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Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 71-89]

PART 11—PACKING AND STAMPING; MARKING; TRADEMARKS AND TRADE NAMES; COPYRIGHTS

Country of Origin Marking; Cast Iron Soil Pipe and Fittings

There was published in the FEDERAL REGISTER for July 9, 1970 (35 F.R. 11033), a notice that the Bureau of Customs had under consideration the question of whether cast iron pipe and fittings imported into the United States should be marked to indicate the country of origin in accordance with the provisions of 19 U.S.C. 1304. These articles are encompassed within the description "Pipes, iron or steel, and pipe fittings of cast or malleable iron" listed in T.D. 49896 (1939) (4 F.R. 2509) among the articles found, pursuant to 19 U.S.C. 1304(a)(3)(J), to have been imported in substantial quantities during the 5-year period immediately preceding January 1, 1937, and not required during such period to be marked to indicate the country of their origin, which articles are now excepted from the marking requirements by § 11.10(a) of the Customs Regulations (19 CFR 11.10(a)).

The Bureau has given careful consideration to the written data, views, and arguments submitted in response to the above notice. These comments have pointed out that the original information submitted to the Bureau to justify the revocation of the exception from marking for cast iron pipe and fittings (made available to interested parties who requested it) was directed specifically to the fact that cast iron soil pipe and fittings were not imported in substantial quantities in the 5-year period immediately preceding January 1, 1937. Information has been submitted indicating that cast iron pipe and fittings, other than cast iron soil pipe and fittings, were imported in the 5-year period immediately preceding January 1, 1937.

In view of the fact that cast iron soil pipe and fittings were not imported in substantial quantities in the 5-year period immediately preceding January 1, 1937, that such pipe and fittings are large enough to be readily marked to indicate the country of origin without unusual difficulties, and the possibility that such pipe and fittings may be commingled with domestically manufactured pipe and fittings prior to the time they reach the ultimate purchaser in the United States, the Bureau has concluded that an exception from marking for imported cast iron soil pipe and fittings under 19 U.S.C. 1304(a)(3)(J) is no longer warranted.

Accordingly, the exception under 19 U.S.C. 1304(a)(3)(J) and T.D. 49896 of "Pipes, iron or steel, and pipe fittings of cast or malleable iron" is hereby amended to read as follows:

Pipes, iron or steel, and pipe fittings of cast or malleable iron (except cast iron soil pipe and fittings).

This amendment shall apply to cast iron soil pipe and fittings entered, or withdrawn from warehouse, for consumption after the expiration of 90 days after the publication of this Treasury Decision in the FEDERAL REGISTER. The Customs Regulations are amended as set forth below:

Section 11.10(a) is hereby amended by changing the fourth sentence to read as follows: "The exceptions under section 304(a)(3)(J) are set forth in T.D. 49690, T.D. 49835, T.D. 49896, T.D. 54167, and T.D. 71-89)."

(Sec. 304, 46 Stat. 687, as amended; 19 U.S.C. 1304)

[SEAL] EDWIN F. RAINS,
Acting Commissioner of Customs.

Approved: March 15, 1971.

EUGENE T. ROSSIDES,
Assistant Secretary of the Treasury.

[FR Doc.71-3973 Filed 3-23-71;8:46 am]

Title 12—BANKS AND BANKING

Chapter V—Federal Home Loan Bank Board

SUBCHAPTER C—FEDERAL SAVINGS AND LOAN SYSTEM

[No. 71-263]

PART 545—OPERATIONS

Sale of Loans by Federal Savings and Loan Associations

MARCH 18, 1971.

Resolved that the Federal Home Loan Bank Board considers it advisable to amend Part 545 of the Rules and Regulations for the Federal Savings and Loan System (12 CFR Part 545) for the purpose of removing the restrictions contained in § 545.11 thereof relating to the amount of loans that may be sold by Federal savings and loan associations. Accordingly, on the basis of such consideration and for such purpose, the Federal Home Loan Bank Board hereby amends said Part 545 (1) by revoking § 545.11 thereof and (2) by deleting the undesignated center head immediately preceding such section, effective March 25, 1971.

(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., 1071)

Resolved further that, since the above amendment relieves restriction the Board hereby finds that notice and public procedure with respect to said amendment are unnecessary under the provisions of 12 CFR 508.11 and 5 U.S.C. 553(b); and, for the same reason, publication of said amendment for the period specified in 12 CFR 508.14 and 5 U.S.C. 553(d) prior to the effective date thereof is also unnecessary; and the Board hereby provides that said amendment shall become effective as hereinbefore set forth.

By the Federal Home Loan Bank Board.

[SEAL] GRENVILLE L. MILLARD, Jr.,
Assistant Secretary.

[FR Doc.71-4025 Filed 3-23-71;8:50 am]

SUBCHAPTER D—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

[No. 71-264]

PART 563—OPERATIONS

Sale of Loans by Insured Institutions

MARCH 18, 1971.

Resolved that the Federal Home Loan Bank Board considers it advisable to amend § 563.23 of the Rules and Regulations for Insurance of Accounts (12 CFR 563.23) for the purpose of removing the restrictions contained therein relating to the amount of loans that may be sold by an insured institution. Accordingly, on the basis of such consideration and for such purpose, the Federal Home Loan Bank Board hereby amends said § 563.23 by revising it to read as follows, effective March 25, 1971:

§ 563.23 Prohibition of sale with recourse.

All loans and participation interests in loans sold by an insured institution shall be sold without recourse.

