost amount shown for it in column (9), minus any allowance for losses established for it. Any investment for which an allowance for losses has been established shall not be listed in column (10) at any value higher than cost less such allowance. Show in column (11) the percentage of ownership in the small business concern.

An explanatory notation or footnote shall be entered in the schedule with respect to any investment (or any interest therein) obtained from another Licensee.

Treat multiple disbursements under the same financing agreement as a single financing. Show the total of all capital stock on the last sheet of this schedule.

In column (1) enter the employer identification number of each listed small business concern; if a concern does not have such number, it should obtain one by filing Form SS-4 with the U.S. Director of Internal Revenue for the area in which the concern is located.

Enter the appropriate Owner Group Code number in parentheses.

Enter for each listed small business concern the four-digit Standard Industrial Classification Code of the principal industry in which the concern is engaged; refer to the SIC Manual issued by the Bureau of the Budget.

If the Licensee has had more than one financing in the same category outstanding to the same small business concern (cumulative beginning with March 31, 1966, outstanding balances), each such similar financing should be assigned a financing number (1-2-3, etc.) for identification purposes, and this number should be shown in the applicable column on this report and on future reports in relation to the same financing. A number once assigned to a specific financing of a small business concern should never be reassigned to another financing in the same category to the same concern.

In column (9) identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate. Also, identify by the letter (V) each item qualifying under the regulations as venture capital and by the letters (SP) each item qualifying under the regulations as special discretionary portfolio. Show the total of all venture capital amounts immediately under the "Totals" line at the foot of column (9) on the last sheet of this schedule. Show the total of all special discretionary portfolio amounts on the last sheet of this schedule immediately under the "Total venture capital".

**SCHEDULE 4—WARRANTS, OPTIONS AND OTHER STOCK RIGHTS ACQUIRED FROM SBCs**

The items to be listed shall include all warrants, options and other stock rights acquired from SBCs (for which a cost has been determined separate from that of the financing instruments which they accompanied and/or for which there exists a market value, or a fair value as determined by the board of directors) which were held, obtained, surrendered, expired or sold during such period setting forth the pertinent data indicated by the column headings. If no separate cost, market value, or fair value has been determined the warrants, options and other stock rights shall be listed with no value assigned. The reporting company's portion of participation in investments shall be included.

List each investment by employer identification number; Owner Group Code number; financing number; Standard Industrial Classification code; name of financed small business concern, together with street address, city, state, zip code, and county in which



located; date acquired, type and class, etc.; balance at cost at beginning of period; cash additions during period; noncash additions during period at cost; cash deductions during period; noncash deductions during period at cost; and balance at cost at close of period.

The total in column (9) shall agree with item 12 of the Statement of Financial Condition. Show in column (10) the market value, or fair value as determined by the board of directors, of each investment which is determined to be worth more than the cost amount shown for it in column (9) and each investment which is determined to be worth less than the cost amount shown for it in column (9), minus any allowance for losses established for it. Any investment for which an allowance for losses has been established shall not be listed in column (10) at any value higher than cost less such allowance.

Show in column (11) opposite each financing item the percentage of the financed small business concern's voting securities which has been and/or can be obtained by the Licensee through exercise of conversion privileges and/or stock purchase warrants or options received in connection with the specific financing, or which is represented by the financing item itself. This percentage shall be computed without giving consideration to the possibility of simultaneous exercise of stock rights by other investment interests. Whenever a Licensee considers it important to disclose that its percentage of actual and potential ownership is affected by the probable action of others in exercising their stock rights, a footnote should be appended to the percentage figure arrived at by consideration of only the Licensee's action. In such footnote the percentage of actual and potential ownership giving consideration to the probable action of others should be set forth, together with an explanation including the names of the other investors who are likely to exercise their rights, the percentages of actual and potential ownership they hold, and the general terms of their stock rights.

An explanatory notation or footnote shall be entered in the schedule with respect to any investment (or any interest therein) obtained from another Licensee.

Treat multiple disbursements under the same financing agreement as a single financing. Show the total of all, warrants, options and other stock rights financing on the last sheet of this schedule.

In column (1) enter the employer identification number of each listed small business concern; if a concern does not have such number, it should obtain one by filing Form SS-4 with the U.S. Director of Internal Revenue for the area in which the concern is located.

Insert the appropriate owner group code number, in parentheses, following the employer identification number of each small business concern. In column enter for each listed small business concern the four-digit Standard Industrial Classification Code of the principal industry in which the concern is engaged; refer to the SIC Manual issued by the Bureau of the Budget.

If the Licensee has had more than one financing in the same category outstanding to the same small business concern (cumulative beginning with March 31, 1966, outstanding balances), each such similar financing should be assigned a financing number (1-2-3, etc.) for identification purposes, and this number should be shown in the applicable column on this report and on future reports in relation to the same financing. A number once assigned to a specific financing of a small business concern should never be reassigned to another financing in the same category to the same concern.

(d) In column (12) identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate. Also, identify by the letter (V) each item qualifying under the regulations as venture capital and by the letters (SP) each item qualifying under the regulations special discretionary portfolio. Show the total of all venture capital amounts immediately under the "Totals" line at the foot of column (9). Show the total of all special discretionary portfolio amounts on the last sheet of this schedule immediately under the "Total venture capital."

#### SCHEDULE 5—DETAILS OF CERTAIN LOANS (SECTION 305) AND INVESTMENTS (SECTION 304) LISTED IN SCHEDULES 1 THROUGH 4

Enter in this schedule all loans and debt securities shown in Schedules 1 and 2 and all investments shown in Schedules 3 and 4 concerning which any one or more of the following conditions exist:

1. New or additional financing has been furnished during the fiscal year to date, as shown in columns (5) and (6) of Schedules 1 through 4.

2. The terms of existing financing have been amended and/or the related collateral has been changed during the fiscal year to date.

3. Any rescheduling, refinancing, or re-funding of principal and/or the interest has occurred, or conversion of a delinquent item has taken place, during the fiscal year to date. (Full details on such events are to be furnished in column (6) or on an attached sheet.)

4. Installment payments of principal and/or interest on loans or debt securities past due more than 1 month.

List the items by employer identification number in column (1) and identify them by name of small business concern, type of financing, and financing number in columns (2), (3), and (4). In column (5) show the original principal amount or other cost. Details of the amortization plan and other significant provisions of the financing instruments, including a precise description of capital stock of SBC's, shall be set forth in column (6). The value and description of collateral are to be set forth in columns (7) and (8), respectively. Information as to the portion of such collateral assigned as security for the financing granted by the Licensee is required to be presented in column (8).

If any loans or debt securities earmarked or pledged to SBA are in default as to payment of principal or interest, or with respect to any other covenants of the financing agreements, the repayment delinquencies will, of course, be included in Schedule 6. Any other defaults are to be described in column (6) of Schedule 5. Such earmarked or pledged loans and debt securities shall be identified in the schedule by the letter (E) or (P), as appropriate. If no earmarked loans or debt securities are in default as to principal or interest payments, or as to any other covenants in the financing agreements, a statement to that effect shall be placed on Schedule 5.

#### SCHEDULE 6—ALLOWANCE FOR LOSSES ON PORTFOLIO SECURITIES—DELINQUENT LOANS AND DEBT SECURITIES

List in this schedule all loans and investments for which an allowance for losses has been established or allocated on a specific item basis and/or which (if loans or debt securities) are delinquent to the extent of having installment payments past due more than 1 month. Identify each item in column (1) by the employer identification number and name of the financed small business concern; indicate by appropriate letter in

column (2) the type of financing (loan, debt security, stock, warrants and options); and record the financing number in column (3) if there has been more than one financing of the same type with respect to the same small business concern.

In columns (4) through (8), show the opening balance of the allowance for losses on each security, the additions and deductions pertaining to such allowance, and the closing balance, all relating to the fiscal year to date. If there exists an overall allowance for losses, established on a percentage or other basis and not allocated to individual securities, the beginning and ending balances thereof, together with changes during the period, shall be shown appropriately on the "General Allowance" line at the bottom of the schedule. The grand total of column (8) shall equal the sum of items 9(b), 10(b), 11(a), and 12(a) in the Statement of Financial Condition.

Show in column (9) the principal balance or other cost, as of the close of the period, of each security listed on the schedule. In columns (10) and (11) show all installments of principal and/or interest past due more than 1 month on loans and debt securities. Such portfolio items shall be identified and classified in columns (1), (2), and (3), and any allowances for losses related thereto shall be included appropriately in the columns provided therefor. Any loans or debt securities earmarked or pledged to SBA shall be identified in the schedule by the letter (E) or (P), as appropriate. Show the totals of columns (10) and (11).

#### SCHEDULE 7—ASSETS ACQUIRED IN LIQUIDATION OF LOANS AND DEBT SECURITIES—ALLOWANCE FOR LOSSES

List and describe in this schedule, by former debtors (small business concerns), all assets carried during the fiscal year to date in the account for assets acquired in liquidation of loans (section 305) and debt securities (section 304 and § 107.302(b)(2) of the Regulations). This will correctly represent only the reporting company's portion of such assets. The balance at the beginning of the reporting period, additions and deductions during the period, and balance at the close of the period shall be shown in columns (3), (4), (5), and (6). The allowance for losses established for the reporting company's portion of the assets held with reference to each small business concern shall be recorded in column (7). Current market value, or fair value as determined by the board of directors at the close of the period shall be shown in column (8). The totals of columns (6) and (7) shall agree with items 13 and 13(c), respectively, of the Statement of Financial Condition.

In column (6) identify by the letter (V) each asset acquired in liquidation of a portfolio security which original security qualified under the regulations as venture capital. Show the total of all such secondary venture capital amounts in the space provided at the foot of column (6).

#### SCHEDULE 8—AMOUNTS DUE FROM DEBTORS ON SALE OF ASSETS ACQUIRED IN LIQUIDATION OF LOANS AND DEBT SECURITIES—ALLOWANCE FOR UNCOLLECTIBLES

Show in this schedule, by debtors, all accounts receivable, notes receivable, sales contracts, purchase money mortgages, etc., carried during the period in the account for amounts due from debtors on sale of assets acquired in liquidation of loans (section 305) and debt securities (section 304). The interest rate and other terms shall be given. The balances at the beginning and close of the period shall be shown, together with additions and deductions during such reporting period. Allowances for uncollectibles



based upon an evaluation of the reporting company's portion of individual amounts due shall be recorded in column (8) opposite the name of the debtor. If a general allowance is utilized instead of individual allowances, it shall appear only at the bottom of column (8). The totals of columns (8) and (9) shall agree with Items 14 and 14(a), respectively, of the Statement of Financial Condition. Under column (2) identify the asset or assets originally acquired in liquidation to which the amount due relates.

#### SCHEDULE 9—PARTICIPATIONS AND JOINT FINANCING

Show in this schedule all financings in which the reporting company participated and all financings made jointly by the reporting company and one or more other lenders or investors during the fiscal year to date, or which were outstanding at any time during such period. Identify each item in column (1) by the employer identification number and name of the financed small business concern; indicate by appropriate letter in column (2) the type of financing (loan, debt security, stock, warrants, and options); and enter the financing number in column (3) if there has been more than one financing of the same type by the reporting company to the same small business concern.

In column (4) show the original total amount contributed by all parties in the participation or joint financing. The names of such participating or joint financing individuals and/or entities (including the name of the reporting company) shall be shown in column (5) with appropriate indication as to which is the initiating (sponsoring) entity.

Show in column (6), (7), or (8), as appropriate, the reporting company's outstanding principal balance, or other cost, of participation purchased, participation sold, or joint financing, as of the close of the period covered in the report. Enter in column (9) a description of collateral pertaining to each financing, together with information as to the percentage applicable to each party and as to any preferences agreed upon.

#### SCHEDULE 10—CASH, U.S. GOVERNMENT OBLIGATIONS, INSURED SAVINGS, AND TIME CERTIFICATES OF DEPOSIT

Show in Schedule 10a all cash on hand and in general funds demand deposits; funds in imprest bank accounts. Demand deposits are balances subject to withdrawal without notice and shall be in commercial banks which are members of the Federal Deposit Insurance Corporation. Cash items in process of collection represent those cash items which have been placed with banks for collection. Petty cash shall represent the full amount of the petty cash imprest fund.

List in Schedule 10b(1) all securities owned which have been issued or guaranteed by the U.S. Government, showing the name of the issuer and the title of each issue. Other required data, such as interest rate, call date, maturity date, and principal amount at par of bonds and notes, may be obtained by inspection of the securities or from records of securities pledged. The cost of the securities shall be shown in column (6) and the current market value thereof in column (7).

Show in Schedule 10b(2) all funds invested in insured savings accounts and all funds on time deposit evidenced by time certificates of deposit. Savings accounts shall be in institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation. Time deposits shall include all time certificates of deposit held by the company in commercial banks which are members of the Federal Deposit Insurance Corporation.

#### SCHEDULE 11—DUE FROM DIRECTORS, OFFICERS, AND EMPLOYEES

Show in this schedule amounts due from directors, officers, and employees for ad-

vances made to them (listing name and title of debtor in column (1)). The unpaid balance of each amount due at the beginning of the fiscal year shall be shown in column (2); additions, writeoffs, and collections during the fiscal year to date shall be set out in columns (3), (4), and (5); and the balance at the close of the period shall be shown in column (6). The total of column (6) shall agree with item 6 in the Statement of Financial Condition. An explanation shall be furnished for any amount written off or for any collection other than in cash.

#### SCHEDULE 12—COMMITMENTS, GUARANTEES, AND OTHER CONTINGENT LIABILITIES

Furnish in Schedule 12a, (1) commitments to small business concerns for equity financing under section 304 of the Act, as amended, (2) commitments to small business concerns for loans under section 305 of the Act, as amended, and (3) commitments to banks or other lenders for deferred participations in loans or commitments to small business concerns. Show the total amount of all commitments outstanding. Show the total of all venture capital commitments outstanding immediately under "Total commitments outstanding". Enter license number in the space allotted and enter owner group code number in parentheses alongside name of small business concern.

Furnish in Schedule 12b all obligations of portfolio concerns guaranteed by the company, showing (1) date of guarantee, (2) name of debtor small business concern, (3) name of lender, owner group code number, and (4) outstanding amount of guarantee. Show the total outstanding amount of all guarantees.

Set forth separately in schedule 12c with total, all other contingent liabilities.

Show at the bottom of the schedule the grand total of all commitments, guarantees, and other contingent liabilities. This amount shall be the same as that given in the footnote on page 2 at the end of the Statement of Financial Condition.

#### SCHEDULE 13—OBLIGATIONS PAYABLE

Show in this schedule, by creditors, all obligations payable representing (1) debentures payable to SBA, (2) SBA direct loans, (3) guaranteed loans purchased by SBA, (4) loans guaranteed by SBA, (5) loans not guaranteed by SBA, (6) mortgages payable for funds borrowed, and (7) mortgages payable on assets acquired in liquidation of loans and debt securities. Such liabilities shall be grouped by the foregoing categories, and described in column (2), but subtotals are not required. Guaranteed loans purchased by SBA represent loans, originally financed by banks, which have been transferred to SBA through reassignment, transfer and delivery of the notes to SBA.

The interest rate and other terms of each obligation shall be recorded in columns (3) and (4); the unpaid balance at the beginning of the fiscal year and additions and deductions during the fiscal year to date shall be shown in columns (5), (6), and (7); and the balance payable at the close of the period, segregated between (a) amounts owed to SBA for funds borrowed and (b) amounts owed to others for funds borrowed and/or amounts representing mortgages payable on assets acquired in liquidation of loans and debt securities, shall be reflected in columns (8) and (9).

The total of column (8) shall agree with the total of Items 30 and 35 of the Statement of Financial Condition, and the total of column (9), shall agree with the total of Items 13(b), 31, and 32, and the appropriate amount opposite Item 33 of such statement.

#### SCHEDULE 14—CAPITAL STOCK OF LICENSEE

Furnish in this schedule a complete description of the company's capital stock authorized, capital stock issued and outstand-

ing, and data relating to special transactions involving capital stock.

In column (1) shall be described the type and class of each issue, such as common—\$5 par, preferred (7 percent Series of 1969), etc. The par value or, for no-par stock, the stated value shall also be reported in column (1).

The number of shares authorized, whether issued or not, shall be reported in column (2).

The number of shares and amount, at par or stated value, of stock issued and not retired or canceled shall be reported in columns (3) and (4). The total of column (4) shall agree with Item 37 of the Statement of Financial Condition. The number of shares held as treasury stock shall be shown in column (5). Column (6) will represent the difference between column (3) and column (5).

Column (7) shall be the amount at par or stated value representing the number of shares outstanding as shown in column (6). The total of column (8) shall represent the amount of capital stock subscribed at the subscription price and shall agree with Item 41 of the Statement of Financial Condition.

In column (9) shall be reported the amount of subscriptions receivable, which shall agree in total with Item 41(a) of the Statement of Financial Condition.

Column (10) shall show the number of shares (other than those under option) reserved for purchase by officers and employees, and column (11) shall show the number of shares reserved to cover options and other rights.

#### SCHEDULE 15—OPTIONS ON LICENSEE'S CAPITAL STOCK

Furnish in this schedule full information concerning outstanding capital stock options which have been granted by the company.

The holder of each option shall be identified in column (1). The number of shares optioned shall be shown in column (2). In column (3) shall be described the type and class of stock called for by the option, such as common—\$5 par, preferred (7 percent Series of 1969), etc.

Column (4) shall show the grant and expiration dates of each option and column (5) shall set forth the price or prices at which each option is exercisable, together with the period during which each price applies.

Column (6) shall show the fair market value, per share, of stock called for by each option, at the date the option was granted. The price at which the option is exercisable as a percentage of fair market value, per share, of the optioned stock at date of granting shall be shown in column (7). Column (8) shall set forth the provisions made with respect to each option in the event of the optionee's death or retirement, or other circumstances.

The fair market value, per share, of stock called for at date the option was granted, if not ascertainable on the basis of actual market, shall be as determined by the board of directors.