(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 the above amendment relieves restriction, the Board hereby finds that notice and public procedure with respect to said amendment are unnecessary under the provisions of 12 CFR 508.11 and 5 U.S.C. 553(b); and, for the same reason, publication of said amendment for the period specified in 12 CFR 508.14 and 5 U.S.C. 553(d) prior to the effective date thereof is also unnecessary; and the Board hereby provides that said amendment shall become effective as hereinbefore set forth.

By the Federal Home Loan Bank Board.

[SEAL] GRENVILLE L. MILLARD, Jr.,
Assistant Secretary.

[FR Doc.71-4024 Filed 3-23-71;8:50 am]

Chapter VI—Farm Credit Administration

SUBCHAPTER D—FEDERAL INTERMEDIATE CREDIT BANKS AND PRDUCTION CREDIT ASSOCIATIONS

PART 640—FEDERAL INTERMEDIATE CREDIT BANKS

Chapter VI of Title 12 of the Code of Federal Regulations is amended by revising Part 640 to read as follows:

Subpart A—General Provisions

Subpart B—Loans and Discounts

AUTHORITY: The provisions of this Part 640 issued under sec. 209, 42 Stat. 1459, as amended; 12 U.S.C. 1101.

Subpart A—General Provisions

§ 640.101 Management.

Each Federal intermediate credit bank operates under a board of directors which consists of the seven members of the district Farm Credit Board (12 U.S.C. 640b) who are also directors of the Federal land bank and the bank for cooperatives of the district (12 U.S.C. 1022).

§ 640.102 Supervision.

The Governor of the Farm Credit Administration, under the direction and control of the Federal Farm Credit Board, has the responsibility for supervision of the Federal intermediate credit banks and production credit associations (12 U.S.C. 636d). By order of the Governor, the exercise of this authority has been delegated to the Deputy Governor and Director of Production Credit Service. Unless otherwise indicated, all matters pertaining to these banks and associations requiring attention or action by the Farm Credit Administration are to be referred to the office of the Director of Production Credit Service.

§ 640.103 Regulations and instructions.

Officers and employees of the banks are expected to observe regulations, instructions, and procedures applicable to the Federal intermediate credit banks and production credit associations, whether set forth in this part or in other forms. To this end, special attention is directed to the applicable provisions of the following documents and publications:

(a) General Administrative Manual for the Farm Credit Districts;

(b) Bylaws of the Federal Intermediate Credit Banks;

(c) Chart and Description of Accounts for Federal Intermediate Credit Banks;

(d) Instructions for the Preparation of Financial and Statistical Reports of the Federal Intermediate Credit Banks;

(e) Bylaws of Production Credit Associations;

(f) Rules and Regulations for Production Credit Associations;

(g) Manual for Credit Examinations of Production Credit Associations;

(h) PCA Accounting Manual.

§ 640.111 Capital stock; participation certificates.

(a) Each Federal intermediate credit bank is authorized to issue two classes of capital stock. Class A stock, preferred as to assets in the event of liquidation, may be issued only to the Governor of the Farm Credit Administration on behalf of the United States and represents the investment of the United States in such bank. Class B stock may be issued to and held by production credit associations only.

(b) Other financing institutions dealing with a credit bank may not acquire capital stock in the bank but will receive participation certificates for investments in the capital of the bank, for payment of patronage refunds due them out of net earnings of the bank, and for distribution of allocations of legal reserve when not paid in cash.

(c) All capital stock and participation certificates shall have a designated issue date, which shall determine its order of retirement. An additional series designation may be used if approved by the board of directors.

§ 640.111–1 Same; class A stock.

Class A stock shall have a par value of $100 per share, shall be issued to the Governor of the Farm Credit Administration in the form prescribed therefor and shall be delivered to the Farm Credit Administration.

§ 640.111–2 Same; retirement of class A stock.

At the end of each fiscal year, any bank having such stock outstanding shall determine the amount of class A stock which shall be retired. Whenever the total of the capital stock, participation certificates, surplus and reserves of the bank is more than one-eighth of the highest month-end balance of debentures and other obligations issued by the bank, outstanding during the immediately preceding 5 years, the minimum amount of class A stock to be retired shall be the total amount of class B stock and participation certificates issued for that year. The term "preceding 5 years" shall include the fiscal year just ended. Class A stock may be retired in fractional shares, in multiples of $5. Upon retirement of a portion of the class A stock represented by any such certificates, the amount of such retirement shall be endorsed upon the certificate by the Farm Credit Administration.

§ 640.111–3 Same; class B stock.

Class B stock shall have a par value of $5 per share. Class B stock certificates shall be issued in a form prescribed by the board of directors of the bank, subject to the approval of the Farm Credit Administration. No fractional shares shall be issued. At the discretion of the bank, class B stock certificates need not be furnished unless a request therefor is made by the production credit association concerned. In the event a certificate is not issued, an "Advice of Class B Stock Issued," in form approved by the Farm Credit Administration, should be furnished to the association.

§ 640.111–4 Same; purchase of class B stock by production credit associations.

(a) When the earnings of the bank are inadequate to meet its capital needs, and when feasible to do so with due regard for the circumstances of the associations, the board of directors of the bank may, by resolution, authorize the bank, with the prior approval of the Farm Credit Administration, to require production credit associations of the district to subscribe for such additional capital as may be needed by the bank during the next several years. The amount determined shall be allotted, to the nearest full share, among the associations so that the total of all stock owned, including the additional amount to be subscribed for, will be as nearly as practicable in the same proportion to the total amount of class B stock already owned and to be subscribed for by all associations of the district as each association's average indebtedness to the bank during the immediately preceding 3 fiscal years is of the average indebtedness of all associations to the bank during such period. The "average indebtedness" may be computed on the basis of either average daily balance, or average of beginning and ending monthly balances of such indebtedness for the 3-year period. Such subscriptions shall be subject to call and payment therefor shall be made at such times and in such amounts, all as may be determined by the bank.

(b) When making such allotments the bank may transfer, retire or reissue outstanding class B stock among the associations as may be necessary to establish the proportion indicated in paragraph (a) of this section. Stock that is retired or transferred for this purpose shall be the oldest stock held by the association. The bank shall pay the association for all stock so retired or transferred and shall collect therefor from any association to which such stock is transferred or reissued, at the fair book value thereof not to exceed par.

§ 640.111–5 Same; equalization of class B stock owned by production credit associations.

Whenever at the end of any fiscal year of the bank the relative amounts of class B stock of a bank owned by the production credit associations of the district differ substantially from the proportion provided for in § 640.111–4 and additional subscriptions of class B stock through which such proportion could be reestablished are not contemplated, the board of directors of the bank may direct that such proportion be reestablished as of the end of such fiscal year, or with the prior approval of the Farm Credit Administration at such other times as the board may direct. In carrying out its purpose the bank may direct, either separately or in combination, such transfers, retirements, and reissuance of outstanding class B stock among the associations as will reestablish the aforesaid proportion as nearly as may be practicable. Stock that is retired or transferred for this purpose shall be the oldest stock held by the association. Stock may be transferred from one association to another and retain its same issue date or series designation; that is, stock owned by association A with a 1957 issue date or series may be transferred to association B and held by association B with the same 1957 issue date or series. In such event the newly acquired 1957 stock takes its place with any other 1957 stock held by association B. Stock may be retired and reissued but if this means is used for equalization the reissued stock must carry the date of such reissue. The bank shall pay the association for all stock so retired or transferred and shall collect therefor from any association to which such stock is transferred or reissued, at the fair book value thereof not to exceed par.

§ 640.111–6 Same; participation certificates.

Participation certificates issued to other financing institutions shall be in multiples of $5 and shall be in form prescribed by the board of directors of the bank, subject to the approval of the Farm Credit Administration. Ordinarily, participation certificates will be issued and delivered to the owners thereof; however, upon request of the owner an "Advice in Lieu of Participation Certificate," in form approved by the Farm Credit Administration, may be furnished.

§ 640.111–61 Same; purchase of participation certificates.

Other financing institutions which are entitled to receive participation certificates from the bank as patronage refunds may also purchase further amounts of such participation certificates with the same rights, privileges, and conditions as those issued as patronage refunds. Such purchases may be made voluntarily; upon determination of the board of directors of the bank, with approval of the Farm Credit Administration, the bank may require other financing institutions to purchase additional capital in the bank to assist the bank in meeting its capital needs. Such required purchases shall be on an equitable basis.

§ 640.111–7 Legal reserve allocations.

Allocations of legal reserve, made to production credit associations pursuant to § 640.153–2 hereof, may be adjusted and equalized at the same time and in the same manner as provided in § 640.111–5 for class B stock. Any other adjustments of legal reserve allocations may be made only after prior approval of the Farm Credit Administration.

§ 640.112–1 Retirements of class B stock, participation certificates, and allocated legal reserve; general.

After all class A stock has been retired, and under policies established by the Farm Credit Administration, the bank may retire class B stock at par and participation certificates at face amount without preference and in such order that the oldest shares of stock and participation certificates outstanding at any time shall be retired first (12 U.S.C. 1061 (a)(2)).

§ 640.112–2 Same; institutions in liquidation.

In case of liquidation or dissolution of a production credit association or other financing institution, the class B stock, participation certificates, and allocated legal reserve of the bank owned by such association or other institution may be retired if approved by the board of directors of the bank at the fair book value thereof, not exceeding par, face, or stated

amount, as the case may be (12 U.S.C. 1061(a)(2)). A financing institution holding such participation certificates and legal reserve allocations will be deemed to be in "liquidation or dissolution" if it is going out of business, liquidating its assets for the distribution of the proceeds to those entitled thereto, and taking appropriate steps to terminate its corporate existence in accordance with applicable State laws. Merely paying its indebtedness to the credit bank and suspending the making of loans will not qualify a corporation for retirement of its participation certificates and legal reserve allocations.

§ 640.112–3 Same; institutions in default.

In the event of default by the holder of class B stock, participation certificates or legal reserve allocations, the bank may retire and cancel all or any part of its holdings in total or partial liquidation of the debt of the holder to the bank; the legal reserve allocations, most recent years first, should be retired ahead of class B stock or participation certificates.

§ 640.113–1 Transfers of class B stock, participation certificates, and legal reserve allocations; class B stock—general.

Class B stock of a credit bank may be transferred to another production credit association, with the approval of the issuing bank (12 U.S.C. 1061(a)(2)).

§ 640.113–2 Same; disposition of class B stock and legal reserve allocations in merger or consolidation of associations.

In the event of the merger or consolidation of two or more production credit associations, class B stock and legal reserve allocations held by the associations involved shall be disposed of in the manner provided in the agreement of consolidation or merger.

§ 640.113–3 Same; participation certificates.

Participation certificates may be transferred only on the books of the issuing bank, and with its approval.

§ 640.113–4 Same; legal reserve allocations.

Legal reserve allocations may be transferred only with the approval of the bank.

§ 640.113–5 Same; preservation of statutory lien.

All changes in ownership of class B stock, participation certificates, and legal reserve allocations shall be subject to the statutory lien of the bank for any indebtedness of the transferor and transferee to the issuing bank (12 U.S.C. 1061(b), 1072(a)).

§ 640.114 Surrender of certificates; issuance of new certificates.