#### SCHEDULE 16—SHAREHOLDERS, OFFICERS, AND DIRECTORS OF THE LICENSEE

Furnish in this schedule the information as required by the form regarding equity securities issued by the Licensee and regarding the Licensee's officers, directors, and manager.

In column (1) list:

(a) Each person or company directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting securities of the company.

(b) Each person or company owning of record or being known to own beneficially more than 10 percent of any other class of equity securities of the company.

(c) Each officer, director, or manager of the SBIC. (List and identify all officers and



directors, and manager regardless of whether or not they own any equity securities of the company.)

Show in column (2) whether each natural person listed in column (1) is an officer, director, manager of the Licensee or specific combination of any of the three and the total remuneration for the period received by each from the Licensee. Indicate in column (3) the type of business in which each listed person or company is engaged. Column (4) shall show the title of each class of stock owned by any person or company and column (5) shall indicate whether the securities of the specific class are owned both of record and beneficially, of record only, or beneficially only.

In columns (6), (7), and (8), respectively, show the number of shares of each class owned by each listed person or company, the total par or stated value of such shares, and the percentage of the total number of shares of this class outstanding which is represented by the shares owned by the particular person or company.

Summarize the foregoing information by class of equity security at the bottom of the schedule.

#### SCHEDULE 17—SUNDY ASSETS

Show and explain in this schedule, by appropriate classification, the amounts of all sundry assets. Such assets will include: (1) Notes receivable; (2) accounts receivable, including dividends receivable; (3) accrued interest receivable; (4) funds in escrow pending closing of financing, and prepayments or deferred charges; and (5) unamortized organization costs.

Identify each item and describe the transaction out of which it arose, giving names of debtors and terms of debt instruments.

#### SCHEDULE 18—LOANS AND INVESTMENTS AND ACTUAL LOSS EXPERIENCE THEREON

Furnish in this schedule the total principal amounts classified between venture capital and nonventure capital as defined under § 107.3 of this regulation of all loans and investments originating during the fiscal year and any actual principal lost on any loans and investments during the fiscal year entered in the following categories: (1) Notes and Accounts Receivable (includes accrued interest receivable and amounts due from debtors on sale of assets acquired in liquidation), (2) Loans (section 305), (3) Debt Securities (section 304), and (4) Capital Stock. Also furnish in this schedule the average months elapsed between the date of the loan or investment and its final disposition for all categories except notes and accounts receivable. See more detailed instructions printed on the schedule.

#### VERIFICATION OF THE FINANCIAL REPORT, SBA FORM 468

The verification of the Financial Report, SBA Form 468, shall bear the signature of the chief financial officer of the Licensee, or other officer authorized by the board of directors to sign in the event the chief financial officer is unavailable. A secretarial officer of the Licensee shall attest by signature to the fact that the minutes of a meeting of the board of directors show that the Financial Report, SBA Form 468, has been reviewed and approved by the board of directors. The date on which each signature is affixed shall be shown. All signatures on all copies of the Financial Report, SBA Form 468, submitted to SBA shall be original signatures in ink.

#### VERIFICATION OF LICENSEE'S STATEMENT ON IMPLEMENTATION OF PLAN FOR DIVESTITURE OF CONTROL OF SMALL BUSINESS CONCERNS

The verification of the Licensee's statement concerning prospects for divestiture of control, which is required by § 107.901(e) of

the regulations to be furnished to SBA in triplicate with the annual financial report (SBA Form 468), shall bear the signature of a secretarial officer of the Licensee attesting to the fact that the minutes of a meeting of the board of directors show that such statement has been reviewed and approved by the board of directors. The date on which such signature is affixed shall be shown. The secretarial officer's signature on all copies of the Licensee's statement concerning prospects for divestiture of control submitted to SBA shall be an original signature in ink.

#### APPENDIX 3—INSTRUCTIONS FOR PREPARATION OF THE PROGRAM EVALUATION REPORT, SBA FORM 684 (3-70)

Section 107.1102(f) of the regulations governing small business investment companies includes a provision requiring each Licensee to submit a Program Evaluation Report, SBA Form 684, as of March 31 of each year. The report is required to be filed with the Small Business Administration on or before June 30 of the same calendar year. Three executed copies of the report shall be furnished to SBA.

Each such report as of March 31 shall reflect all Licensee financing of small business concerns which were outstanding at any time during the preceding 12-month period. In the instance of financing terminated during the year, it is necessary that the financing be reported with the proper status code.

If the Licensee has engaged in more than one financing of a single small business concern (for example: two loans made at different times evidenced by separate financing instruments, or one loan, one debt security with warrants, and one purchase of capital stock of the SBC), the most recent financing shall be entered in the left-most column of the form. Make the appropriate entry opposite each numbered line for the last such financing, and make entries only on lines 9 through 14 on the right side of the form for previous and other financings of the same small business concern which were outstanding at any time during the preceding 12-month period.

Multiple disbursements under a single financing agreement to a small business concern are to be treated as one financing, and only one entry shall be made on line 12 to include all such disbursements to the small business concern. If as of the date of this report the total amount of the financing provided for in a multiple-disbursement agreement has not yet been fully disbursed, the total financing provided for in the agreement shall be entered on line 12, rather than the amount actually disbursed.

Except as noted above with respect to more than one financing of a single small business concern, entries shall be made in the report on each line (1 through 35) for each financing outstanding at any time during the 12-month period ended March 31.

In entering financings in which participation by others is a factor, an "Initiating" Licensee shall show on line 12 only its own share of total funds disbursed (net of participations sold), and a Licensee which has purchased a participation shall enter on line 12 the amount represented by its participation in total funds disbursed. Both the "initiating" company and the "participating" company shall complete all lines (1 through 35) of the report for such financings. A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

The spaces for license number and name of Licensee, and lines 1 through 14 and 24 through 34 must be filled out in each year's report. Lines 15 through 23 are required to be

filled out only if the specific information called for has not been furnished in a prior report. Line 35, if applicable, should be filled out only once for any one small business concern.

If the "current information," represented by entries on lines 24 through 34 is either impossible to obtain or misleading with respect to small business concerns which (a) have been merged into other companies since the financing, (b) are presently inactive, or (c) are insolvent, the Licensee may write the word "merged," "inactive," or "insolvent," as appropriate, on lines 24 through 34 rather than make detailed entries for these items.

Entries of all dollar amounts shall be rounded to the nearest dollar.

Instructions covering each line of the report are as follows:

A. Entries to be made on each page of the report:

Page number, and total number of pages in the report. (Examples: Page 1 of 4 pages, or page 3 of 6 pages.)

Name of Licensee.

SBC license number.

B. Entries to be made for each financing outstanding during the 12-month period covered by the report, or for each small business concern financed.

#### Line Numbers

1. Name of small business concern financed.

2. Employer identification number of the small business concern (SBC) financed. The small business concern will have an employer identification number or must obtain one by filing Form SS-4 with the U.S. Director of Internal Revenue for the area in which it is located.

3. City. Enter the city in which the small business concern's principal office is located.

4. County. Enter the county in which the small business concern's principal office is located.

5. State. Enter the state in which the small business concern's principal office is located.

6. SIC. Enter the four-digit Standard Industrial Classification Code of the principal industry in which the small business concern is engaged. Determine the proper code by reference to the Standard Industrial Classification Manual, issued by the Executive Office of the President, Bureau of the Budget.

7. Date business established. Enter the month and year that the small business concern commenced business in its present form.

8. Form of business. Show whether the financed concern is a corporation, partnership, proprietorship, etc.

9. Type of investment. Types of investment include loans, debt securities, capital stock, and stock rights (including warrants or options).

10. Financing number. If the Licensee has had more than one financing of the same type outstanding with the same small business concern, each such financing shall be entered in the form in the manner described in the third paragraph of this appendix. Each similar financing shall be assigned a financing number for purposes of identification, and this financing number shall be shown on future reports setting forth the same financing. Each type of investment should be numbered sequentially. As an example, loans would be numbered 1, 2, 3; debt security 1, etc.

11. Initial disbursement date. Enter the date of the first disbursement applicable to the specific financing made to the small business concern.

12. Total funds disbursed. Show the total amount of funds disbursed, including the amount of any discount, fees, and other charges, to the small business concern applicable to each specific financing. Refer to



the fourth paragraph of this appendix for instruction regarding the treatment of multiple disbursements under a single financing agreement to a small business concern.

13. *Use of proceeds (code)*. Enter the code number indicating which of the following was the primary purpose of the small business concern in obtaining the financing. If it had multiple purposes, select the single most important purpose. Enter only one code number for each financing:

- Operating capital (Code No. 1).
- Plant modernization (Code No. 2).
- Acquisition of all or part of an existing business (Code No. 3).
- Consolidation of obligations, debt refunding, etc. (Code No. 4).
- New building or plant construction (Code No. 5).
- Acquisition of machinery and equipment (Code No. 6).
- Land acquisition (Code No. 7).
- Marketing activities (Code No. 8).
- Research and development (Code No. 9).
- Other (Code No. 10).

14. *Status of financing (code)*. Enter the appropriate code number to indicate the current status of the financing:

Repayment or other investment recovery of the full amount of principal and interest or cost of other investment appears to be reasonably assured (Code No. 1).

Repayment or other investment recovery of the full amount of principal and interest or cost of other investment is possible, but not assured pending improvement in the performance of the small business concern financed (Code No. 2).

Repayment or other investment recovery is in jeopardy and some loss is probable (Code No. 3).

The financing has been paid off in full by the financed small business concern or has been disposed of otherwise at cost or at a profit to the licensee (Code No. 4).

The financing has been liquidated through sale, partial repayment and writeoff, or foreclosure, and licensee has either absorbed a loss on the financing or may absorb a loss in the future when collateral is liquidated (Code No. 5).

The financing instrument was exchanged for another financing instrument of the same small business concern prior to the reporting date (Code No. 6). *NOTE*: The new financing instrument should be reflected in entries elsewhere in the report.

The financing instrument was exchanged through merger, etc., for a financing instrument of a different business concern prior to the reporting date (Code No. 7). *NOTE*: The new financing instrument, if considered to evidence financing of an eligible small business concern, should be reflected in entries elsewhere in the report.

15 and 24. *Fiscal year ended immediately prior to financing (date) and latest fiscal year ended (date)*. Enter the date of the close of the financed small business concern's latest fiscal year which ended prior to the initial date of disbursement of funds related to the financing (line 15) and the date of the close of the financed concern's most recently completed fiscal year for which amounts are entered in the current information section of the report (line 24). If current fiscal year information is not available from the small business concern, enter the date of the close of the financed concern's latest fiscal year for which information is available, and enter such information on the appropriate lines of the current information section of the report.

The respective fiscal years ended on the dates shown on lines 15 and 24 are the ones referred to in the following instructions for lines 16 and 25, 17 and 26, 18 and 27, 19 and 29, 20 and 30, 21 and 31, 22 and 32, and 23 and 33. The fiscal year ended on the date

shown on line 24 is the one referred to in the following instructions for line 28.

16 and 25. *Number of employees: Total*. Enter the financed small business concern's total number of employees at the close of the respective fiscal years.

16 and 25. *Number of employees: Managerial*. Enter the financed small business concern's number of managerial employees at the close of the respective fiscal years. Managerial employees are administrative personnel who set broad policies, exercise overall responsibility for execution of these policies, and direct individual departments or special phases of a firm's operations. They include executives, middle management, plant managers, department managers and superintendents, salaried foremen who are members of management, purchasing agents and buyers, and kindred workers.

16 and 25. *Number of employees: Skilled*. Enter the financed small business concern's number of skilled employees at the close of the respective fiscal years. Skilled employees include professional workers, technicians, sales representatives, office and clerical workers, and craftsmen (manual workers of relatively high skill level who exercise considerable independent judgment and usually receive an extensive period of training).

16 and 25. *Number of employees: Unskilled and semiskilled*. Enter the financed small business concern's number of unskilled and semiskilled employees at the close of the respective fiscal years. Unskilled employees are laborers in manual occupations which generally require no special training and embrace elementary duties that may be learned in a few days and require the application of little or no independent judgment. Semiskilled employees are workers who operate machines or processing equipment or perform other duties of intermediate skill level which can be mastered in a few weeks and require only limited training.

17 and 26. *Gross revenue for the year*. Enter the amount of total sales or other gross revenues of the financed small business concern for the respective fiscal years.

18 and 27. *Profit or (loss) for the year*. Enter the amount of net profit or (loss), before taxes, of the financed small business concern for the respective fiscal years. In determining profit or loss for the year, disregard any loss carryovers from previous years.

28. *Corporate dividends for the year*. Enter the total amount of dividends declared by the financed small business concern to its stockholders during the fiscal year. If the small business concern is not a corporation, enter "N/A" (not applicable).

19 and 29. *Taxes for the year: Federal*. Enter the amount of Federal income and other taxes applicable to the financed small business concern for the respective fiscal years, but not including taxes withheld or collected from others or the employer's portion of social security and unemployment taxes.

19 and 29. *Taxes for the year: State*. Enter the amount of State income and other taxes applicable to the financed small business concern for the respective fiscal years, but not including taxes withheld or collected from others or the employer's portion of unemployment taxes.

19 and 29. *Taxes for the year: Local*. Enter the amount of local income and other taxes (including property taxes) applicable to the financed small business concern for the respective fiscal years, but not including taxes withheld or collected from others.

20 and 30. *Total assets*. Enter the total amount of all assets, but net of valuation reserves, held by the financed small business concern as of the close of the respective fiscal years.

21 and 31. *Net worth (deficit)*. Enter the amount of the net worth or (deficit, net worth) of the financed small business concern

as of the close of the respective fiscal years.

22 and 32. *Retained earnings (deficit)*. Enter the amount of the retained earnings or (retained earnings deficit) of the financed small business concern as of the close of the respective fiscal years.

23 and 33. *Borrowing: Short-term*. Enter that portion of the financed small business concern's outstanding borrowing which was due within 1 year from the close of the respective fiscal years. This entry shall cover fund borrowing of all types, such as bank loans, mortgages, amounts borrowed from SBICs, etc.

23 and 33. *Borrowing: Long-term*. Enter that portion of the financed small business concern's outstanding borrowing which was due after 1 year from the close of the respective fiscal years. This entry shall cover borrowing of all types, such as bank loans, mortgages, amounts borrowed from SBICs, etc.

34. *Stock registered (Yes or No)*. Indicate by "yes" or "no" whether or not any of the presently issued and outstanding stock of the financed small business concern has been registered with the Securities and Exchange Commission under the Securities Act of 1933. (For this purpose a filing under Regulation A of SEC shall be considered a registration.) If the small business concern is not a corporation, enter "N/A" (not applicable).

35. *SBC discontinuances (code)*. If the financed small business concern has discontinued business during the period covered by the report, enter the code number designating the reason for its discontinuance. If the concern has not discontinued business, enter "N/A" (not applicable). Enter only one code or "N/A" for each financed small business concern.

Discontinuance codes are:  
Insolvency and/or bankruptcy (Code No. 1).

Merger with, or sale to, another business concern, the resulting firm being eligible for further SBIC financing (Code No. 2).

Merger with, or sale to, another business concern, the resulting firm not being eligible for further SBIC financing (Code No. 3).

Voluntary liquidation, for reasons such as retirement of concern's principal (Code No. 4).

Involuntary liquidation, for reasons other than insolvency such as fire, death of a principal, or condemnation of business location (Code No. 5).

Other causes (Code No. 6).

C. *Verification*.  
The chief financial officer of the licensee shall sign in ink the verification section on the last page of each copy of the report submitted to SBA. The date on which the report is signed and the title of the signer shall be entered in the spaces provided.

HILARY SANDOVAL, Jr.,  
Administrator.

FEBRUARY 6, 1970.

[F.R. Doc. 70-1878; Filed, Feb. 13, 1970; 8:46 a.m.]

# [ 13 CFR Part 113 ]

## NONDISCRIMINATION IN FINANCIAL ASSISTANCE PROGRAMS

### Guaranty Loan Program

#### Correction

In F.R. Doc. 70-1450 appearing at page 2596 in the issue of Thursday, February 5, 1970, subparagraph (3) of § 113.7(c) should read as follows: "and (3) the action has been approved by the Administrator of SBA pursuant to § 113.9."



# Notices

## DEPARTMENT OF THE INTERIOR

### Bureau of Land Management IDAHO

#### Notice of Filing of Plats of Survey

FEBRUARY 9, 1970.

1. Plats of survey for the following described land, accepted December 24, 1969, will be officially filed in the Land Office, Boise, Idaho, effective at 10 a.m., on March 20, 1970.

BOISE MERIDIAN, IDAHO

T. 5 N., R. 39 E.,  
Sec. 18, lots 6 to 8, inclusive;  
Sec. 19, lots 14 to 24, inclusive;  
Sec. 20, lots 9 to 17, inclusive;  
Sec. 21, lot 2;  
Sec. 27, lot 2;  
Sec. 28, lots 14 to 28, inclusive;  
Sec. 29, lots 17 to 21, inclusive;  
Sec. 33, lots 7 to 10, inclusive;  
Sec. 34, lots 9 to 21, inclusive;  
Sec. 35, lots 4 to 8, inclusive.

The areas described aggregate 1,140.25 acres.

2. The lands involve dependent resurveys, survey of islands and omitted lands.

3. The omitted lands are subject to the provisions of the Act of May 31, 1962 (76 Stat. 89). Before sale of any of the omitted lands can be made, a notice in accordance with the regulations in 43 CFR 2214.6-1 must be published in the FEDERAL REGISTER. Inquiries concerning the lands should be addressed to the Manager, Idaho Land Office, 550 West Fort Street, Boise, Idaho 83702.

CURTIS R. TAYLOR,  
Acting Manager, Land Office.

[F.R. Doc. 70-1877; Filed, Feb. 13, 1970;  
8:45 a.m.]

## DEPARTMENT OF AGRICULTURE

### Commodity Credit Corporation

[Amdt. 2]

#### SALES OF CERTAIN COMMODITIES

#### Annual Sales List (Fiscal Year Ending June 30, 1970)

Section 37 (Reserved) of the CCC Annual Sales List for the fiscal year ending June 30, 1970 (35 F.R. 2602), is amended to read as follows:

37. Cottonseed oil, refined (bulk)-unrestricted use sales. Competitive offers under the terms and conditions of Announcement NO-CS-10, but at not less than the following minimum prices basis prime bleachable summer yellow oil for various areas:

Mississippi Valley	12 3/4
California	12 3/4
Texas other than Abilene and Lubbock	12 3/4
Abilene and Lubbock	12 3/4
Southeast Area	13

Available from the New Orleans Commodity Office.

Signed at Washington, D.C., on February 10, 1970.

CARROLL G. BRUNTHAVER,  
Acting Executive Vice President,  
Commodity Credit Corporation.

[F.R. Doc. 70-1897; Filed, Feb. 13, 1970;  
8:47 a.m.]

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

### Food and Drug Administration

[Docket No. FDC-D-163; NADA No. 13-206V]

#### ELI LILLY & CO.

#### Respireze; Notice of Withdrawal of Approval of New Animal Drug Application

The FEDERAL REGISTER of February 13, 1969 (34 F.R. 2145), carried an announcement pertaining to new animal drug application No. 13-206V for Respireze, a drug containing levopropoxyphene napsylate; by Corvel, a division of Eli Lilly & Co., Indianapolis, Ind. 46206.

Elanco Products Co., a division of Eli Lilly & Co., the present holder of said application, has requested that the Commissioner of Food and Drugs without further notice enter a final order withdrawing the application's approval.

The Commissioner finds, on the basis of information before him with respect to the drug, evaluated with the evidence available to him when the application was approved, that available information does not provide substantial evidence that the drug has the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in its labeling.

Based on the foregoing findings and upon the request of the applicant, the Commissioner concludes that approval of said application should be withdrawn. Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 512(e), 82 Stat. 345-47; 21 U.S.C. 360b(e)) and under authority delegated to the Commissioner (21 CFR 2.120), approval of new animal drug application No. 13-206V, including all amendments

Cents  
per  
pound

and supplements pertaining thereto, is hereby withdrawn effective on the date of signature of this document.

Dated: February 6, 1970.

SAM D. FINE,  
Associate Commissioner  
for Compliance.

[F.R. Doc. 70-1867; Filed, Feb. 13, 1970;  
8:45 a.m.]

## DEPARTMENT OF TRANSPORTATION

### National Transportation Safety Board

[Docket No. SS-R-9]

#### RAILROAD ACCIDENT AT FRANCONIA, VA.

#### Notice of Investigation Hearing

In the matter of the investigation of the railroad accident involving derailment of Richmond, Fredericksburg, and Potomac Passenger Train No. 10/76 at Franconia, Va., January 27, 1970, with subsequent fatalities and numerous injuries to passengers.

Notice is hereby given that an Accident Investigation Hearing on the above matter will be held commencing at 9 a.m., on Tuesday, March 24, 1970, in conference room 2008, on the second floor of Federal Office Building No. 7, at 17th and H Streets NW., Washington, D.C.

Dated this 9th day of February 1970.

FRANCIS H. McADAMS,  
Chairman, Board of Inquiry.

[F.R. Doc. 70-1890; Filed, Feb. 13, 1970;  
8:47 a.m.]

## ATOMIC ENERGY COMMISSION

[Dockets Nos. 50-324, 50-325]

### CAROLINA POWER AND LIGHT CO.

#### Notice of Issuance of Provisional Construction Permits

Notice is hereby given that, pursuant to the Initial Decision of the Atomic Safety and Licensing Board, dated February 4, 1970, the Director of the Division of Reactor Licensing has issued Provisional Construction Permits No. CPPR-67 and No. CPPR-68 to Carolina Power and Light Co. for the construction of two single cycle, forced circulation, boiling water nuclear reactors on the applicant's site located near Southport, in Brunswick County, N.C. The reactors, known as the Brunswick Steam Electric



Plant Units 1 and 2, are each designed for initial operation at approximately 2,400 thermal megawatts.

A copy of the Initial Decision is on file in the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. Copies of Provisional Construction Permits No. CPPER-67 and No. CPPER-68 are also on file in the Commission's Public Document Room or may be obtained upon request addressed to Director, Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C. 20545.

Dated at Bethesda, Md., this 7th day of February 1970.

For the Atomic Energy Commission.

PETER A. MORRIS,

Director,

Division of Reactor Licensing.

[P.R. Doc. 70-1876; Filed, Feb. 13, 1970; 8:45 a.m.]

## CIVIL AERONAUTICS BOARD

[Docket No. 21824]

### AIR JAMAICA, LTD.

#### Notice of Prehearing Conference

Air Jamaica (1968), Ltd.; notice of prehearing conference; Docket No. 21824.

Notice is hereby given that a prehearing conference in the above-entitled matter is assigned to be held on February 24, 1970, at 10 a.m., e.s.t., in Room 911, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before Examiner Louis W. Sornson.

Dated at Washington, D.C., February 10, 1970.

[SEAL]

THOMAS L. WRENN,

Chief Examiner.

[P.R. Doc. 70-1894; Filed, Feb. 13, 1970; 8:47 a.m.]

[Docket Nos. 21280, 18381; Order 70-2-21]

### EXECUTIVE AIRLINES, INC.

#### Order To Show Cause

Issued under delegated authority February 6, 1970.

The establishment of final and temporary service mail rates for Executive Airlines, Inc.

Executive Airlines, Inc. (Executive), is an air taxi providing services pursuant to Part 298 of the Board's economic regulations. By Order 70-1-31, January 7, 1970, mail rates were fixed for Executive's service between several points in the New England area at which Northeast Airlines, Inc., had suspended service. By supplemental petition filed February 2, 1970, the Postmaster General informed the Board that the segment between Boston, Mass., and Keene, N.H., had been inadvertently left out of their December 23, 1969, request. The Postmaster General requested that a rate be established for Executive on this segment at the same multielement rates established for Executive in Order 70-1-31, January 7, 1970.

No service mail rates are currently in effect for this service by Executive. It is requested that the multielement rates<sup>1</sup> and conditions established in Orders E-25610 and E-17255 be made applicable to Executive in the same manner that they applied to Northeast on the Boston-Keene route.

We propose to establish a service mail rate for the transportation of priority mail by Executive in this market at the level established in Order E-25610, as amended, and the terms and conditions of that order shall be made applicable to Executive.

An open rate situation has existed in the nonpriority rate since April 6, 1967, when the Post Office petitioned for new rates in Docket 18381. We propose to establish for Executive, temporary rates for nonpriority mail at the level established in Order E-17255, as amended, subject to any retroactive adjustment ordered in Docket 18381.

The Board finds it in the public interest to establish these rates for the transportation of mail by air by Executive between Boston, Mass., and Keene, N.H., as of the date of commencement of this service by Executive.

Upon consideration of the Postmaster General's petition and other matters officially noticed, the Board proposes to issue an order<sup>2</sup> to include the following findings and conclusions:

1. The fair and reasonable final mail rates to be paid Executive Airlines, Inc., pursuant to section 406 of the Act, for the transportation of priority mail by aircraft between Boston, Mass., and Keene, N.H., shall be the rates established by the Board in Order E-25610, August 28, 1967, as amended.

2. The fair and reasonable temporary mail rates to be paid Executive Airlines, Inc., pursuant to section 406 of the Act for the transportation of nonpriority mail by aircraft between Boston, Mass., and Keene, N.H., shall be the rates established by the Board in Order E-17255, July 31, 1961, as amended, subject to any retroactive adjustment made in Docket 18381; and

3. The mail rates herein established are to be paid entirely by the Postmaster General.

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 and 14 CFR 385.14(f):

It is ordered, That:

1. All interested parties and particularly Executive Airlines, Inc., the Post-

<sup>1</sup> The present rates per Order 69-12-132, Dec. 30, 1969 are as follows:

Priority mail: 24 cents per ton-mile plus 9.36 cents per pound at Keene and 2.34 cents per pound at Boston.

Nonpriority mail: 15.115 cents per ton-mile plus 3.32 cents per pound at Keene and 1.66 cents per pound at Boston.

<sup>2</sup> As this order to show cause is not a final action and merely provides for interested persons to be heard on the matters herein proposed, it is not subject to the review provisions of Part 385 (14 CFR Part 385). Those provisions will apply to any final action taken by the staff in this matter under authority delegated in § 385.14(g).

master General, and Northeast Airlines, Inc., are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final and temporary rates specified above;

2. Further procedures herein shall be in accordance with 14 CFR Part 302 as specified below; and

3. This order shall be served on Executive Airlines, Inc., the Postmaster General, and Northeast Airlines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL]

HARRY J. ZINK,

Secretary.

#### APPENDIX

1. Further procedures related to the attached order 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 therein, 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;

2. 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 therein and fix and determine the final rate specified therein;

3. 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).

[P.R. Doc. 70-1892; Filed, Feb. 13, 1970; 8:47 a.m.]

[Docket No. 20291; Order 70-2-42]

### INTERNATIONAL AIR TRANSPORT ASSOCIATION

#### Order Regarding Delayed Inaugural Flights

Issued under delegated authority February 11, 1970.

Agreement adopted by Traffic Conference 1 of the International Air Transport Association relating to delayed inaugural flights, Docket No. 20291, Agreement CAB 21557.

By Order 70-1-88, dated January 16, 1970, action was deferred, with a view toward eventual approval, on a resolution adopted by Traffic Conference 1 of the International Air Transport Association (IATA). The agreement permits Pan American World Airways to postpone to a date not later than March 31, 1970, the performance of its inaugural flights in connection with the operation of its new nonstop service between Miami and Sao Paulo.

In deferring action on the agreement, 10 days were granted in which interested persons might file petitions in support of or in opposition to the proposed action. No petitions have been received within the filing period and the tentative conclusions in Order 70-1-88 will herein be made final.



Accordingly, it is ordered, That: Agreement CAB 21557 be, and it hereby is, approved.

This order will be published in the FEDERAL REGISTER.

[SEAL] HARRY J. ZINK,  
Secretary.

[F.R. Doc. 70-1893; Filed, Feb. 13, 1970;  
8:47 a.m.]

[Docket No. 21790]

# **WESTERN ALASKA AIRLINES, INC., AND ALASKA AIRCRAFT LEASING CO.**

## **Notice of Prehearing Conference**

Notice is hereby given that a prehearing conference is assigned to be held on the above-entitled application on March 3, 1970, at 10 a.m., e.s.t., in Room 805, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before Examiner Louis W. Sornson.

Requests for evidence, proposed statements of issues, proposed procedural dates, and motions shall be filed with the Examiner and interested parties on or before February 25, 1970.

Dated at Washington, D.C., February 10, 1970.

[SEAL] THOMAS L. WRENN,  
Chief Examiner.

[F.R. Doc. 70-1895; Filed, Feb. 13, 1970;  
8:47 a.m.]

# **FEDERAL POWER COMMISSION**

[Docket No. G-3789 etc.]

## **PAULEY PETROLEUM, INC., ET AL.**

### **Findings and Order**

FEBRUARY 3, 1970.

Findings and order after statutory hearing issuing certificates of public convenience and necessity, amending orders issuing certificates, permitting and approving abandonment of service, terminating certificates, making successors co-respondents, redesignating proceedings, requiring filing of agreements and undertakings, and accepting related rate schedules and supplements for filing.

Each of the applicants listed herein has filed an application pursuant to section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the sale and delivery of natural gas in interstate commerce or for permission and approval to abandon service or a petition to amend an order issuing a certificate, all as more fully set forth in the applications and petitions, as supplemented and amended.

Applicants have filed related FPC gas rate schedules or supplements thereto and propose to initiate, abandon, add to, or discontinue in part natural gas service in interstate commerce as indicated in the tabulation herein. All sales certificated herein are at rates either equal to or below the ceiling prices established by

the Commission's statement of general policy No. 61-1, as amended, or involve sales for which permanent certificates have been previously issued; except that sales from areas for which area rates have been determined are authorized to be made at or below the applicable area base rates adjusted for quality of the gas, and under the conditions prescribed in the orders determining said rates.

Pauley Petroleum, Inc., Applicant in Docket No. G-3789, proposes to continue the sale of natural gas heretofore authorized in said docket to be made pursuant to Edwin W. Pauley et al., FPC Gas Rate Schedule No. 1. Said rate schedule will be redesignated as that of applicant. The presently effective rate under said rate schedule is in effect subject to refund in Docket No. RI70-455, a proceeding in which Pauley Petroleum, Inc., is the respondent.<sup>1</sup> A prior increased rate under the subject rate schedule was in effect for a locked-in period subject to refund in Docket No. G-16179. Therefore, applicant will be made a co-respondent in the proceeding pending in Docket No. G-16179; the proceeding will be redesignated accordingly; and applicant will be required to file an agreement and undertaking to assure the refund of any amounts collected by it in excess of the amount determined to be just and reasonable in said proceeding.

Prenalta Corp. (Operator) et al., applicant in Docket No. CI70-64, proposes, inter alia, to continue in part the sale of natural gas heretofore authorized in Docket No. CI67-358 to be made pursuant to U.S. Natural Resources, Inc., FPC Gas Rate Schedule No. 4. The contract comprising said rate schedule will also be accepted for filing as a rate schedule of applicant. The presently effective rate under U.S. Natural Resources' rate schedule is in effect subject to refund in Docket No. RI68-618. A prior increased rate under said rate schedule was collected for a locked-in period subject to refund in Docket No. RI68-9. Applicant indicates in its certificate application that it intends to assume the total refund obligation from the time that the increased rates were made effective subject to refund. Therefore, applicant will be made a co-respondent in the proceedings pending in Dockets Nos. RI68-9 and RI68-618; the proceedings will be redesignated accordingly; and applicant will be required to file agreements

<sup>1</sup> By order issued Nov. 10, 1969, in Docket No. RI70-29, et al., the Commission suspended the proposed change in rate in Docket No. RI70-455 until Jan. 1, 1970, and thereafter until made effective and provided that the change in rate should be effective subject to refund on the latter date if Pauley Petroleum, Inc., should file an agreement and undertaking within 20 days from the date of issuance of the order. Pauley Petroleum, Inc., filed a satisfactory agreement and undertaking on Dec. 8, 1969, and requested that the 20-day filing requirement be waived. Inasmuch as the agreement and undertaking was filed prior to Jan. 1, 1970, such filing shall be deemed as substantial compliance with the order of Nov. 10, 1969; and the change in rate shall be effective as of Jan. 1, 1970.

and undertakings in said proceedings to assure the refunds of all amounts collected in excess of the amounts determined to be just and reasonable in said proceedings.

The Commission's staff has reviewed each application and recommends each action ordered as consistent with all substantive Commission policies and required by the public convenience and necessity.

After due notice by publication in the FEDERAL REGISTER, a notice of intervention by the Public Service Commission of the State of New York and a petition to intervene by The Brooklyn Union Gas Co. were filed in Docket No. CI70-232, in the matter of the application filed on September 8, 1969. The notice of intervention and the petition to intervene have been withdrawn and no other petitions to intervene, notices of intervention, or protests to the granting of any of the applications have been filed.

At a hearing held on January 28, 1970, the Commission on its own motion received and made a part of the record in this proceeding all evidence, including the applications and petitions, as supplemented and amended, and exhibits thereto submitted in support of the authorizations sought herein, and upon consideration of the record:

The Commission finds:

(1) Each applicant herein is a "natural-gas company" within the meaning of the Natural Gas Act as heretofore found by the Commission or will be engaged in the sale of natural gas in interstate commerce for resale for ultimate public consumption, subject to the jurisdiction of the Commission, and will, therefore, be a "natural-gas company" within the meaning of the Natural Gas Act upon the commencement of service under the authorizations hereinafter granted.

(2) The sales of natural gas hereinbefore described, as more fully described in the applications in this proceeding, will be made in interstate commerce subject to the jurisdiction of the Commission; and such sales by applicants, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, are subject to the requirements of subsections (c) and (e) of section 7 of the Natural Gas Act.

(3) Applicants are able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of the Natural Gas Act and the requirements, rules and regulations of the Commission thereunder.

(4) The sales of natural gas by applicants, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, are required by the public convenience and necessity and certificates therefor should be issued as hereinafter ordered and conditioned.

(5) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act and the public convenience and necessity require that the orders issuing certificates of public convenience and necessity in various dockets involved



herein should be amended as hereinafter ordered and conditioned.

(6) The sales of natural gas proposed to be abandoned as hereinbefore described and as more fully described in the applications and in the tabulation herein are subject to the requirements of subsection (b) of section 7 of the Natural Gas Act.

(7) The abandonments proposed by applicants herein are permitted by the public convenience and necessity and should be approved as hereinafter ordered.

(8) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that the certificates heretofore issued to applicants relating to the abandonments hereinafter permitted and approved should be terminated or that the orders issuing said certificates should be amended by deleting therefrom authorization to sell natural gas from the subject acreage.

(9) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that Pauley Petroleum, Inc., should be made a co-respondent in the proceeding pending in Docket No. G-16179, that said proceeding should be redesignated accordingly, and that Pauley Petroleum, Inc., should be required to file an agreement and undertaking in said proceeding.

(10) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that Prenalta Corp. (Operator) et al., should be made a co-respondent in the proceedings pending in Dockets Nos. RI68-9 and RI68-618; that said proceedings should be redesignated accordingly; and that Prenalta should be required to file agreements and undertakings.

(11) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that the FPC gas rate schedules and supplements related to the authorizations hereinafter granted should be accepted for filing.

The Commission orders:

(A) Certificates of public convenience and necessity are issued upon the terms and conditions of this order authorizing sales by applicants of natural gas in interstate commerce for resale, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, all as hereinbefore described and as more fully described in the applications and in the tabulation herein.

(B) The certificates granted in paragraph (A) above are not transferable and shall be effective only so long as applicants continue the acts or operations hereby authorized in accordance with the provisions of the Natural Gas Act and the applicable rules, regulations, and orders of the Commission.