Upon retirement of any class B stock or participating interest evidenced by an outstanding certificate, the certificate involved shall be surrendered to the bank for cancellation. In case of partial retirement a new certificate shall be issued for the balance not retired, which shall bear the same issue date and series designation, if any, as the canceled certificate. In the event of a transfer of class B stock resulting from mergers or consolidations, or transfer of participation certificates from one holder to another, any new class B stock or participation certificates issued shall bear the same issue dates and series designations, if any, as the original certificates for which new certificates are substituted.

§ 640.115 Lost, destroyed, or stolen stock or participation certificates.

Whenever a class B stock certificate or participation certificate which has been issued by the bank is lost, stolen, destroyed, or so mutilated as to impair its value, the bank may issue in lieu thereof a new certificate which shall bear the same issue date and series designation, if any, upon compliance with the following requirements:

(a) The owner shall furnish an affidavit of loss, acceptable to the bank setting forth: (1) The issue date or series, number of shares, and any other information required to establish its identity; (2) a detailed statement of the circumstances surrounding the loss, theft, destruction, mutilation, or defacement of the certificate; and (3) a statement that the affidavit was made for the purpose of obtaining a new certificate. Since class B stock and participation certificates may not be transferred except with the approval of the bank, a bond of indemnity ordinarily will not be required.

(b) If a class B stock certificate or participation certificate which was reported lost, stolen, or destroyed is recovered by the owner, he should notify the bank immediately; and if a new certificate was issued, the owner shall promptly return the old certificate to the bank.

§ 640.121–1 Investments; classes and amounts.

(a) In order to provide diversification of assets, a degree of liquidity, and support for its financial operations, each Federal intermediate credit bank will maintain an investment portfolio of interest-bearing obligations of the United States, the Federal land banks, the banks for cooperatives, and, to the extent authorized by the Farm Credit Administration, obligations of any agencies of the United States. A signed copy of the Farm Credit Administration authorization should go to the registrar.

(b) Except with the approval of the Farm Credit Administration, the minimum amount of such aggregate investment shall be 10 percent of the monthly average amount of debentures sold on behalf of the bank during the preceding fiscal year. The average for each bank is to be computed on the basis of the number of sales of debentures in which it participated during such year.

(c) After a bank knows the amount of debentures that will be sold on its behalf for delivery in the last month of its fiscal year, it should review its investment position to determine its minimum requirements for the following year. If additional investments are needed to meet such minimum they should be made by or shortly after the beginning of the new fiscal year.

(d) In addition to the regular portfolio, any funds in excess of current needs may be invested in short-term Government obligations, such as Treasury bills; or after consultation with the Farm Credit Administration, such funds may be invested in obligations of other Farm Credit banks and agencies of the United States. For this purpose the following obligations are approved:

(1) Federal National Mortgage Association obligations (including participation certificates).

(2) Federal Home Loan Bank notes and bonds.

(3) Tennessee Valley Authority notes and bonds.

(4) Export-Import Bank obligations.

(5) Commodity Credit Corporation certificates of interest.

(6) Farmers Home Administration insured notes.

(7) Obligations of other Farm Credit banks.

(8) Government National Mortgage Association bonds.

§ 640.121–2 Same; custody of securities.

(a) Unless other custodial arrangements are authorized or approved by the Farm Credit Administration, all securities owned by a credit bank shall be held in safekeeping by the Federal Reserve Bank of New York for account of the registrar as property of the credit bank concerned, subject to the order of the Governor of the Farm Credit Administration.

(b) Collateral obtained in connection with investments made outside the System for a bank by the fiscal agency will be deposited in the safekeeping account of the fiscal agency maintained at the Federal Reserve Bank of New York for this purpose. This account is subject to the order of the fiscal agency. Should any bank require that its investments be used as debenture collateral, the fiscal agency should be so informed at the time the investment is made in order that the investment may be placed in the bank's own regular safekeeping account.

§ 640.121–3 Same; collateral for borrowed money.

The established fiscal and financial policies of the banks comtemplate that, ordinarily, each bank will hold its investment securities (other than securities representing temporary investments of surplus funds) as free and unpledged assets. Such securities may be pledged as collateral for short-term borrowings, and may be assigned to the farm loan registrar for temporary periods as collateral for debentures. Investments may be used as collateral for short-term borrowings from commercial banks, other Federal intermediate credit banks, Federal land banks and banks for cooperatives. Such securities also may be assigned to the

farm loan registrar of the district as collateral for debentures, for temporary periods (not to exceed 30 days), when a high rate of loan and discount closings or liquidation makes it necessary to pledge collateral in addition to the loans and discounts held by the registrar. Any pledge of investments to secure debentures for periods longer than 1 month shall be subject to the approval of the Farm Credit Administration.

§ 640.121–4 Same; investment in stock of production credit associations.

When a production credit association has outstanding class A or C stock held by the Governor and is deemed not to have resources available to retire and cancel such stock, if required or approved by the Governor, the Federal intermediate credit bank of the district shall invest a like amount in class A or C stock of such association for the purpose of providing funds to retire and cancel such capital stock held by the Governor.

§ 640.122 Depositary banks.

(a) Depositary banks shall be selected subject to the approval of the board of directors. A list of such depositaries shall be referred to the board of directors for review at least once each year.

(b) Except with the approval of the Farm Credit Administration, only national banks or State banks which are members of the Federal Reserve System shall be used as depositary banks.

§ 640.123 Federal Reserve banks.

(a) Under section 13(a) of the Federal Reserve Act, as amended, any Federal Reserve bank is authorized, subject to limitations prescribed in the Act and in regulations promulgated by the Board of Governors of the Federal Reserve System, to make funds available to any Federal intermediate credit bank as follows:

(1) By discounting agricultural and livestock paper having a maturity at the time of discount of not more than 9 months;

(2) By purchases of consolidated debentures of Federal intermediate credit banks, maturing not more than 6 months from date of purchase.