(C) The grant of the certificates issued in paragraph (A) above shall not be construed as a waiver of the requirements of section 4 of the Natural Gas Act or of Part 154 or Part 157 of the Commission's regulations thereunder and is without prejudice to any findings or orders which have been or which may

hereafter be made by the Commission in any proceedings now pending or hereafter instituted by or against applicants. Further, our action in this proceeding shall not foreclose nor prejudice any future proceedings or objections relating to the operation of any price or related provisions in the gas purchase contracts herein involved. Nor shall the grant of the certificates aforesaid for service to the particular customers involved imply approval of all of the terms of the contracts, particularly as to the cessation of service upon termination of said contracts as provided by section 7(b) of the Natural Gas Act. The grant of the certificates aforesaid shall not be construed to preclude the imposition of any sanctions pursuant to the provisions of the Natural Gas Act for the unauthorized commencement of any sales of natural gas subject to said certificates.

(D) The certificates issued herein and the amended certificates are subject to the following conditions:

(a) The initial rate for the sale authorized in Docket No. CI70-387 shall be the applicable area base rate prescribed in Opinion No. 468, as modified by Opinion No. 468-A, as adjusted for quality of gas, or the contract rate, whichever is lower. If the quality of the gas delivered by applicant deviates at any time from the quality standards set forth in Opinion No. 468, as modified by Opinion No. 468-A, so as to require a downward adjustment of the existing rate, a notice of change in rate shall be filed pursuant to section 4 of the Natural Gas Act: *Provided, however*, That adjustments reflecting changes in B.t.u. content of the gas shall be computed by the applicable formula and charged without the filing of a notice of change in rate. Within 90 days from the date of initial delivery applicant shall file a rate schedule quality statement in the form prescribed in Opinion No. 468-A.

(b) Applicant in Docket No. CI70-387 shall advise the Commission of any contemplated processing of the gas under article II, section 2 of the subject contract.

(c) The initial rate for the sale authorized in Docket No. CI69-982 shall be 15 cents per Mcf at 14.65 p.s.i.a.

(d) The initial rate for sales authorized in Dockets Nos. CI68-933, CI69-1101<sup>2</sup> (Oklahoma "Other" area only), CI70-334, and CI70-352 shall be 15 cents per Mcf at 14.65 p.s.i.a. including tax reimbursement and subject to B.t.u. adjustment. In the event that the Commission amends its statement of general policy No. 61-1, by adjusting the boundary between the Oklahoma Panhandle area and the Oklahoma "Other" area, so as to increase the initial wellhead price for new gas, applicants thereupon may substitute the new rates reflecting the amounts of such increases and thereafter collect the new rates prospectively in lieu of the initial rate herein authorized in said dockets.

<sup>2</sup> Newly dedicated acreage.

(e) The initial rate for sales authorized in Dockets Nos. CI66-942, CI69-1101<sup>2</sup> (Oklahoma Panhandle area only), and CI70-308 shall be 17 cents per Mcf at 14.65 p.s.i.a. including tax reimbursement and subject to B.t.u. adjustment.

(f) The initial rate for the sale authorized in Docket No. CI70-393 shall be 17 cents per Mcf at 14.65 p.s.i.a., subject to adjustment for B.t.u. content of the gas as provided in the contract, and subject to applicant's refunding to the buyer with interest at the rate of 7 percent per annum, of any amounts collected in excess of the higher of: (1) The just and reasonable rate finally determined for sales from the subject area or (2) a rate of 15 cents per Mcf at 14.65 p.s.i.a., proportionally adjusted to reflect B.t.u. content of the gas below 1,000 B.t.u.'s per cubic foot measured on a wet basis.

(g) The initial rate for the sale authorized in Docket No. CI70-378 shall be 14.5 cents per Mcf at 14.65 p.s.i.a.

(h) Applicant in Docket No. CI70-451 shall not require buyer to take-or-pay for an annual quantity of gas-well gas which is in excess of an average of 1 Mcf per day for each 7,300 Mcf of determined gas-well gas reserves or the specified contract quantity, whichever is the lesser amount. This condition shall remain in effect pending further Commission orders in the subject matters relating to the buyer's take-or-pay obligations under the subject contract.

(i) The certificates issued in Dockets Nos. CI70-334, CI70-352, and CI70-393 are conditioned upon any determination which may be made in the proceeding pending in Docket No. R-338 with respect to the transportation of liquefiable hydrocarbons.

(j) The authorizations granted in Dockets Nos. G-4079, G-4290, and CI70-428 shall be subject to Opinion Nos. 546 and 546-A and accompanying orders, specifically including those relating to rate reductions, refunds, and filings required by those orders for sales made on or after January 1, 1969.

(k) The sale authorized in Docket No. CI60-383 shall be made at the initial rate of 15 cents per Mcf at 14.65 p.s.i.a., consistent with Opinion No. 478, from September 1, 1968, the effective date of the transfer of properties and applicant is not relieved of any refunds that have been ordered in said docket after September 1, 1968. James A. Wood, Trustee (Operator) et al., is not relieved of any refunds ordered prior to September 1, 1968. Applicant shall file a notice of change in rate to reflect the 15-cent rate.

(l) The authorization granted in Dockets Nos. CI61-839, CI62-703, and CI63-751 shall be subject to the refund requirements of Opinion No. 501 from March 1, 1967.

(E) The orders issuing certificates in Dockets Nos. CI60-252, CI61-1327, CI66-942, CI67-358, CI67-693, CI68-1362,

<sup>2</sup> Acreage acquired from Cleary Petroleum Corp. The rate is effective subject to refund in Docket No. RI68-50 in which applicant is a co-respondent.



CI69-194, CI69-982, and CI70-64 are amended by adding thereto or deleting therefrom authorization to sell natural gas as described in the tabulation herein.

(F) The orders issuing certificates in Dockets Nos. G-9802, G-18402, CI67-358, and CI67-1465 are amended by deleting therefrom authorization to sell natural gas from acreage assigned to applicants in Dockets Nos. CI70-232, CI70-428, CI70-64, and CI69-1101, respectively.

(G) The orders issuing certificates in Dockets Nos. G-3789, G-4079, G-4290, CI60-383, CI61-839, CI62-703, CI63-751, CI65-417, and CI68-1347 are amended by substituting the successors in interest as certificate holders.

(H) Permission for and approval of the abandonment of service by applicants, as hereinbefore described, all as more fully described in the applications and in the tabulation herein are granted.

(I) Permission for and approval of the abandonments in Dockets Nos. CI70-372, CI70-437, and CI70-443 shall not be construed to relieve applicants of any refund obligations in the rate suspension proceedings pending in Dockets Nos. G-19875, G-17345, and RI63-316, respectively.

(J) The certificate heretofore issued in Docket No. G-19546 is terminated only with respect to Houston Natural Gas Production Co. (Operator) et al., FPC Gas Rate Schedule No. 8.

(K) The certificates heretofore issued in Dockets Nos. G-12020, G-18822, CI61-217, CI64-91, CI65-868, and CI66-879 are terminated.

(L) Pauley Petroleum, Inc., is made a co-respondent in the proceeding pending in Docket No. G-16179 and said proceeding is redesignated accordingly. Pauley Petroleum, Inc., shall charge and collect the rate of 8.67639 cents per Mcf at 14.65 p.s.i.a. from September 9, 1958, to December 31, 1969, subject to refund in Docket No. G-16179 and the rate of 10.5729 cents per Mcf at 14.65 p.s.i.a. from January 1, 1970, subject to refund in Docket No. RI70-455. Pauley Petroleum, Inc., shall comply with the refunding and reporting procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder.

(M) Within 30 days from the issuance of this order, Pauley Petroleum, Inc., shall execute, in the form set out below, and shall file with the Secretary of the Commission an acceptable agreement and undertaking in Docket No. G-16179 to assure the refund of any amounts collected by it, together with interest at the rate of 6 percent per annum, in excess of the amount determined to be just and reasonable in said proceeding. Unless notified to the contrary by the Secretary of the Commission within 30 days from the date of submission, such agreement and undertaking shall be deemed to have been accepted for filing. The agreement and undertaking shall remain in full force and effect until discharged by the Commission.

(N) Prenalta Corp. (Operator) et al., is made a co-respondent in the proceedings pending in Dockets Nos. RI68-9 and

RI68-618 and said proceedings are redesignated accordingly. Prenalta shall comply with the refunding and reporting procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder.

(O) Within 30 days from the issuance of this order, Prenalta Corp. (Operator) et al., shall execute, in the form set out below, and shall file with the Secretary of the Commission acceptable agreements and undertakings in Dockets Nos. RI68-9 and RI68-618 to assure the refunds of all amounts collected, together with interest at the rate of 7 percent per annum, in excess of the amounts determined to be just and reasonable in

said proceedings with respect to sales from the producing properties assigned to Prenalta by U.S. Natural Resources, Inc., from the time that the increased rates were made effective subject to refund. The agreements and undertakings shall remain in full force and effect until discharged by the Commission.

(P) The rate schedules and rate schedule supplements related to the authorizations granted herein are accepted for filing or are redesignated, all as described in the tabulation herein.

By the Commission.

[SEAL]

GORDON M. GRANT,  
Secretary.

Docket No. and date filed	Applicant	Purchaser, field, and location	FPC rate schedule to be accepted		
			Description and date of document	No.	Supp.
G-3789 E 10-6-69	Pauley Petroleum, Inc. (successor to Edwin W. Pauley et al.)	Phillips Petroleum Co., Panhandle Field, Hutchinson County, Tex.	Edwin W. Pauley et al., FPC GRS No. 1, Supplemental Nos. 1-7, Notice of succession 9-23-69.	2	1-7
G-4079 E 10-20-69	Crown Properties, Inc. (successor to Shell Oil Co.)	United Fuel Gas Co., Orange Grove Field, Terrebonne Parish, La.	Assignment 10-10-58 <sup>1</sup> , Effective date: 9-1-58, Shell Oil Co., FPC GRS No. 308, Supplemental Nos. 1-8, Notice of succession 10-20-69.	2	1-8
G-4290 E 10-20-69	do.	do.	Assignment 10-1-69 <sup>2</sup> , Shell Oil Co., FPC GRS No. 26, Supplemental Nos. 1-17, Notice of succession 10-20-69.	2	9
CI60-252 D 7-26-68 D 10-17-68	Mobil Oil Corp.	Panhandle Eastern Pipe Line Co., Guymon- Hugoton (Deep) Field, Texas County, Okla.	Assignment 10-1-69 <sup>3</sup> , Assignment 5-3-68 <sup>3</sup> , Assignment 6-6-68 <sup>3</sup> , Assignment 7-16-68 <sup>4</sup> .	301	12 10 11
CI60-383 <sup>5</sup> E 5-26-69	Clinton Oil Co. (suc- cessor to James A. Wood, Trustee (Op- erator) et al.)	Tennessee Gas Pipeline Co., a division of Tenneco Inc., South LaReforma Field, Starr County, Tex.	James A. Wood, Trustee (Operator) et al., FPC GRS No. 3, Notice of succession.	15	
CI61-839 CI62-703 CI63-751 E 6-20-67	Occidental Petroleum Corp. (successor to McWood Corp.)	Tennessee Gas Pipeline Co., a division of Tenneco Inc., Potrero Lopeno Field, Kenedy County, Tex.	Assignment 9-1-68 <sup>6</sup> , Assignment 9-1-68 <sup>6</sup> , Assignment 9-1-68 <sup>6</sup> , Assignment 9-1-68 <sup>6</sup> , Assignment 9-1-68 <sup>6</sup> , Assignment 9-1-68 <sup>6</sup> , Assignment 9-1-68 <sup>6</sup> , Assignment 9-1-68 <sup>6</sup> , Effective date: 9-1-68, McWood Corp., FPC GRS No. 2.	15 15 15 15 15 15 15 15	1 2 3 4 5 6 7 8 9
CI61-1327 D 7-26-68	Mobil Oil Corp.	Cities Service Gas Co., Guymon-Hugoton (Deep) Field, Texas County, Okla.	Supplement Nos. 1-6, Notice of succession (Undated), Assignment 3-1-67 <sup>7</sup> , Effective date: 3-1-67, Assignment 4-22-68 <sup>8</sup> .	13 13 304	1-6 7
CI65-417 E 11-10-69	Brammer Engineering, Inc. (successor to J. C. Trahan, Drill- ing Contractor, Inc.)	United Gas Pipe Line Co., Liberty Hill Field, Bienville Parish, La.	J. C. Trahan, Drilling Contractor, Inc., FPC GRS No. 31, Notice of succession 11-7- 69.	11	
CI66-942 C 11-13-69	Pan American Petro- leum Corp. (Opera- tor) et al. <sup>9</sup>	Northern Natural Gas Co., Wildcat Field, Ellis County, Okla.	Assignment 10-29-69 <sup>9</sup> , Effective date: 11-1-69, Agreement 9-9-69 <sup>10</sup> .	11	1
CI67-693 C 11-10-69	John E. Schalk et al.	El Paso Natural Gas Co., Ballard Pictured Cliffs Field, Rio Arriba County, N. Mex.	Supplemental agreement 6-20-69, (SW) $\frac{1}{4}$ , sec. 14, T. 23, N. R. 4 W.).	1	6
CI67-693 C 11-12-69	do.	do.	Supplemental agreement 6-20-69, (SW) $\frac{1}{4}$ , sec. 14, T. 23, N. R. 4 W.).	1	7
CI68-933 A 1-30-68	Hall-Jones Oil Corp. <sup>11</sup>	Panhandle Eastern Pipe Line Co., acreage in Dewey County, Okla.	Contract 12-16-67, Compliance 2-27-68 <sup>12</sup> .	8 8	1

Filing code: A—Initial service.  
B—Abandonment.  
C—Amendment to add acreage.  
D—Amendment to delete acreage.  
E—Succession.  
F—Partial succession.

See footnotes at end of table.



# NOTICES

3047

Docket No. and date filed	Applicant	Purchaser, field, and location	FPG rate schedule to be accepted		FPC rate schedule to be accepted	Description and date of document	No.	Supp.
			Description and date of document					
C168-1347 E 11-6-69	Lone Star Exploration, Inc. (Operator) et al. (successor to Wesely Petroleum Corp., d.b.a. Wesely Petroleum, Ltd. B (Operator) et al.)	Arkansas Louisiana Gas Co., Arkansas Area, Le Flore County, Okla.	Wesely Petroleum Corp., d.b.a. Wesely Petroleum, Ltd., B (Operator) et al., FPC GRS	No. 1	3	Contract 6-13-69	1	1
C168-1347 E 11-6-69	do	do	Supplemental Nos. 1-3 (undated)	3	1-3	Contract 5-6-69 41	1	2
C168-1347 E 11-6-69	do	do	Effective date: 9-1-69	3	4	Letter agreement 8-6-69	1	3
C168-1347 E 11-6-69	do	do	Wesely Petroleum Corp., d.b.a. Wesely Petroleum, Ltd., B (Operator) et al., FPC GRS	No. 2	4	Compliance (Undated)	10 30	
C168-1347 E 11-6-69	do	do	Supplemental Nos. 1-3 (undated)	4	1-3	Notice of cancellation	10-10-69 42	8
C168-1347 E 11-6-69	do	do	Notice of succession	4	1-3	Contract 7-1-69	2	1
C168-1347 E 11-6-69	do	do	Effective date: 8-29-69 12	4	4	Compliance 12-1-69 10 30	2	1
C168-1347 E 11-6-69	do	do	Amendment 10-6-69 10	1	2	Contract 5-19-69 10	4	
C168-1347 E 11-6-69	do	do	Letter agreement 10-22-69 10	6	1	Contract 7-1-69 10 30	1	
C168-1347 E 11-6-69	do	do	Amendment 9-24-69 10	55	1	Contract 9-11-69 30	12	1
C168-1347 E 11-6-69	do	do	Contract 3-19-69 10	1	1	Assignment 4-10-67 37	12	2
C168-1347 E 11-6-69	do	do	Letter agreement	1	1	Assignment 6-4-69 38	12	3
C168-1347 E 11-6-69	do	do	Assignment 2-12-69 10	1	1	Assignment 8-18-69 39	12	3
C168-1347 E 11-6-69	do	do	Assignment 3-11-69 17	1	1	Effective date: 6-4-69	6	
C168-1347 E 11-6-69	do	do	Assignment 7-22-69 10	1	1	Contract 9-28-69 10 40	6	
C168-1347 E 11-6-69	do	do	Compliance 11-7-69 10 10	3	1			
C168-1347 E 11-6-69	do	do	Contract 9-14-66 20	3	1			
C168-1347 E 11-6-69	do	do	Supplemental agreement	3	2			
C168-1347 E 11-6-69	do	do	Supplemental agreement	3	2			
C168-1347 E 11-6-69	do	do	Supplemental agreement	3	2			
C168-1347 E 11-6-69	do	do	Communication agreement	3	2			
C168-1347 E 11-6-69	do	do	Operating agreement	3	2			
C168-1347 E 11-6-69	do	do	Assignment 6-30-69 31	3	5			
C168-1347 E 11-6-69	do	do	Partial assignment	3	6			
C168-1347 E 11-6-69	do	do	Partial assignment	3	7			
C168-1347 E 11-6-69	do	do	Effective date: 6-30-69	3	8			
C168-1347 E 11-6-69	do	do	Supplemental agreement	3	8			
C168-1347 E 11-6-69	do	do	Assignment 7-1-69 33	3	9			
C168-1347 E 11-6-69	do	do	Assignment 7-1-69 10 30	3	10			
C168-1347 E 11-6-69	do	do	Ratified 8-21-69 37	1	1			
C168-1347 E 11-6-69	do	do	Contract 11-21-65	1	1			
C168-1347 E 11-6-69	do	do	Notice of change 9-14-69	1	2			
C168-1347 E 11-6-69	do	do	Assignment 6-16-69 35	1	3			
C168-1347 E 11-6-69	do	do	Assignment 6-16-69 35	63	2			
C168-1347 E 11-6-69	do	do	Effective date: 8-10-69	3	1			
C168-1347 E 11-6-69	do	do	Contract 5-23-69 10 30	3	1			
C168-1347 E 11-6-69	do	do	Compliance 11-12-69 10 30	3	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			
C168-1347 E 11-6-69	do	do	Compliance 11-14-69 10 30	460	1			
C168-1347 E 11-6-69	do	do	Contract 9-11-69	460	1			



Docket No. and date filed	Applicant	Purchaser, field, and location	FPC rate schedule to be accepted		
			Description and date of document	No.	Supp.
CI70-447 A 11-7-69	Lock 3 Oil, Coal & Dock Co., et al.	Consolidated Gas Supply Corp., acreage in Harrison, Barbour and Upshur Counties, W. Va.	Contract 9-7-69 <sup>10</sup>	18	
CI70-451 A 11-7-69	Texas Oil & Gas Corp. (Operator) et al. <sup>40</sup>	Texas Eastern Transmission Corp., Salt Dome (Deep) Field, Lavaca County, Tex.	Contract 9-8-69 <sup>10 51</sup>	56	
CI70-452 A 11-10-69	A. D. Lipps et al.	Equitable Gas Co., Salt Lick District, Braxton County, W. Va.	Contract 10-13-69 <sup>10</sup>	1	
CI70-459 A 11-12-69	Petroleum, Inc. (Operator) et al.	Kansas-Nebraska Natural Gas Co., Inc., Redwing Field, Washington County, Colo.	Contract 8-5-69 <sup>10</sup>	59	
CI70-462 A 11-12-69	Gulf Minerals, Inc.	Trunkline Gas Co., West Nona Mills Field, Hardin County, Tex.	Contract 10-21-69 <sup>10</sup>	1	
CI70-486 A 11-24-69	Whitney Operating Co.	Arkansas Louisiana Gas Co., Ames Area, Major County, Okla.	Contract 8-28-69 Letter agreement 8-15-69 <sup>10</sup>	1 1	1

<sup>1</sup> From Edwin W. Pauley to Applicant.

<sup>2</sup> Assigns acreage from Shell Oil Co. to Crown Properties, Inc.

<sup>3</sup> Deletes acreage assigned to Samedan Oil Corp. et al.

<sup>4</sup> Effective date: Date of this order.

<sup>5</sup> Applicant proposes a rate of 17.2437 cents for this sale, however, a rate of 15 cents was found proper for this sale in Opinion No. 478.

<sup>6</sup> Assigns acreage from: D. G. Wood, Jr. and James A. Wood (Supplement No. 1); A. Bart Brown (Supplement No. 2); E. W. Mudge, Jr. (Supplement No. 3); Richard G. Fabian (Supplement No. 4); F. G. Fabian, Jr. (Supplement No. 5); F. G. Fabian, Jr., Trustee "B" (Supplement No. 6); T. L. Duncan, Jr. (Supplement No. 8); Curtis Berry and Helen Duncan Berry (Supplement No. 8); and C. R. Nichols (Supplement No. 9), respectively, to Clinton Oil Co.

<sup>7</sup> Covers acreage contained in the basic contract and Supplement No. 1 and acreage added by Supplements Nos. 2, 4, and 6, respectively.

<sup>8</sup> Conveys acreage from J. C. Trahan, Drilling Contractor, Inc., to Brammer Engineering, Inc.

<sup>9</sup> Contract provides for rate of 18 cents per Mcf, plus B.t.u. adjustment; however, Applicant states its willingness to accept permanent authorization at 17 cents per Mcf including tax reimbursement and subject to B.t.u. adjustment.

<sup>10</sup> Effective date: Date of initial delivery (Applicant shall advise the Commission as to such date).

<sup>11</sup> By letter dated Nov. 5, 1969, Applicant stated willingness to accept a permanent certificate conditioned to an initial rate of 15 cents per Mcf subject to B.t.u. adjustment.

<sup>12</sup> Assigns acreage from Wessely Petroleum, Ltd. B. to Lone Star Exploration, Inc.

<sup>13</sup> Contract provides for rate of 16 cents per Mcf; however, Applicant states willingness to accept permanent authorization at 15 cents per Mcf.

<sup>14</sup> Newly dedicated acreage.

<sup>15</sup> Dedicates acreage previously covered by Cleary Petroleum Corp. (Operator) et al., FPC GRS No. 24 to Applicant's contract.

<sup>16</sup> From Cleary Petroleum Corp. et al., to Arnold Petroleum, Inc.

<sup>17</sup> From Arnold Petroleum, Inc., to Frank H. Kenan.

<sup>18</sup> From Frank H. Kenan to Paul E. Klobedanz.

<sup>19</sup> Complies with temporary certificate issued Aug. 28, 1969. Applicant states willingness to accept a permanent certificate conditioned to an initial rate of 15 cents per Mcf including tax reimbursement and subject to B.t.u. adjustment for sales from the newly dedicated acreage.

<sup>20</sup> Also on file as U.S. Natural Resources, Inc., FPC GRS No. 4.

<sup>21</sup> From U.S. Natural Resources, Inc., to Prenalta Corp.

<sup>22</sup> From Prenalta Corp. to Imperial American Management Co.

<sup>23</sup> From Prenalta Corp. to Roden Drilling Co.

<sup>24</sup> Dedicates additional acreage owned by Clifford P. Hickok to U.S. Natural Resources, Inc., contract (no filings were made with the Commission by Hickok).

<sup>25</sup> From Clifford P. Hickok to Imperial American Management Co.

<sup>26</sup> From Clifford P. Hickok to Prenalta Corp. et al.

<sup>27</sup> Ratifies contract dated Nov. 21, 1955, between The Superior Oil Co. and Tennessee; currently on file as The Superior Oil Co. FPC GRS No. 63.

<sup>28</sup> Transfers acreage from The Superior Oil Co. to W. Russell Birdwell et al., to a depth of 9,100 feet.

<sup>29</sup> Complies with temporary certificate issued Oct. 23, 1969. Applicant states willingness to accept a permanent certificate conditioned to an initial rate of 17 cents per Mcf including tax reimbursement and subject to B.t.u. adjustment.

<sup>30</sup> Complies with temporary certificate issued Nov. 6, 1969. Applicant states willingness to accept a permanent certificate conditioned to an initial rate of 15 cents per Mcf subject to B.t.u. adjustment and subject to the ultimate disposition of the proceedings in Docket No. R-338.

<sup>31</sup> Concurrently on file as Marathon Oil Co. FPC GRS No. 110.

<sup>32</sup> Source of gas depleted.

<sup>33</sup> Accepts and complies with temporary certificate issued Nov. 6, 1969. Applicant is willing to accept a permanent certificate conditioned similar to the temporary certificate.

<sup>34</sup> By letter filed Nov. 5, 1969, Applicant agreed to accept a permanent certificate conditioned as Opinion No. 468, as modified by Opinion No. 468-A.

<sup>35</sup> Contract provides for an initial rate of 19 cents per Mcf; however, by letter dated Nov. 13, 1969, Applicant stated willingness to accept a permanent certificate subject to the same terms and conditions as those granted by order issued Oct. 9, 1969, in Docket No. CI70-38.

<sup>36</sup> Previously on file as Texas American Oil Corp. FPC GRS No. 2, which was canceled by order issuing a certificate in Docket No. CS67-36.

<sup>37</sup> Release and reassignment from Texas American Oil Corp. et al., to Cities Service Oil Co.

<sup>38</sup> From Cities Service to Frio-Tex Oil & Gas Co.

<sup>39</sup> From Frio-Tex to Suburban Propane Gas Corp.

<sup>40</sup> Production limited to gas produced from formations from the surface to 50 feet below the base of the Big Injun Sand.

<sup>41</sup> Crown's ratification of contract between Shell and Transcontinental dated Mar. 23, 1959 (filed Dec. 5, 1969).

<sup>42</sup> Between Shell Oil Co. and Transcontinental; on file as Shell Oil Co. FPC GRS No. 200.

<sup>43</sup> Provides for processing by seller (submitted Nov. 25, 1969).

<sup>44</sup> As required by paragraph (D) of Opinion No. 546.

<sup>45</sup> As required by paragraph (F) of Opinion No. 546; Supplement No. 5 pertains to processed gas and Supplements Nos. 1 to 5 pertains to unprocessed gas.

<sup>46</sup> No certificate filing made or necessary; only the related rate filing is being accepted for filing by this order.

<sup>47</sup> Sale being rendered on June 7, 1954.

<sup>48</sup> Other sales covered under the certificate in Docket No. G-19546; therefore, the certificate in said docket will be terminated only insofar as it pertains to Applicant's FPC GRS No. 8.

<sup>49</sup> Production of gas no longer economically feasible.

<sup>50</sup> By letter dated Dec. 8, 1969, Applicant advised that it would accept a permanent certificate limiting buyer's take-or-pay obligation to a quantity based on a 1 to 7,300 reserve ratio.

<sup>51</sup> Provides for a depth limitation to those depths below 9,100 feet.

## Suggested agreement and undertaking:

### BEFORE THE FEDERAL POWER COMMISSION

(Name of Respondent) -----

(Docket No.) -----

AGREEMENT AND UNDERTAKING OF (NAME OF RESPONDENT) TO COMPLY WITH REFUNDING AND REPORTING PROVISIONS OF SECTION 154.102 OF THE COMMISSION'S REGULATIONS UNDER THE NATURAL GAS ACT

(Name of respondent) hereby agrees and undertakes to comply with the refunding and reporting provisions of section 154.102 of the Commission's regulations under the Natural Gas Act insofar as they are applicable to the proceeding in Docket No. -----, and has caused this agreement and undertaking to be executed and sealed in its name by a duly authorized officer this ----- day of -----, 197-.

(Name of Respondent)

By -----

Attest:

[F.R. Doc. 70-1743; Filed, Feb. 13, 1970; 8:45 a.m.]

[Docket No. AR69-1]

## SOUTHERN LOUISIANA AREA

### Rate Proceeding

FEBRUARY 4, 1970.

Order denying motion, amending order enlarging investigation and proposed rulemaking, and providing for waiver of § 1.17(b) of the Commission's rules of practice and procedure.

On December 24, 1969, Valley Gas Transmission, Inc., a natural gas pipeline company, filed a motion to be deleted as a respondent to the enlarged proceeding in Docket No. AR69-1 on the ground that ordering paragraph (B) of the order enlarging this proceeding, issued December 15, 1969, served only to include additional producer respondents. Ordering clause (B) inadvertently referred to producer respondents while it was our intention that all natural gas companies operating in southern Louisiana who were not previously made respondents by the order of March 20, 1969, instituting this proceeding, should be made respondents to the enlarged proceeding. We will therefore amend our order of December 15, 1969, to so provide. Since Valley Gas Transmission, Inc., is a natural gas company operating in southern Louisiana, its motion to be deleted as a respondent will be denied.

As in prior area rate proceedings we think it is in the public interest to waive § 1.17(b) of the Commission's rules of practice and procedure with respect to service of copies of documents in this proceeding. We will therefore provide that each party who desires to be served with copies of filings made by other parties to this proceeding shall so notify the Secretary.

### The Commission finds:

(1) It is appropriate and in the public interest to amend the Commission's order



of December 15, 1969, enlarging this proceeding, as hereinafter ordered.

(2) It is appropriate and in the public interest that the Commission waive the provisions of § 1.17(b) of the Commission's rules of practice and procedure with respect to service of documents in this proceeding to the extent hereinafter ordered.

The Commission orders:

(A) Ordering paragraph (B) of the Commission's order of December 15, 1969, enlarging the investigation and proposed rulemaking in Docket No. AR69-1, is hereby amended to read as follows: "(B) All natural-gas companies operating in southern Louisiana who were not previously made respondents in Docket No. AR69-1 are listed in Appendix A, and are hereby made respondents to this proceeding."

(B) The motion of Valley Gas Transmission, Inc., is hereby denied.

(C) All parties to this proceeding desiring to receive copies of filings made herein by other parties shall, on or before March 1, 1970, so notify the Secretary of the Commission by filing an original and three copies of a notice naming one specific representative to be served. The Secretary shall then prepare an official service list for use by all parties to this proceeding.

By the Commission.

[SEAL] GORDON M. GRANT,  
Secretary.

[F.R. Doc. 70-1865; Filed, Feb. 13, 1970;  
8:45 a.m.]

[Docket No. RP66-25]

### TENNESSEE VALLEY MUNICIPAL GAS ASSOCIATION ET AL.

#### Order Vacating Earlier Orders, Setting Prehearing Conference and Providing for Further Hearings

FEBRUARY 6, 1970.

Upon further consideration of the matters raised in this proceeding, the Commission, upon its own motion, deems it appropriate to vacate the order in this docket issued October 17, 1969, dismissing the complaint of Tennessee Valley Municipal Gas Association et al., and the order issued December 8, 1969, denying rehearing of the October 17 order. Due to changed circumstances occurring since the close of the record, which were referred to in the orders being vacated, the proceeding will be remanded for further hearings for the purpose of updating the record in this proceeding in order that the issues raised can be considered in light of the factual circumstances as they presently exist.

The Commission orders:

(A) The orders issued October 17, 1969, and December 8, 1969, in this docket are vacated.

(B) Pursuant to the provisions of § 1.18 of the Commission's rules of practice and procedure, a prehearing conference shall commence at 10 a.m., e.s.t., on February 17, 1970, in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C. 20426, for the purpose of defining the issues,

reaching an agreement and stipulation thereon with respect to any facts relevant to this proceeding and, if necessary, to set dates for the filing of evidence to update the record previously made in this proceeding and to prescribe procedures for hearing.

(C) Presiding Examiner Harry C. Shriver, or any other designated by the Chief Examiner for that purpose (see Delegation of Authority, 18 CFR 3.5(d)), shall preside at the prehearing conference in this proceeding and at hearings to be held at times he designates, shall prescribe relevant procedural matters not herein provided, and shall control this proceeding in accordance with the policies expressed in § 2.59 of the Commission's rules of practice and procedure.

By the Commission.

[SEAL] GORDON M. GRANT,  
Secretary.

[F.R. Doc. 70-1864; Filed, Feb. 13, 1970;  
8:45 a.m.]

## INTERSTATE COMMERCE COMMISSION

[Notice 24]

### MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

FEBRUARY 10, 1970.

The following are notices of filing of applications for temporary authority under section 210(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR Part 1131), 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 protests 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 field office to which protests are to be transmitted.

#### MOTOR CARRIERS OF PROPERTY

No. MC 14552 (Sub-No. 36 TA), filed February 5, 1970. Applicant: J. V. McNICHOLAS TRANSFER COMPANY, 555 West Federal Street, Youngstown, Ohio 44502. Applicant's representative: Paul F. Beery, 88 East Broad Street, Columbus, Ohio 43215. Authority sought to operate as a common carrier, by motor vehicle over irregular routes, transporting: Frozen foodstuffs, between Cleveland, Ohio, on the one hand, and, on the other, points in Pennsylvania on and

west of U.S. Highway 15 and points in West Virginia on and north of a line beginning at the Ohio River, thence east on U.S. Highway 50 to junction of U.S. Highway 50 and U.S. Highway 19, thence south on U.S. Highway 19 to junction of U.S. Highway 19 and U.S. Highway 33, thence east on U.S. Highway 33 to junction of U.S. Highway 33 and U.S. Highway 219, thence northeast on U.S. Highway 219 to the Maryland-West Virginia State line, for 180 days. Supporting shippers: New York Frozen Foods, Inc., 25900 Fargo Avenue, Bedford Heights, Ohio 44146; R. J. Reynolds Foods, Inc., 750 Third Avenue, New York, N.Y. 10017. Send protests to: G. J. Baccei, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 181 Federal Office Building, Cleveland, Ohio 44198.

No. MC 29120 (Sub-No. 113 TA) (Correction), filed January 2, 1970, published in the FEDERAL REGISTER issue of January 24, 1970, and republished in part, as corrected, this issue. Applicant: ALL-AMERICAN TRANSPORT, INC., 1500 Industrial Avenue, Sioux Falls, S. Dak. 57101. Applicant's representative: E. J. Dwyer (same address as above). NOTE: The purpose of this partial republication is to correctly show regular routes, in lieu of irregular routes. The rest of the application remains as previously published.

No. MC 29886 (Sub-No. 255 TA), filed February 5, 1970. Applicant: DALLAS & MAVIS FORWARDING CO., INC., 4000 West Sample Street, South Bend, Ind. 46621. Applicant's representative: Charles Pieroni (same address as above). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Motor vehicles (except automobiles), and chassis, in initial movements, in driveaway service, and bodies, cabs and accessories for such vehicles when moving in connection therewith, from ports of entry on the United States-Canada boundary line to points in the United States except Hawaii but including Alaska. Restriction: The operations authorized herein are restricted to the transportation of traffic moving from Canadian plantsites of Hayes Manufacturing Co., Ltd., in Vancouver, British Columbia, Canada, for 180 days. Supporting shipper: Hayes Manufacturing Co., Ltd., 225 West Second Avenue, Post Office Box 818, Vancouver 1, British Columbia, Canada. Send protests to: District Supervisor J. H. Gray, Bureau of Operations, Interstate Commerce Commission, Room 204, 345 West Wayne Street, Fort Wayne, Ind. 46802.

No. MC 70083 (Sub-No. 17 TA), filed February 4, 1970. Applicant: DRAKE MOTOR LINES, INC., 20 Olney Avenue, Cherry Hill Industrial Park, Cherry Hill, N.J. 08034. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: General commodities (except explosives, inflammables, and commodities injurious or contaminating to other lading), moving on airbills of direct air carriers or air freight forwarders in substituted motor for air transportation. Authority is



restricted to carriage of freight, which cannot be accommodated on scheduled aircraft because of lack of lift, between New York, N.Y.; Newark, N.J.; Philadelphia, Pa.; and Boston, Mass.; and points within 25 miles of New York, N.Y.; Newark, N.J.; Philadelphia, Pa.; and Boston, Mass.; on the one hand, and, on the other, Chicago, Ill., and points within 25 miles of Chicago, Ill., for 180 days. NOTE: Applicant intends to tack with its existing authority. Supporting shipper: Shulman Air Freight, 20 Olney Avenue, Cherry Hill, N.J. 08034. Send protests to: Raymond T. Jones, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 410 Post Office Building, Trenton, N.J. 08608.