(b) In recent years no Federal intermediate credit bank has discounted any paper with a Federal Reserve bank and no debentures have been purchased by a Federal Reserve bank. Since the Federal Reserve banks are not designed to serve as primary sources of loanable funds for use by the credit banks or other eligible borrowers, the credit banks are expected to finance their lending operations principally through sales of debentures in the investment markets and by supplemental borrowing from other sources. If any credit bank should desire at any time to apply to a Federal Reserve bank for credit in any form, the matter should be referred to the Farm Credit Administration for consideration and advice to the bank concerned.

§ 640.124 Borrowings from commercial banks.

A credit bank having need for funds which cannot be readily supplied through interbank or intersystem borrowing in accordance with § 640.130, may borrow for short periods from commercial banks. Such loans ordinarily should mature on or before the next debenture delivery date, unless the need for funds arises after a debenture sale has been arranged and is expected to continue beyond such date. In the latter event, a maturity corresponding to the second succeeding debenture delivery date would be in order.

§ 640.125–1 Financial statements; requirement.

The Farm Credit Administration may require reports in such form as it may specify from any or all of the Federal intermediate credit banks whenever, in its judgment, the same are necessary for the full and complete knowledge of its or their financial condition or operations.

§ 640.125–2 Same; statements for publication.

(a) Printed or published financial statements should conform substantially to the form of combined statements published by the Farm Credit Administration or to such other form as it may specify. It will be considered to be substantial compliance if the major account classifications and presentation as to arrangement are observed. Valuation reserves should be shown as deductions from the related assets. A copy of each published statement should be forwarded to the Accounting and Reports Section and one to the Director of Production Credit Service, Farm Credit Administration.

(b) Each published statement of condition should be footnoted to indicate (1) the amount of the contingent liability of the bank for unmatured consolidated debentures outstanding for which the 12 credit banks are jointly and severally liable; and (2) the extent to which each type of asset is pledged as collateral for (i) unmatured consolidated debentures outstanding and (ii) notes payable. The totals of consolidated debentures outstanding as of December 31 and June 30 each year, and at other month-ends upon request, will be supplied by the Administration as soon after those dates as practicable, in order to minimize delays in the publication of statements by the banks.

§ 640.125–3 Same; statements for bank manuals and directories.

Requests received from publishers of bank manuals and directories concerning the financial condition or operations of the bank should be answered by the bank. Requests involving the credit bank system, or one or more of the other credit banks, should be referred to the Farm Credit Administration.

§ 640.131 Interbank and intersystem loans; general.

The Farm Credit Act of 1956 authorizes each Federal intermediate credit bank to make loans and discount paper for any Federal land bank and bank for cooperatives (12 U.S.C. 1031(3)). Federal land banks by the Federal Farm Loan Act (12 U.S.C. 781 Seventeenth), and banks for cooperatives by the Farm Credit Act of 1933 (12 U.S.C. 1134c) are authorized to make loans to other banks in the Farm Credit System. As used in this section, the term "interbank loan" refers to a loan by a bank of one of these three groups to another bank of the same group; and the term "intersystem loan" refers to a loan by a bank of one group to a bank of one of the other two groups. Ordinarily, such loans shall be made for relatively short periods of time (usually less than 30 days) for the purpose of utilizing surplus cash within the Farm Credit System.

§ 640.132 Same; policy and procedure.

Such lending and borrowing activities shall be carried out in accordance with the policy and procedure set forth in §§ 640.132–1 through 640.132–4.

§ 640.132–1 Same; precedence for use of funds.

When a bank has surplus funds, it has the option of making them available to another bank in the same district or reporting them to the fiscal agency of the Farm Credit banks so they can be made available to other banks of the same or other systems. Should there be no need for the surplus funds within the Farm Credit System, the fiscal agency will invest the funds in accordance with instructions from the bank.

§ 640.132–2 Same; rates and terms.

(a) The subcommittee of the FICB debenture committee, in cooperation with the fiscal agent, and subject to the approval of the Farm Credit Administration, shall, unless the subcommittee determines otherwise, at the time it prices the debenture offering each month, fix the rate for use on all FICB interbank and intersystem loans made outside the district. Such rate is to be effective from the following day (sale date) until changed by the subcommittee: *Provided*, That if changing conditions seem to require a change in this rate before the next subcommittee meeting, this interim rate change may be made by the chairman of the subcommittee after consultation with the fiscal agent and approval by the Farm Credit Administration.

(b) Rates and terms of intersystem loans made within the district shall be negotiated by the banks involved. Such loans will be considered as having the approval of the Farm Credit Administration if they are mutually advantageous to the borrowing and lending banks. Consideration shall be given to the rates and terms at which funds are available to the borrowing bank from other sources and the yields obtainable by the lending bank on available investments of comparable terms.

§ 640.132–3 Same; collateralization.

Interbank loans within the credit bank system as well as all intersystem loans will be either secured or unsecured depending upon the arrangements agreed upon between the participating banks: *Provided, however*, If a credit bank plans to use the note evidencing an interbank loan or an intersystem loan as collateral

for outstanding debentures, the loan must be secured.

§ 640.132–4 Same; delivery and custody of collateral.

(a) When a secured intersystem loan is made by a credit bank to the Federal land bank or a bank for cooperatives of the same Farm Credit district, the note and the collateral security, with an assignment thereof, may be delivered by the borrowing bank to the lending bank, or to the farm loan registrar for the account of the lending bank, as may be agreed.

(b) When an interbank loan, or an intersystem loan to a bank in another district, is made by an intermediate credit bank, the note and any collateral, with an assignment thereof, should be delivered to the farm loan registrar of the borrowing bank's district, to be held for the account of the lending bank or the registrar of the lending bank's district, as their interests may appear.