No. MC 105045 (Sub-No. 22 TA) (Correction), filed January 5, 1970, published in the FEDERAL REGISTER issue of January 28, 1970, and republished as corrected, this issue. Applicant: R. L. JEFFRIES TRUCKING CO., INC., 1020 Pennsylvania Street, Evansville, Ind. 47701. Applicant's representative: Clyde R. Jeffries (same address as above). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Aluminum and aluminum products* (which because of size and weight require the use of special equipment), from Harvey Aluminum plantsite, Hancock County, Ky., to Minneapolis-St. Paul, Minn., commercial zone including the right to perform partial dropoffs in Burlington, La Crosse, and Milwaukee, Wis., and Forest City and Des Moines, Iowa, for 180 days. NOTE: Applicant states that it presently has authority in both Iowa and Wisconsin from Hancock County, Ky., and would like to have this information published in the FEDERAL REGISTER in order that protestants may know that no new authority is being sought to those two States. The purpose of this republication is to show the proposed territory to be served. Supporting shipper: Harvey Aluminum, Inc., 19200 South Western Avenue, Torrance, Calif. 90509. Send protests to: James W. Habermehl, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 802 Century Building, 36 South Pennsylvania Street, Indianapolis, Ind. 46204.

No. MC 107295 (Sub-No. 295 TA), filed February 3, 1970. Applicant: PRE-FAB TRANSIT CO., 100 South Main Street, Farmer City, Ill. 61842. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Plumber's goods; bathroom and lavatory fixtures; and accessories*, from Mansfield and Shelby, Ohio, to points in Alabama, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, West Virginia, and Wisconsin, for 180 days. Supporting shipper: Borg-Warner

Plumbing Products, 201 East Fifth Street, Mansfield, Ohio 44901. Send protests to: Harold C. Joliff, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 476, 325 West Adams Street, Springfield, Ill. 62704.

No. MC 110686 (Sub-No. 38 TA) (Correction), filed January 12, 1970, published in the FEDERAL REGISTER issue of January 30, 1970, and republished as corrected, this issue. Applicant: McCORMICK DRAY LINE, INC., Avis, Pa. 17721. Applicant's representative: David A. Sutherland, 1140 Connecticut Avenue NW., Washington, D.C. 20036. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Sewage, water, and refuse systems and sewage, water, and refuse systems parts, materials, and supplies*; (1) between points in the United States in and east of Minnesota, Iowa, Kansas, Arkansas, and Louisiana; (2) between ports of entry on the international boundary line between the United States and Canada located in Minnesota, Michigan, and New York, on the one hand, and, on the other, points in the United States in and east of Minnesota, Iowa, Kansas, Arkansas, and Louisiana, for 180 days. NOTE: The purpose of this republication is to show the territory proposed to be served as "in and east of" which was inadvertently omitted under both (1) and (2). Supporting shipper: Lyco Systems, Inc., Post Office Box 569, Williamsport, Pa. 17701. Send protests to: Paul J. Kenworthy, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 309 U.S. Post Office Building, Scranton, Pa. 18503.

No. MC 111401 (Sub-No. 293 TA) (Correction), filed January 23, 1970, published in the FEDERAL REGISTER issue of January 31, 1970, and republished in part, as corrected, this issue. Applicant: GROENDYKE TRANSPORT, INC., 2510 Rock Island Boulevard, Enid, Okla. 73701. Applicant's representative: Victor R. Comstock (same address as above). NOTE: The purpose of this partial republication is to correctly show "Meridian, Miss.", in lieu of "Meridian, Mich." The rest of the application remains as previously published.

No. MC 112750 (Sub-No. 270 TA), filed February 2, 1970. Applicant: AMERICAN COURIER CORPORATION, 2 Nevada Drive, Lake Success, N.Y. 11040. Applicant's representative: John M. Delany (same address as above). Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *commercial papers, documents, written instruments, and business records* (except currency and negotiable securities), as are used in the business of banks and banking institutions; (1) between East Dubuque, Ill., and Madison, Wis.; (2) between New Orleans, La., on the one hand, and, on the other, points in Mississippi on and north of U.S. Highway No. 80; (3) between Jackson, Miss., on the one hand, and, on the other, points in Mississippi, having an immediately prior or subsequent movement by air; (4) between Mo-

bile, Ala., on the one hand, and, on the other points in Mobile and Baldwin Counties, Ala.; and points in Mississippi on and south of U.S. Highway No. 80, having an immediately prior or subsequent movement by air; (5) between Decatur, Ala., and Tullahoma, Tenn., for 180 days. Supporting shippers: State Bank of East Dubuque, East Dubuque, Ill. 61025; Federal Reserve Bank of Atlanta, Atlanta, Ga., 30303; North Alabama Computer Service Center, Inc., 1420 Fifth Avenue SE., Decatur, Ala. 35601. Send protests to: Anthony Chiusano, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 26 Federal Plaza, New York, N.Y. 10007.

No. MC 133146 (Sub-No. 1 TA) (Correction), filed January 13, 1970, published in the FEDERAL REGISTER issue of January 30, 1970, and republished in part, as corrected, this issue. Applicant: INTERNATIONAL TRANSPORTATION SERVICE, INC., 3092 Piedmont Road NE., Atlanta, Ga. 30305. Applicant's representative: Will Lennan (same address as above). NOTE: The purpose of this partial republication is to show the address of the "Supporting Shipper": International Bakerage, a division of International Consolidated, Inc., 3092 Piedmont Road NE., Atlanta, Ga. 30305. The rest of the notice remains as previously published.

No. MC 134225 (Sub-No. 1 TA) (Correction), filed January 26, 1970, published in the FEDERAL REGISTER issue of January 31, 1970, and republished in part, as corrected, this issue. Applicant: ANGUS PETE PHILLIPS, doing business as A. P. PHILLIPS, Post Office Box 27, Carthage Street, Cameron, N.C. 28326. Applicant's representative: H. M. Jackson, 114 Wicker Street, Sanford, N.C. 27330. NOTE: The purpose of this partial republication is to include the destination counties, "Richmond, Scotland, Person, Robeson, Orange, Columbus, and Caswell Counties, N.C., which were inadvertently omitted in previous publication. The rest of the application remains as previously published.

No. MC 134300 (Sub-No. 1 TA), filed February 5, 1970. Applicant: PELHAM PRODUCE CARRIERS, INC., 649 Pelham Boulevard, St. Paul, Minn. 55114. Applicant's representative: Val M. Higgins, 1000 First National Bank Building, Minneapolis, Minn. 55402. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Meats, meat products, packinghouse products and articles distributed by meat packinghouses, as set forth in sections A and C, Descriptions in Motor Carrier Certificates, 6 M.C.C. 209 and 766, and foodstuffs, except meat and meat products as described above, when transported in mixed truckloads with meat and meat products, from the plantsite and warehouse facilities of Geo. A. Hormel & Co., Austin, Minn., to points in Connecticut, Delaware, Maine, Maru; and, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia,*



West Virginia, and the District of Columbia, for 150 days. Supporting shipper: Geo. A. Hormel & Co., Austin, Minn. Send protests to: District Supervisor A. E. Rathert, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building and U.S. Courthouse, 110 South Fourth Street, Minneapolis, Minn. 55401.

No. MC 134314 TA, filed February 5, 1970. Applicant: GEORGE AMMANN, doing business as AMMAN'S DRAY-LINE, Route 4, Black River Falls, Wis. 54615. Applicant's representative: Daniel J. Pizzini, 104 Main Street, Black River Falls, Wis. 54615. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Cheese and cheese products*, from Alma Center and Wanderoos, Wis., to Cleveland, Ohio; Harrisburg, Hershey, Reading, and Philadelphia, Pa.; Hyattsville, Md.; and New York, N.Y.; for 150 days. Supporting shippers: South Alma Cheese Factory, Inc., Alma Center, Wis. 54611; and Wanderoos Cheese Co., Wanderoos, Wis. Send protests to: Barney L. Hardin, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 444 West Main Street, Room 11, Madison, Wis. 53703.

No. MC 134315 TA, filed February 5, 1970. Applicant: PACK TRANSPORT, INC., Post Office Box 17233, Salt Lake City, Utah 84117. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Iron and steel tanks, iron and steel tank components, iron and steel, aluminum, and stainless steel fabricated articles and (2) materials used in the manufacture of articles in No. (1) between Salt Lake City, Utah, and Denver, Colo., on the one hand, and, on the other, points in Arizona, California, Colorado, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming, for 180 days.* Note: Applicant asks that if this authority is granted, it be restricted against the transportation of *Building Materials* as authorized under its present ICC Common Carrier authority (MC-129631). Supporting shipper: Eaton Metal Products Co., Post Office Box 1167, 844 South Chestnut Street, Salt Lake City, Utah 84110 (Marvin Thompson, Production and Shipping Manager). Send protests to: John T. Vaughan, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6201 Federal Building, Salt Lake City, Utah 84111.

No. MC 134316 TA, filed February 5, 1970. Applicant: L. ZACCARO TRUCKING & WAREHOUSING COMPANY, INC., 87 Arlington Avenue, Paterson, N.J. 07502. Applicant's representative: James J. Farrell, 206 North Boulevard, Belmar, N.J. 07719. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Chemicals; dyestuffs; paraffin, chlorinated; plastic materials, other than expanded, consisting of flakes, granules, liquid, lumps, pellets, powder or solid mass; softeners, textile; wall coverings, plastic; wax, paraffin; between Fairfield, Conn., on the one hand, and, on the*

*other, points in New York, N.Y., commercial zone, including piers and wharves, Nassau and Westchester Counties, N.Y., and points in Bergen, Essex, Hudson, Middlesex, Morris, Passaic, and Union Counties, N.J., including piers and wharves in these New Jersey counties, for 180 days.* Supporting shipper: Joseph A. Manney, Traffic Manager, ICI America, Inc., 151 South Street, Stamford, Conn. Send protests to: District Supervisor Joel Morrums, Bureau of Operations, Interstate Commerce Commission, 970 Broad Street, Newark, N.J. 07102.

#### MOTOR CARRIERS OF PASSENGERS

No. MC 134303 (Sub-No. 1 TA), filed February 2, 1970. Applicant: O'HARE WISCONSIN LIMOUSINE SERVICE, INC., 530 South Michigan Avenue, Chicago, Ill. 60605. Applicant's representative: Edward G. Bazelon, 39 South La Salle Street, Chicago, Ill. 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers, and baggage*, when moving in the same vehicle with passengers; restricted to the use of limousines carrying no more than 12 passengers, plus driver, between O'Hare International Airport, on the one hand, and, on the other, Delavan, Fontana, and Lake Geneva, Wis., serving Delavan, Fontana, Lake Geneva, The Playboy Club-Hotel near Lake Geneva (Lyons Township), and Lake Lawn Lodge near Delavan (Delavan Township), as follows, (1) from O'Hare International Airport over Interstate Highway 90 to Junction Illinois Highway 53 thence north on Illinois Highway 53 to junction U.S. Highway 12, thence northwest on U.S. Highway 12 to junction Wisconsin Highway 50, thence west on Wisconsin Highway 50 to Lake Geneva, Wis., thence over Wisconsin Highway 50 west to junction Wisconsin Highway 36, southwest on Wisconsin Highway 36 to Fontana, Wis., thence northeast over Wisconsin Highway 36 to junction Wisconsin Highway 50 to Delavan, and return over same routes; (2) from O'Hare International Airport over Interstate Highway 90 to junction Illinois Highway 23, thence north on Illinois Highway 23 to junction U.S. Highway 14, thence over U.S. Highway 14 to junction Wisconsin Highway 36, thence over Wisconsin Highway 36 to Fontana, Wis., thence east on Wisconsin Highway 50 to Lake Geneva, Wis., thence continuing on Wisconsin Highway 50 to junction U.S. Highway 12, thence south on U.S. Highway 12 to junction Illinois Highway 53, thence over Illinois Highway 53 to junction Interstate Highway 90, thence over Interstate Highway 90 to O'Hare International Airport;

(3) From O'Hare International Airport to U.S. Highway 45, thence over U.S. Highway 45 to junction U.S. Highway 12, thence over U.S. Highway 12 to junction Wisconsin Highway 50 thence west on Wisconsin Highway 50 to Lake Geneva, Wis., thence west on Wisconsin Highway 50 to junction Wisconsin Highway 36, thence over Wisconsin Highway 36

to Fontana, Wis., thence over Wisconsin Highway 36 to junction Wisconsin Highway 50, thence over Wisconsin Highway 50 to Delavan, Wis., and return over the same routes; (4) from O'Hare International Airport over Interstate Highway 90 to junction Illinois Highway 53, thence over Illinois Highway 53 to junction U.S. Highway 14, thence over U.S. Highway 14 to junction Wisconsin Highway 36 thence over Wisconsin Highway 36 to Fontana, Wis., thence continue over Wisconsin Highway 36 to junction Wisconsin Highway 50, thence over Wisconsin Highway 50 to Delavan, Wis., thence over Wisconsin Highway 50 east to Lake Geneva, Wis., thence over Wisconsin Highway 50 to junction U.S. Highway 12, thence over U.S. Highway 12 to junction Illinois Highway 53, thence over Illinois Highway 53 to junction Interstate Highway 90, thence over Interstate Highway 90 to O'Hare International Airport, for 150 days. Supporting shippers: Herbert Allen, General Manager, The Abbey-On-Lake Geneva, Fontana, Wis.; Frank A. Widmann, National Director of Hotel Sales, The Playboy Club-Hotel Sales, The Playboy Building, 919 North Michigan Avenue, Chicago, Ill. 60611; Robert H. Miller, Mayor, City of Delavan, Delavan, Wis. 53115; Harold W. Zilisch, Lake Lawn Lodge, Delavan, Wis. Send protests to: William E. Gallagher, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1086, U.S. Courthouse and Federal Office Building, 219 South Dearborn Street, Chicago, Ill. 60604.

By the Commission.

[SEAL] H. NEIL GARSON,  
Secretary.

[F.R. Doc. 70-1884; Filed, Feb. 13, 1970;  
8:46 a.m.]

[Notice 25]

#### MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

FEBRUARY 11, 1970.

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 1131), 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 protests 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 field office to which protests are to be transmitted.

#### MOTOR CARRIERS OF PROPERTY

No. MC 42261 (Sub-No. 104 TA), filed February 9, 1970. Applicant: LANGER TRANSPORT CORP., Route 1 and Foot of Danforth Avenue, Jersey City, N.J. 07303. Applicant's representative: Abe Langer (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Metal containers, and metal containers ends* when moving with metal containers, from Hanover, Pa., to Staten Island, N.Y., for 150 days. Supporting shipper: National Can Corp., 5959 South Cicero Avenue, Chicago, Ill. 60638 (Roger F. Hermann, Eastern Traffic Manager). Send protests to: District Supervisor Walter J. Grossmann, Bureau of Operations, Interstate Commerce Commission, 970 Broad Street, Newark, N.J. 07102.

No. MC 97357 (Sub-No. 28 TA), filed February 9, 1970. Applicant: ALLYN TRANSPORTATION COMPANY, 14011 South Central Avenue, Los Angeles, Calif. 90059. Applicant's representative: T. W. Russell, 1545 Wilshire Boulevard, Los Angeles, Calif. 90017. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Sulphuric acid*, in bulk, in tank vehicles, from Wilmington, Calif., to the plantsite of Southern California Edison Co. located in Clark County, Nev., near Bullhead City, Ariz., for 180 days. Supporting shipper: Collier Carbon & Chemical Corp., Post Office Box 60455, Los Angeles, Calif. 90060. Send protests to: District Supervisor John E. Nance, Interstate Commerce Commission, Bureau of Operations, Room 7708, Federal Building, Los Angeles, Calif. 90012.

No. MC 109443 (Sub-No. 16 TA), filed February 9, 1970. Applicant: SEABOARD TANK LINES, INC., Monahan Avenue, Dunmore, Pa. 1512. Applicant's representative: Kenneth R. Davis, 999 Union Street, Taylor, Pa. 1517. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fuel oil*, from Scranton, Pa., to points in New York, for 150 days. Supporting shipper: Hess Oil & Chemical Division, Amerada Hess Corp., 1 Hess Plaza, Woodbridge, N.J. 07095. Send protests to: Paul J. Kenworthy, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 309 U.S. Post Office Building, Scranton, Pa. 18503.

No. MC 111375 (Sub-No. 33 TA), filed February 9, 1970. Applicant: PIRKLE REFRIGERATED FREIGHT LINES, INC., 3567 East Barnard Avenue, Cudahy, Wis. 53110. Applicant's representative: Henry Predolin (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dairy products*, from Van Wert, Ohio, to points in California, Arizona, and Utah, for 180 days. Supporting shipper: Borden, Inc., Foods Division, 350 Madison Avenue, New

York, N.Y. 10017 (Herman J. Hoving, General Traffic Manager). Send protests to: District Supervisor Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

No. MC 115523 (Sub-No. 160 TA) (Correction), filed January 19, 1970, published in the FEDERAL REGISTER issue of January 30, 1970, and republished in part, as corrected, this issue. Applicant: CLARK TANK LINES COMPANY, 1450 Beck Street, Salt Lake City, Utah 84116. Note: The purpose of this partial republication is to complete the address of the Supporting shipper: Eagle-Picher Industries, Inc., Post Office Box 1869, Reno, Nev. 89505 (E. L. Hardin, Traffic Manager). The rest of the application remains as previously published.

No. MC 118159 (Sub-No. 87 TA), filed February 9, 1970. Applicant: EVERETT LOWRANCE, INC., 4916 Jefferson Highway, New Orleans, La. 70113. Applicant's representative: David D. Brunson, 419 Northwest Sixth Street, Oklahoma City, Okla. 73102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fruit butters, jellies, jams, preserves, syrup, and related food products*, from Tulsa, Okla., to points in the United States, except Alaska and Hawaii, for 180 days. Supporting shipper: Business Builders, Inc., Tulsa, Okla. Send protests to: W. R. Atkins, District Supervisor, Interstate Commerce Commission, Bureau of Operations, T-4009 Federal Building, 701 Loyola Avenue, New Orleans, La. 70113.

No. MC 124154 (Sub-No. 34 TA), filed February 9, 1970. Applicant: WINGATE TRUCKING COMPANY, INC., Post Office Box 645, 1004 21st Avenue, Albany, Ga. 31702. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer and fertilizer materials*, from Pace, Fla., to points in Mississippi, for 180 days. Supporting shipper: Escambia Chemical Corp., Post Office Box 467, Pensacola, Fla. 32502. Send protests to: District Supervisor G. H. Fauss, Jr., Bureau of Operations, Interstate Commerce Commission, Box 35008, 400 West Bay Street, Jacksonville, Fla. 32202.

No. MC 124920 (Sub-No. 10 TA), filed February 9, 1970. Applicant: LABAR'S INC., 310 Breck Street, Scranton, Pa. 18505. Applicant's representative: L. Agnew Myers, Jr., 1122 Warner Building, Washington, D.C. 20004. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Steel; sheet, hot galvanized or electro galvanized, and steel, in coils*, from Youngstown, Ohio, to Wilkes-Barre, Pa., for 180 days. Supporting shippers: Industrial Steel Co., Inc., Post Office Box 117, Youngstown, Ohio 44501; Muskin Manufacturing Co., Inc., 38 Courtright Avenue, Box 629, Wilkes-Barre, Pa. 18703. Send protests to: Paul J. Kenworthy, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 309 U.S. Post Office Building, Scranton, Pa. 18503.

No. MC 126714 (Sub-No. 2 TA) (correction), filed January 27, 1970, published in the FEDERAL REGISTER issue of February 6, 1970, and republished as corrected, this issue. Applicant: SOUTH-WEST DELIVERY CO., INC., 304 Columbia Street, Vancouver, Wash. 98660. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities*, except those of unusual value, classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment, between Portland, Ore., and Everett, Wash., over Interstate Highway 5 and/or U.S. Highway 99, serving all intermediate points north of Olympia, Wash., for 180 days. Note: Applicant proposes to interline traffic at all points sought to be authorized. The purpose of this republication is to correct the territorial description. Supporting shippers: There are approximately 75 statements of support attached to the application, which may be examined here at the Interstate Commerce Commission in Washington, D.C., or copies thereof which may be examined at the field office named below. Send protests to: District Supervisor W. J. Huetig, Interstate Commerce Commission, Bureau of Operations, 450 Multnomah Building, 120 Southwest Fourth Avenue, Portland, Ore. 97204.

No. MC 128007 (Sub-No. 22 TA), filed February 9, 1970. Applicant: HOFER, INC., Post Office Box 583, 4032 Parkview Drive, Pittsburg, Kans. 66762. Applicant's representative: Clyde N. Christey, 641 Harrison Street, Topeka, Kans. 66603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Ammonium nitrate*, in bulk and/or bags, from the plantsite and/or warehouse facilities of Farmland Industries, Inc., at or near Lawrence, Kans., to points in Colorado, Iowa, South Dakota, Nebraska, Oklahoma, and Missouri, for 180 days. Supporting shipper: Farmland Industries, Inc., 3315 North Oak, Kansas City, Mo. Send protests to: M. E. Taylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 501 Petroleum Building, Wichita, Kans. 67202.

No. MC 129350 (Sub-No. 7 TA), filed February 9, 1970. Applicant: CHARLES E. WOLFE, doing business as EVERGREEN EXPRESS, 410 North 10th Street, Billings, Mont. 59101. Applicant's representative: Chester A. Zyblut, 1522 K Street NW., Washington, D.C. 20005. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel and iron and steel articles*, except those requiring special equipment or handling because of size or weight, from the plantsite of Jones & Laughlin Steel Corp., near Hennepin, Ill., to Denver, Broomfield, Colorado Springs, and Grand Junction, Colo.; Salt Lake City and Ogden, Utah; Mills, Sheridan, Cheyenne, and Casper, Wyo.; Billings, Great Falls, Missoula, and Kalispell, Mont.; for 180 days. Supporting shipper: Jones



& Laughlin Steel Corp., 3 Gateway Center, Pittsburgh, Pa. 15230. Send protests to: Paul J. Labane, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 251 U.S. Post Office Building, Billings, Mont. 59101.

No. MC 133296 (Sub-No. 3 TA), filed February 9, 1970. Applicant: DRACHE TRUCK LINE, INC., Box 42, Medford, Minn. 55049. Applicant's representative: Val M. Higgins, 1000 First National Bank Building, Minneapolis, Minn. 55402. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages and supplies, signs, and materials* used in the sale thereof, from Sheboygan, Milwaukee, and La Crosse, Wis., to Rochester and Owatonna, Minn., for 150 days. Supporting shipper: Shea Distributing Co., Owatonna, Minn. 55060. Send protests to: A. N. Spath, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building and U.S. Courthouse, 110 South Fourth Street, Minneapolis, Minn. 55401.

No. MC 134064 (Sub-No. 1 TA), filed February 9, 1970. Applicant: INTERSTATE TRANSPORT, INC., Peachtree Road, Post Office Box 867, Gainesville, Ga. 30501. Applicant's representative: William L. Ferguson (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Feed, animal, or poultry*, from Delmar, Del., and Salisbury, Md., to points in North Carolina, South Carolina, Tennessee, Alabama, Georgia, and Florida, for 180 days. Supporting shipper: Roche Chemical Division, Hoffman-La Roche, Inc., Nutley, N.J. 07110. Send protests to: William L. Scroggs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 309, 1252 West Peachtree Street NW., Atlanta, Ga. 30309.

No. MC 134321 TA, filed February 6, 1970. Applicant: HAROLD W. HOLT, Route No. 5, Manchester, Tenn. 37355. Applicant's representative: Blaine Buchanan, 1024 James Building, Chattanooga, Tenn. 37402. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Semifinished wood furniture parts—unassembled*, from the plantsite of the Campbell & Dann Manufacturing Co. at Tullahoma, Tenn., to Atlanta, Ga., Florence, Ky., and Richmond, Va.; (2) *unfinshed wood furniture blanks*, from Cape Girardeau, Mo., to the plantsite of the Campbell & Dann Manufacturing Co. at Tullahoma, Tenn.; under continuing contracts with Campbell & Dann Manufacturing Co., Tullahoma, Tenn., for 180 days. Supporting shipper: Campbell & Dann Manufacturing Co., Tullahoma, Tenn. Send protests to: Joe J. Tate, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 803—1808 West End Building, Nashville, Tenn. 37203.

No. MC 134323 TA, filed February 9, 1970. Applicant: JAY LINES, INC., 12304 Gold Street, Omaha, Nebr. 68144. Applicant's representative: Frederick J. Coffman, Suite 500, Executive Building, Lincoln, Nebr. 68501. Authority sought to operate as a *contract carrier*, by motor

vehicle, over irregular routes, transporting: *Meats, meat products, meat by-products, and articles distributed by meat packinghouses*, from the plantsite of Missouri Beef Packers at or near Friona, Tex., to points in Connecticut, Maryland, Massachusetts, New Jersey, New York, and Pennsylvania, for 180 days. Supporting shipper: Missouri Beef Packers, Inc., Post Office Box 129, Rock Port, Mo. (Norman L. Cummins). Send protests to: Keith P. Kohrs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 705 Federal Office Building, Omaha, Nebr. 68102.

By the Commission.

[SEAL]

H. NEIL GARSON,  
Secretary.

[F.R. Doc. 70-1885; Filed, Feb. 13, 1970;  
8:46 a.m.]

[Notice 491]

### MOTOR CARRIER TRANSFER PROCEEDINGS

FEBRUARY 11, 1970.

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-69158. By supplemental order of February 6, 1970, the Motor Carrier Board modified the corrected order of the Transfer Board, entered October 31, 1966, approving the transfer to Portland Express, Inc., Nashville, Tenn., of a portion of the operating rights in corrected certificate No. MC-120981 (Sub-No. 2) issued February 15, 1966, to North Tennessee Freight Line, Inc., Nashville, Tenn., to include the transportation, over a regular route, of general commodities, except those of unusual value, classes A and B explosives, household goods, commodities in bulk, and those requiring special equipment, between Portland, Tenn., and the junction of U.S. Highway 31W and Tennessee Highway 52. Walter Harwood, Suite 1822, Parkway Towers, 404 James Robertson Parkway, Nashville, Tenn. 37219, attorney for applicants.

No. MC-FC-71545. By order of February 2, 1970, the Motor Carrier Board approved the transfer to Boerne Truck Line, Inc., San Antonio, Tex., of certificate No. MC-26051 and certificate of registration No. MC-26051 (Sub-No. 4) issued March 26, 1942, and March 27, 1964, respectively to Wm. P. Thomson, doing business as Boerne Truck Line, Boerne, Tex., involving the right to transport general commodities between specified

points within the State of Texas. Maynard F. Robinson, 717 First National Bank Building, San Antonio, Tex. 78205, attorney for applicants.

[SEAL]

H. NEIL GARSON,  
Secretary.

[F.R. Doc. 70-1886; Filed, Feb. 13, 1970;  
8:46 a.m.]

[No. MC-C-6748]

### SMOKING BY PASSENGERS AND OPERATING PERSONNEL ON INTERSTATE BUSES

#### Notice of Filing of Petition for Institution of Rulemaking Proceeding

FEBRUARY 11, 1970.

Petitioner: Ralph Nader, Washington, D.C.; petitioner's representative: William A. Dobrovir, 1660 L Street NW., Washington, D.C. 20036.

By petition filed January 8, 1970, petitioner seeks institution of a rulemaking proceeding for the purpose of establishing a rule which would prohibit the smoking of cigars, cigarettes, or pipes by passengers and operating personnel on all passenger carrying motor vehicles operating in interstate or foreign commerce. It is petitioner's position that section 204(a)(1) of the Interstate Commerce Act, 49 U.S.C. 304(a)(1), empowers the Commission to make reasonable requirements with respect to continuous and adequate service; that section 208 of the act, 49 U.S.C. 308, empowers the Commission to place conditions in certificates of public convenience and necessity to carry out the requirements established under 49 U.S.C. 304(a)(1); and that section 204(a)(3a) of the act, 49 U.S.C. 304(a)(3a), empowers the Commission to establish reasonable requirements with respect to comfort of passengers on motor carriers of migrant workers. Petitioner seeks to invoke the Commission's authority to provide for adequacy of service, and contends that adequacy of service includes provision for the health and comfort of passengers on buses. Petitioner offers as an exhibit a memorandum summarizing certain scientific findings dealing with the health hazards of smoking, and he argues that smoking constitutes a serious hazard to the health of petitioner and all nonsmoking passengers. A parallel petition has been filed with the Department of Transportation. Any interested person desiring to participate shall file an original and seven copies of his written representations, views, and arguments in support of, or against, the petition within 30 days from the date of publication in the FEDERAL REGISTER. In addition, any person submitting matter in support of the petition should include therein a draft of the rule he believes should be adopted.

By the Commission.

[SEAL]

H. NEIL GARSON,  
Secretary.

[F.R. Doc. 70-1887; Filed, Feb. 13, 1970;  
8:46 a.m.]



## CUMULATIVE LIST OF PARTS AFFECTED—FEBRUARY

The following numerical guide is a list of parts of each title of the Code of Federal Regulations affected by documents published to date during February.

3 CFR	Page	7 CFR—Continued	Page	12 CFR—Continued	Page
<b>PROCLAMATIONS:</b>		<b>PROPOSED RULES—Continued</b>			
1677 (see PLO 4762).....	2402	1036.....	2527	217.....	2768, 2953
3958.....	2571	1040.....	2527	226.....	2865
3959.....	2641	1041.....	2527, 2730	265.....	2383
3960.....	2815	1043.....	2527	329.....	2768
3961.....	3019	1044.....	2527	510.....	2509
<b>EXECUTIVE ORDERS:</b>		1046.....	2527	526.....	2723
11211 (amended by EO 11506).....	2501	1049.....	2527	542.....	2509
11282 (superseded by EO 11507).....	2576	1050.....	2527	543.....	2509
11288 (superseded by EO 11507).....	2576	1060.....	2527	545.....	2511, 3024
11353 (revoked by EO 11509).....	2857	1061.....	2527	555.....	3024
11368 (see EO 11506).....	2501	1062.....	2527	556.....	2514
11418 (revoked by EO 11509).....	2857	1063.....	2527	562.....	2514
11506.....	2501	1064.....	2527	563.....	3027
11507.....	2573	1065.....	2527	567.....	2515
11508.....	2855	1068.....	2527	569.....	3027
11509.....	2857	1069.....	2527	571.....	2515
<b>PRESIDENTIAL DOCUMENTS OTHER THAN PROCLAMATIONS AND EXECUTIVE ORDERS:</b>		1070.....	2527	582.....	2515
Regulation of February 11, 1970.....	2951	1071.....	2527	591.....	2725
<b>5 CFR</b>		1073.....	2527	<b>13 CFR</b>	
213.....	2383, 2643, 2644, 2765, 2859	1075.....	2527	121.....	2385
<b>7 CFR</b>		1076.....	2572	<b>PROPOSED RULES:</b>	
301.....	2577, 2859	1078.....	2527	107.....	3032
318.....	2503	1079.....	2527	113.....	2596, 3041
319.....	2503, 3021	1090.....	2527	121.....	2597
354.....	2859	1094.....	2527	<b>14 CFR</b>	
601.....	2817	1096.....	2527	13.....	2578
722.....	2721	1097.....	2527	21.....	2818
724.....	2504-2506	1098.....	2527, 2669	39.....	2517, 2726, 2868
729.....	2860	1099.....	2527	47.....	2578
811.....	2383	1101.....	2527	61.....	2818
857.....	2507	1102.....	2527	71.....	2517
907.....	2578, 2860	1103.....	2572	2580-2583, 2645, 2646, 2726, 2819, 2869, 2953, 3029	2769
908.....	2861	1104.....	2527	73.....	2769
910.....	2383, 2721, 2765, 3021	1106.....	2527	75.....	2583, 2584, 2726, 2819
913.....	2722, 3021	1108.....	2527	91.....	2578, 2818
947.....	2766	1120.....	2527	97.....	2390, 2647, 2954
980.....	3022	1121.....	2527	121.....	2818
1421.....	2766	1122.....	2527	241.....	2819
<b>PROPOSED RULES:</b>		1124.....	2527	<b>PROPOSED RULES:</b>	
52.....	2668, 2787	1125.....	2527	21.....	2412
724.....	2526	1126.....	2527	25.....	2412
729.....	2994	1127.....	2527	39.....	2594, 2996
907.....	2526	1128.....	2572	71.....	2595, 2890
1001.....	2527	1129.....	2527	2670, 2791-2793, 2889, 2996, 2997	2595
1002.....	2527	1130.....	2527	73.....	2596
1003.....	2527	1131.....	2527	75.....	2528
1004.....	2527	1132.....	2527	171.....	2730
1005.....	2527	1133.....	2527	207.....	3032
1006.....	2527, 2878	1134.....	2527	299.....	
1007.....	2527	1136.....	2527	<b>16 CFR</b>	
1011.....	2527	1137.....	2527	13.....	2385-2387, 2517-2522, 2769-2773
1012.....	2527, 2878	1138.....	2527	15.....	2655, 2656
1013.....	2527, 2878	<b>9 CFR</b>		<b>PROPOSED RULES:</b>	
1015.....	2527	74.....	3022, 3023	118.....	2673
1016.....	2527	76.....	2507	250.....	2998
1030.....	2527	2508, 2644, 2722, 2767, 2817, 2861, 2953		<b>17 CFR</b>	
1032.....	2527	161.....	3023	<b>PROPOSED RULES:</b>	
1033.....	2527	<b>PROPOSED RULES:</b>		230.....	2672
1034.....	2527, 2729	2.....	2729		
1035.....	2527	318.....	2527		
		<b>10 CFR</b>			
		3.....	2862		
		14.....	2723		
		<b>12 CFR</b>			
		204.....	2768		