§ 640.133 Other loans to and discounts for banks for cooperatives.

Should a bank for cooperatives desire to borrow from or discount paper with a Federal intermediate credit bank for terms longer than contemplated by this section, the transaction will be handled in accordance with the provisions of § 640.271.

§ 640.141–1 Collateral trust debentures; types authorized.

Section 203(a) of the Federal Farm Loan Act (12 U.S.C. 1041), as amended, authorizes each bank with the approval of the Farm Credit Administration to issue and sell collateral trust debentures or other similar obligations; and section 203(d) of the Act (12 U.S.C. 1044), as amended, authorizes the 12 banks jointly to issue and sell consolidated debentures or other similar obligations.

§ 640.141–2 Same; not Government obligations.

The U.S. Government assumes no liability, direct or indirect, for debentures or other similar obligations issued by the banks or issued for their account (12 U.S.C. 1043).

§ 640.141–3 Same; limitation upon amount of obligations outstanding.

The aggregate amount of all debentures and other similar obligations outstanding for the 12 Federal intermediate credit banks may not exceed 20 times the combined surplus and paid-in capital of all such banks (12 U.S.C. 1041). An individual bank may, with approval of the Farm Credit Administration, exceed 20 to 1 for temporary periods. The term "surplus and paid-in capital" as used in this section is construed as including participation certificates and legal reserves.

§ 640.142–1 Terms of debentures; denominations.

Debentures are issued in denominations of $5,000, $10,000, $50,000, $100,000, and $500,000.

§ 640.142–2 Same; maturities.

The maturity of each issue of debentures is determined upon the basis of the needs of the banks, taking into consideration prevailing conditions in the investment markets. Under the law the maximum term for which debentures may be issued is 5 years (12 U.S.C. 1041).

§ 640.142–3 Same; interest rates.

Rates of interest to be borne by consolidated debentures are fixed by the subcommittee of the debenture committee, acting for the committee, with the approval of the Farm Credit Administration.

§ 640.142–4 Same; where payable.

Debentures of the Federal intermediate credit banks are payable, upon presentation at maturity, at any Federal Reserve bank or branch, any Federal intermediate credit bank, or at the U.S. Treasury.

§ 640.143–1 Procedure for issuance of consolidated debentures.

(a) *Action by debenture committee and subcommittee.* The debenture committee of the Federal intermediate credit banks (consisting of the presidents of the 12 banks), by resolution, authorizes the issuance of consolidated debentures or other similar obligations within a specified ceiling as it may determine to be necessary to meet the needs of the banks. It also authorizes the subcommittee to determine the amount, rate, and participation of the banks, after consideration of all factors pertinent to the issue, subject to the approval of the Farm Credit Administration.

(b) *Reopening of outstanding debenture issues.* Should it become desirable, the subcommittee may authorize the reopening of outstanding debenture issues to permit a bank to adjust its maturity pattern. Reopening of issues with more than 6 months to maturity should be avoided if at all feasible. Under a regulation of the Internal Revenue Service (26 CFR 1.1232–3(f)), debentures with maturities of more than 6 months and less than 9 months, if sold at a discount, must be stamped with the date and price of issue. It is important to avoid having debentures of two portions of an issue outstanding that are not identical and not interchangeable, which would be the case if some were stamped. In such a case the two portions are quoted separately in the market with a differentiation which might be inequitable to holders of debentures of either portion.

§ 640.143–2 Same; authorization by board of directors.

The board of directors shall, by resolution, authorize the bank from time to time to participate in issues of consolidated debentures in such amounts as may be required to meet the needs of the bank. Each such resolution shall specify the maximum amount of debentures which may be issued or the maximum amount that may be outstanding at any one time and authorize the executive committee and the appropriate officers of the bank to do all things necessary and proper to participate in such debenture issues.

§ 640.143–3 Same; actions by executive committee and by officers.

To participate in an issue of debentures, pursuant to authority granted by the board of directors of the bank, (a) the executive committee shall by resolution authorize the appropriate officers to execute the necessary application, stating the amount and maturity of debentures desired to be issued; or, (b) the proper officers may be authorized directly by the board of directors to execute such an application. Such application, on Form FCA–389A–SEC or FCA–389B–SEC, shall be delivered to the farm loan registrar of the district, who will certify as to the sufficiency of the collateral he holds and transmit the completed application and certificate to the Accounting, Budget and Data Management Division of the Farm Credit Administration.

§ 640.143–4 Same; actions by Farm Credit Administration and fiscal agent.

Upon approving the application, the Farm Credit Administration will advise the bank and the registrar concerned. The fiscal agent will negotiate the sale of the debentures when advised by the Farm Credit Administration that the sale has been approved, and will instruct the Federal Reserve Bank of New York to complete the preparation of the debentures. The Farm Credit Administration will authorize the Federal Reserve Bank of New York to make delivery of the debentures to the purchasers against payment and to dispose of the proceeds in accordance with the wishes of the credit bank concerned.

§ 640.143–5 Investment in FICB debentures by PCA members.

Consistent with administrative policies approved by the bank, FICB debentures may be issued for the account of a bank and for sale to PCA members. These debentures will be held in safekeeping in the Federal Reserve Bank of New York. Activity on the part of the Federal intermediate credit bank will consist of accepting orders and payments for duly issued debentures to be held in Nw York, giving a confirmation of investments therefor to the purchasers and mailing checks in payment of the debentures plus interest at maturity. Subscriptions for individual members shall be in multiples of $5,000. No actual delivery of debentures to the purchasers ordinarily will be made. Neither the issuance of the debentures nor their retirement will entail any cash transactions at New York. The activity on the part of the production credit associations is limited to accepting from their members, and transmitting to the credit bank, orders and payments (checks from purchasers to be made payable to FICB) for the debentures. Individuals will not qualify by purchasing a share of PCA class A stock solely for investment purposes.