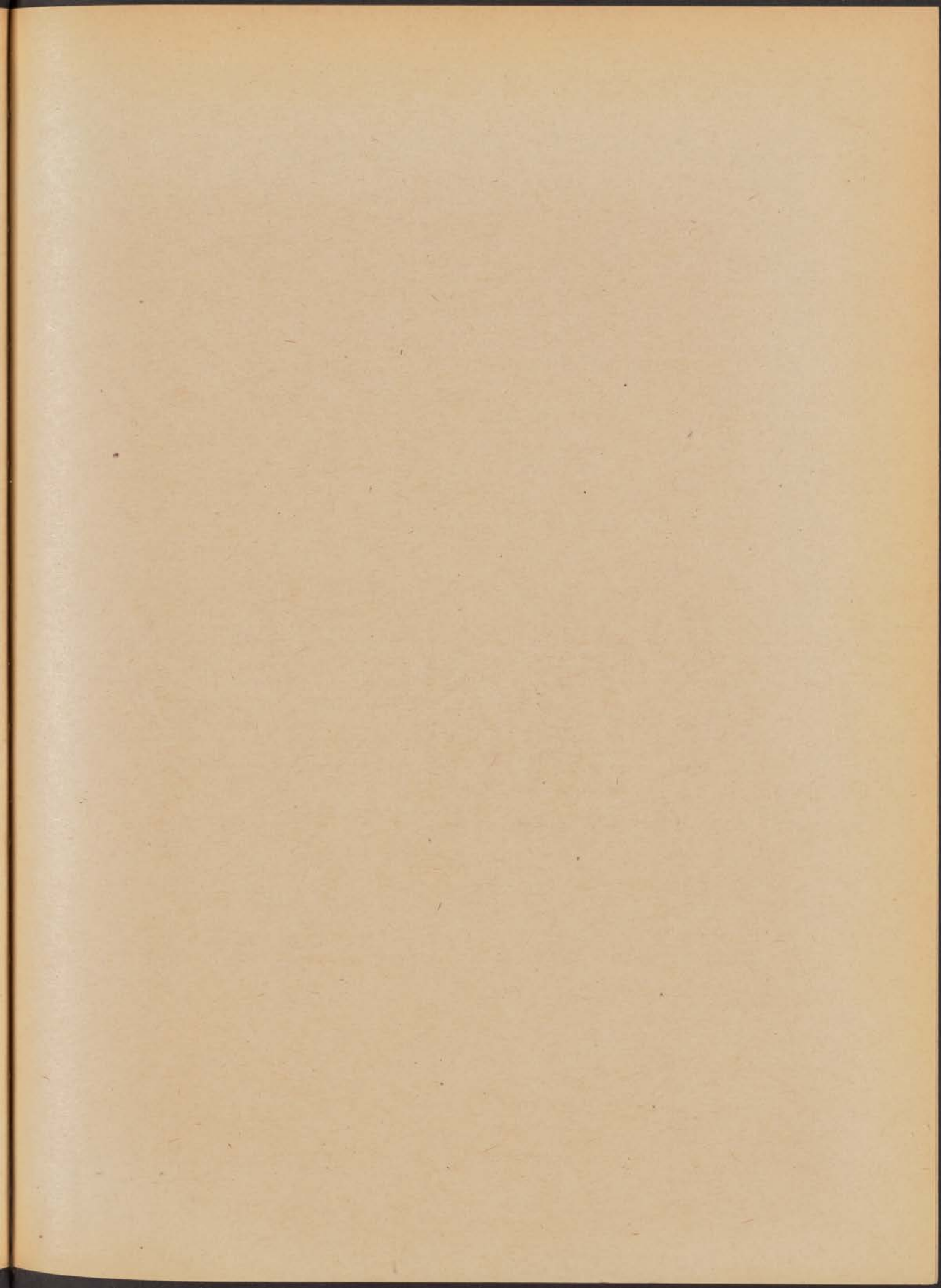


<b>18 CFR</b>	<b>Page</b>	<b>29 CFR—Continued</b>	<b>Page</b>	<b>42 CFR</b>	<b>Page</b>
PROPOSED RULES:		404.....	2990	73.....	2400
101.....	2413	405.....	2990	PROPOSED RULES:	
141.....	2832	406.....	2990	73.....	2411
201.....	2413	408.....	2990	81.....	2411
250.....	2730	409.....	2990		
<b>19 CFR</b>		541.....	2389	<b>43 CFR</b>	
10.....	2822	727.....	2774	4110.....	2591
PROPOSED RULES:		1500.....	2822	PUBLIC LAND ORDERS:	
9.....	2410	PROPOSED RULES:		4755 (corrected).....	2828
<b>20 CFR</b>		462.....	2994	4762.....	2402
PROPOSED RULES:		<b>31 CFR</b>		4763.....	2776
405.....	2593	316.....	2827	PROPOSED RULES:	
<b>21 CFR</b>		<b>32 CFR</b>		23.....	2994
1.....	2869	65.....	2870	<b>45 CFR</b>	
3.....	2656, 2657, 2774, 3029	101.....	2990	1061.....	2402
5.....	2584	102.....	2871	PROPOSED RULES:	
120.....	2585, 2727	115.....	2775	85.....	2791
121.....	2727, 2822, 2823	536.....	2659	<b>46 CFR</b>	
146b.....	2657	1715.....	2873	502.....	2523
147.....	2657, 2870, 2993	<b>33 CFR</b>		<b>47 CFR</b>	
164.....	2658	207.....	2660, 2727	15.....	2405, 2660
191.....	2659	<b>36 CFR</b>		63.....	2776
PROPOSED RULES:		PROPOSED RULES:		64.....	2776
3.....	2411	7.....	2787	73.....	2590, 2828
138.....	2995	<b>37 CFR</b>		87.....	2829
141b.....	2670	1.....	2828	PROPOSED RULES:	
146b.....	2670	3.....	2828	25.....	2671
320.....	2874	<b>38 CFR</b>		73.....	2831, 2998
<b>22 CFR</b>		3.....	2827	74.....	2672
123.....	3029	17.....	2389	<b>49 CFR</b>	
125.....	3029	<b>39 CFR</b>		71.....	2666
<b>24 CFR</b>		PROPOSED RULES:		371.....	2409
200.....	2823	261.....	2410	1023.....	2524
Ch. VI.....	2827	262.....	2410	1033.....	2868
<b>26 CFR</b>		<b>41 CFR</b>		1043.....	2829
1.....	2774	3-1.....	2992	1048.....	2727, 2992
13.....	3030	5A-2.....	2399	1084.....	2829
<b>29 CFR</b>		5A-72.....	2400	PROPOSED RULES:	
8.....	2387	5A-73.....	2400	179.....	2794
201.....	2556	5B-3.....	2585	236.....	2412
202.....	2557	9-5.....	2586	Ch. X.....	2890
203.....	2561	14-1.....	2523	1048.....	2995
205.....	2563	60-2.....	2586	<b>50 CFR</b>	
402.....	2990			32.....	2592
403.....	2990			33.....	2592, 2992
				279.....	2407
				PROPOSED RULES:	
				280.....	2526





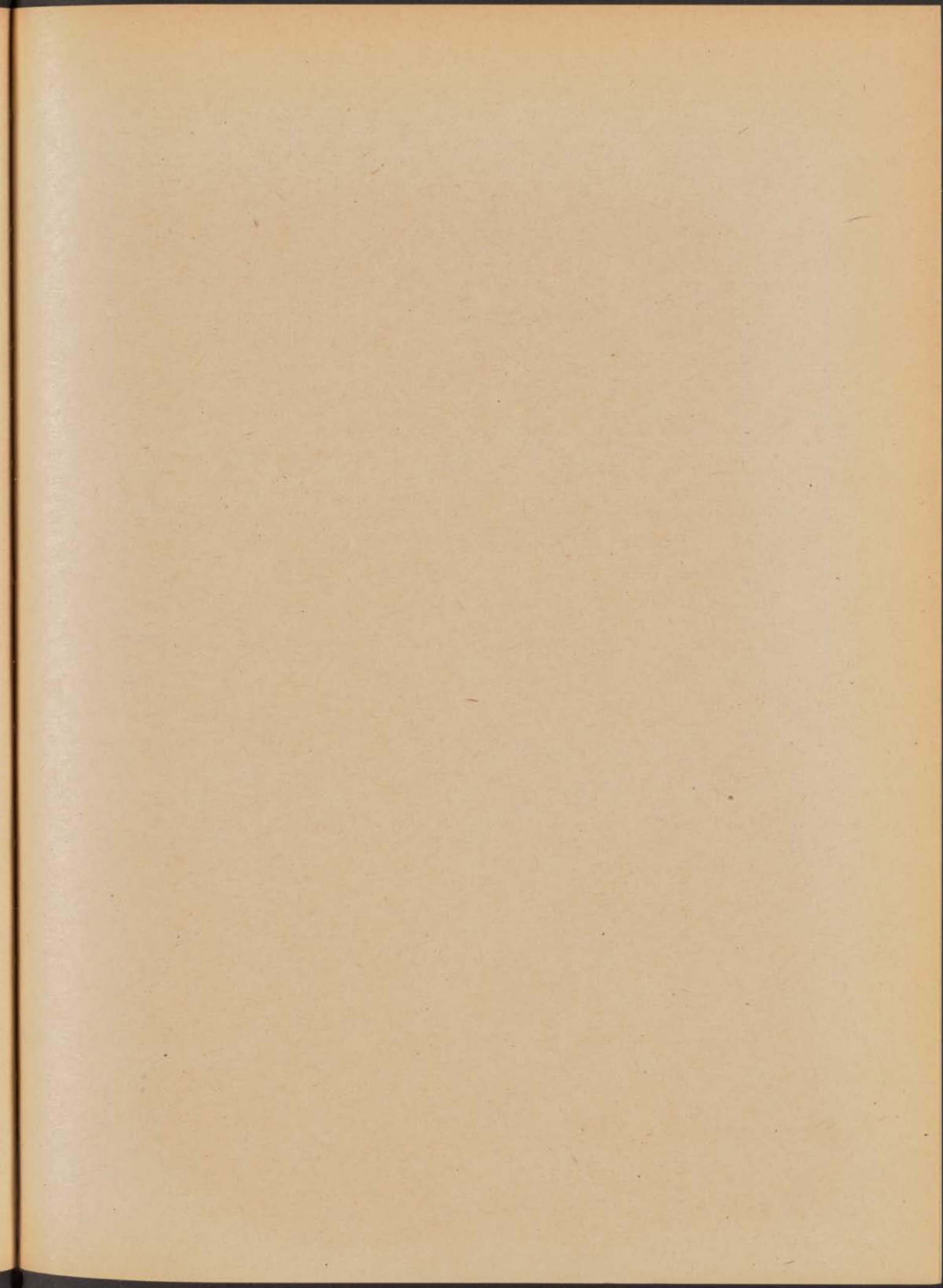




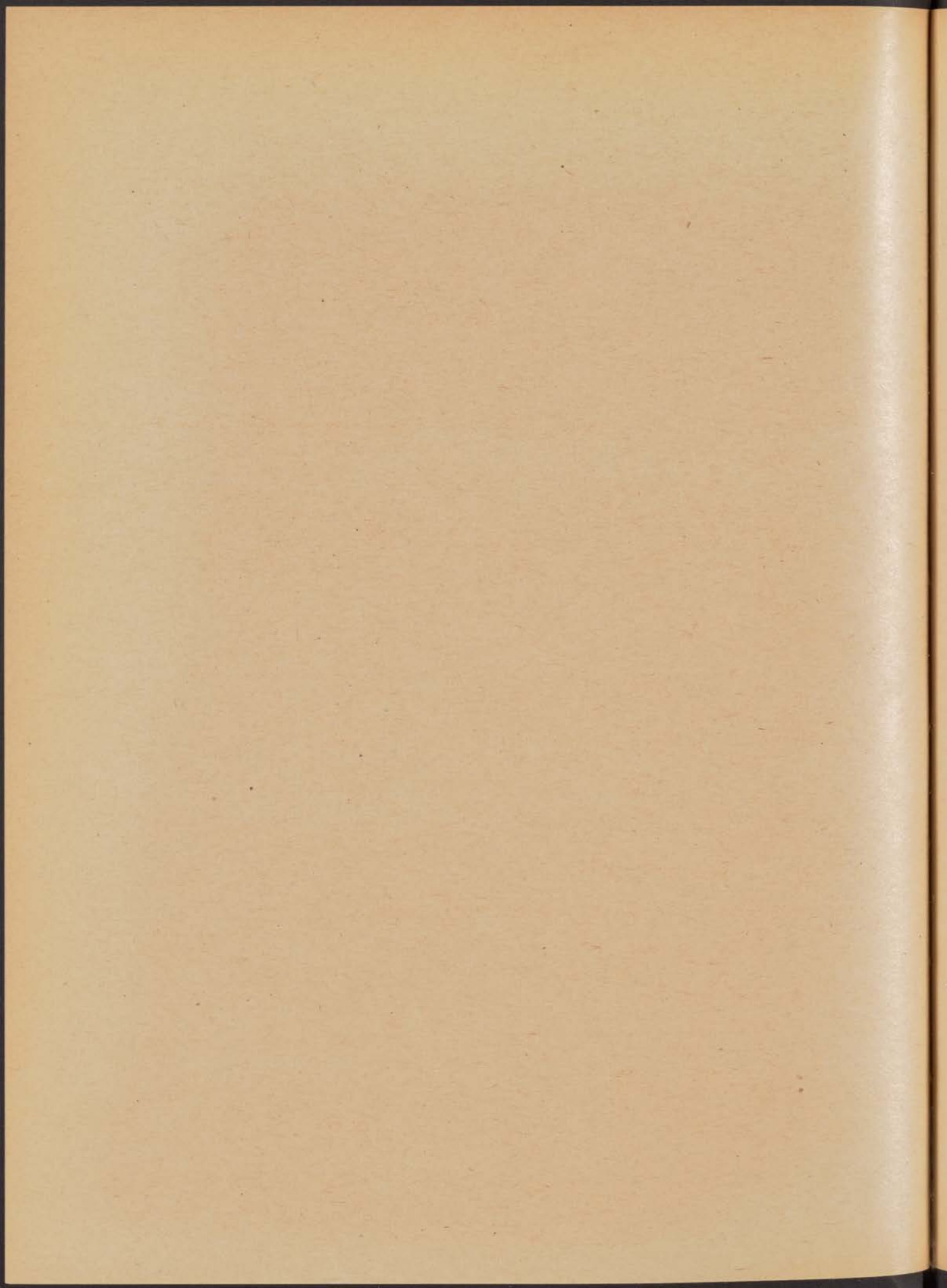




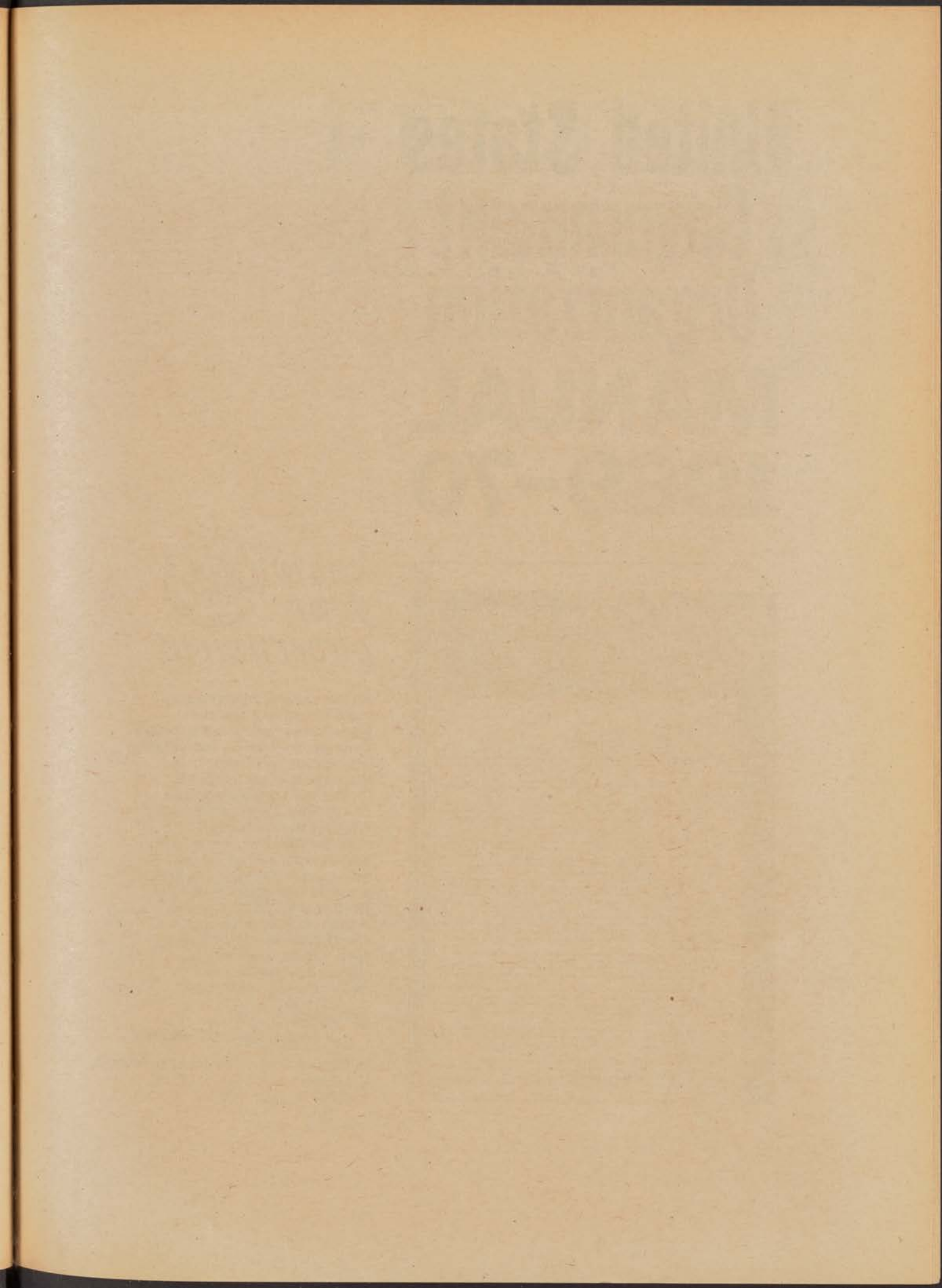






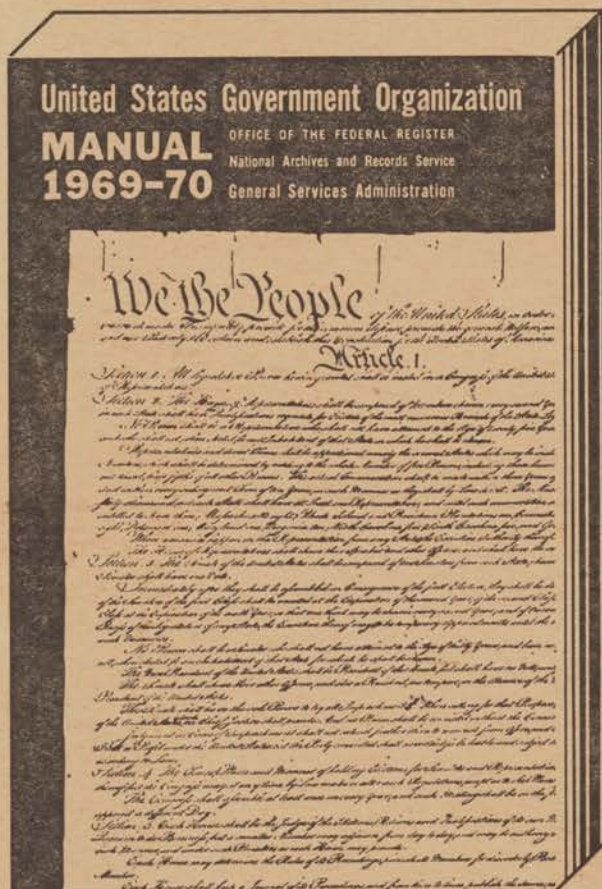








# United States Government Organization MANUAL 1969-70



*know  
your  
government*



Presents essential information about Government agencies (updated and republished annually). Describes the creation and authority, organization, and functions of the agencies in the legislative, judicial, and executive branches. This handbook is an indispensable reference tool for teachers, students, librarians, researchers, businessmen, and lawyers who need current official information about the U.S. Government. The United States Government Organization Manual is the official guide to the functions of the Federal Government, published by the Office of the Federal Register, GSA.

**\$3.00** per copy. Paperbound, with charts

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