§ 640.144 Collateral security for debentures.

Debentures issued on behalf of any Federal intermediate credit bank are required by law to be secured by at least an equal face amount of notes or similar obligations discounted or purchased or representing loans made in accordance with the provisions of the Act, obligations in which investment is permitted under § 640.121–1, or cash, assigned to and held by the farm loan registrar of the district (12 U.S.C. 1041).

§ 640.144–1 Direct loans eligible as collateral for debentures.

The following loans are eligible as collateral for debentures:

(a) Direct loans to production credit associations made pursuant to § 640.231, whether secured or unsecured;

(b) Notes of Federal land banks, banks for cooperatives and other Federal intermediate credit banks representing secured intersystem or interbank loans under § 640.130;

(c) Secured loans to banks for cooperatives made under provisions of § 640.271; and

(d) Direct loans to other financing institutions under § 640.232.

§ 640.144–2 Exclusion of loans classified "loss" as collateral for debentures.

(a) Any loan with credit weaknesses of such character as to indicate an actual or potential loss to the financing institution for which the paper is carried by the bank shall not be used as collateral for debentures, except as hereinafter provided. For the purpose of this section a loan will be presumed to involve a potential loss if classified "loss" by a Farm Credit examiner, by an examiner designated by the Governor to make credit examinations of production credit associations, or by other employees of the bank authorized to classify such paper.

(b) If a loan which is classified "loss" and accepted by the bank under the "partial discount" procedure provided for in § 640.272–1 the paper may be assigned to the Registrar as collateral for debentures in an amount not to exceed its estimated realizable value.

(c) It is the responsibility of the bank to see that loans classified "loss" are not carried by the farm loan registrar except as provided in paragraph (b) of this section. Any loan held by the registrar which subsequently is given a "loss" classification, as provided in paragraph (a) of this section, shall be withdrawn promptly. Such paper may again be deposited as collateral if the credit weaknesses on which the estimate of loss was based are eliminated, or if the paper is handled at its estimated realizable value as provided in paragraph (b) of this section.

(d) Notes securing "loss" loans may be held by the farm loan registrar as subcollateral for a direct loan to a production credit association which encompasses the discount function as provided in § 640.231.

§ 640.145–1 Investment qualities of debentures; tax exemptions.

(a) Consolidated collateral trust debentures of the Federal intermediate credit banks and the income derived therefrom are exempt from State, municipal, and local taxation. Interest on such debentures is not exempt from taxation by the U.S. Government; and neither gain from the sale or other disposition of such debentures nor transfer of the debentures by inheritance, gift, etc., is exempt from Federal or State taxation.

(b) Under § 210 of the Federal Farm Loan Act, as amended (12 U.S.C. 1111), debentures of the credit banks were granted "the same tax exemptions as are accorded farm loan bonds." Although section 26 of the Federal Farm Loan Act (12 U.S.C. 931) provides that farm loan bonds, and the income derived therefrom, "shall be exempt from Federal, State, municipal, and local taxation," section 4 of the Public Debt Act of 1941, as amended (61 Stat. 180; 31 U.S.C. 742a), eliminated the exemption from Federal income taxes. The pertinent portion of this section reads:

> SEC. 4(a). Interest upon obligations, and dividends, earnings, or other income from shares, certificates, stock, or other evidences of ownership, and gain from the sale or other disposition of such obligations and evidences of ownership issued on or after the effective date of the Public Debt Act of 1941 by the United States or any agency or instrumentality thereof shall not have any exception, as such, and loss from the sale or other disposition of such obligations or evidences of ownership shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto; * * *
>
> (b) The provisions of this section shall, with respect to such obligations and evidences of ownership, be considered as amendatory of and supplementary to the respective Acts or parts of Acts authorizing the issuance of such obligations and evidences of ownership, as amended and supplemented.

§ 640.145–2 Same; security for public funds.

Under section 203(e) of the Federal Farm Loan Act, as amended, all debentures issued by the credit banks are made "lawful investments, and may be accepted as security for, all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or of any officer or officers thereof" (12 U.S.C. 1045).

§ 640.145–3 Same; legal investments under State laws.

The laws of the various States, as they affect credit bank debentures, are not uniform. In some States such debentures are specifically made legal investments for insurance companies and savings banks. In others, they are lawful investments for all fiduciary and trust funds. A number of States have statutes which, in effect, authorize investments in any securities approved for that purpose by a designated public officer, such as an insurance commissioner or banking commissioner. Statutes of a number of other States, while not referring specifically to debentures of the intermediate credit banks, contain provisions relating to legal investments under which such debentures would appear to qualify. A digest of State laws relating to the eligibility of credit bank debentures for purchase by savings banks and insurance companies, and for investment of trust funds and various other funds, may be obtained from the fiscal agent.

§ 640.145–4 Same; collateral for borrowings from Federal Reserve banks.

Any Federal Reserve bank may accept debentures of the Federal intermediate credit banks, maturing within 6 months, as collateral security for 15-day borrowings by member banks under section 13 of the Federal Reserve Act. Debentures of any maturity are eligible as collateral for advances by Federal Reserve banks to member banks under section 10(b) of the Federal Reserve Act.

§ 640.146–1 Purchases of debentures before maturity.

With the approval of the Farm Credit Administration, unmatured consolidated debentures may be purchased by any credit bank. Such debentures shall be: (a) Retired as of the date of purchase to the extent they are composed of issues in which such bank has participations outstanding; or (b) held to maturity if composed of issues in which the purchasing bank has no outstanding participations (12 U.S.C. 1053).

§ 640.146–2 Retirement of matured debentures.

(a) Funds for the retirement of debentures when due are required to be deposited in the symbol account designated by the Treasurer of the United States. Such deposits are to be made through Federal Reserve banks, and shall be made as early in the day as funds will be accepted by the Federal Reserve bank for transfer on the maturity date of the debentures.

(b) The Federal Reserve bank or branch through which the deposit is made shoud be requested to furnish advice thereof on Form FCA 89 SEC (Certificate of Deposit) to the depositing credit bank, the Treasurer of the United States, and the Accounting, Budget and Data Management Division of the Farm Credit Administration. If such funds are being assigned as collateral for debentures and are to be credited to the registrar's account in the symbol account, the Reserve bank should also send a copy of the certificate of deposit to the registrar.

§ 640.147 Lost, stolen, destroyed, mutilated, or defaced consolidated collateral trust debentures or coupons.

(a) *Basis of relief.* The statutes of the United States, now or hereafter in force, and the regulations of the Treasury Department, now or hereafter in force, governing relief on account of the loss, theft,

destruction, mutilation, or defacement of U.S. securities, and the regulation of the Treasury Department, now or hereafter in force, governing the payment of mutilated or defaced coupons of U.S. securities, so far as such statutes and regulations may be applicable, and as modified to relate to consolidated collateral trust debentures of the 12 Federal intermediate credit banks, and coupons of such debentures, shall govern the granting of relief on account of lost, stolen, destroyed, mutilated, or defaced consolidated collateral trust debentures of the 12 Federal intermediate credit banks, and mutilated or defaced coupons of such debentures.

(b) *Claims and proof of loss.* Claims shall be presented, and proof shall be made, by applicants for relief on account of the loss, theft, destruction, mutilation, or defacement of consolidated collateral trust debentures of the 12 Federal intermediate credit banks and the mutilation or defacement of coupons of such debentures, in accordance with the statutes of the United States, now or hereafter in force, and the regulations of the Treasury Department, now or hereafter in force, with respect to securities of the United States, and coupons of such securities.

§ 640.148 Restrictive endorsements of bearer securities.

When consolidated debentures issued by the 12 Federal intermediate credit banks are being presented to Federal Reserve banks or branches, or to the Treasurer of the United States, by or through banks (including Federal intermediate credit banks) for redemption, such debentures may be restrictively endorsed. The restrictive endorsement shall be placed thereon in susbtantially the same manner and with the same effects as prescribed in U.S. Treasury Department regulations, now or hereafter in force, governing like transactions in U.S. bonds; and consolidated debentures issued by the 12 Federal intermediate credit banks so endorsed shall be prepared for shipment and shipped in the manner prescribed in such regulations for U.S. bonds. (See 31 CFR 328.1–328.6.)

§ 640.149 Loss from payment of spurious debenture.

Each of the 12 Federal intermediate credit banks agreed, by resolution adopted by its board of directors in 1963, to share in any loss resulting from the payment of counterfeit, forged, or unauthorized debentures. The agreement provides that such loss shall be shared by all of the banks in the same ratio as their respective participations in debentures issued during the 12 months preceding the date of payment of such counterfeit, forged, or unauthorized debentures.

§ 640.151 Annual application of earnings.

Pursuant to section 206 of the Farm Loan Act, as amended (12 U.S.C. 1072), the net earnings of each bank at the end of each fiscal year of the bank, after the payment of operating expenses (including provision for reasonable valuation reserves and losses in excess of reserves), shall be applied as follows:

(a) To restore the amount of impairment, if any, of capital stock and participation certificates, as determined by the board of directors;

(b) To restore the amount of impairment, if any, of the surplus account, as determined by the board of directors;

(c) After restoring impairments, if any, of capital stock participation certificates, and surplus, as provided herein, 25 percent of the remaining net earnings shall be used to create and maintain a reserve account (designated "Legal Reserve" account). The amount added to such account shall be allocated to the users of the bank in accordance with § 640.153–2;

(d) If class A stock has been outstanding during any part of the fiscal year, to pay to the United States a franchise tax equal to 25 percent of the remaining net earnings: *Provided*, That the amount of such tax shall not exceed a rate of return on such Government capital calculated at a rate equal to the computed average annual rate of interest on all public issues of public debt obligations of the United States issued during the fiscal year of the U.S. Treasury ending next before such tax is due, as certified to the Farm Credit Administration by the Secretary of the Treasury.

(e) When a bank has no class A stock outstanding, it may pay noncumulative dividends on class B stock and participation certificates in an amount not to exceed 5 percent in any year, when authorized by the board of directors;

(f) After the foregoing requirements have been met (including the payment of dividends when applicable), the net earnings remaining shall be distributed as patronage refunds to production credit associations and other financing institutions, as provided in § 640.154.

§ 640.152 Absorption of net losses.

In the event a net loss is sustained in any year, it shall be absorbed in the following manner, and in the order stated:

(a) By charges to the reserve account;

(b) By charges to the surplus account, other than that transferred from the production credit corporation;

(c) By charges to the surplus transferred from the production credit corporation;

(d) The impairment of class B stock and participation certificates; and

(e) The impairment of class A stock.

§ 640.153–1 Surplus—reserved.

The surplus established by the bank on January 1, 1957, as provided in section 103 of the Farm Credit Act of 1956, shall be maintained as a part of the permanent capital of the bank. Should the surplus become impaired through losses, it shall be restored out of future earnings as provided in § 640.151.

§ 640.153–2 Legal reserve account.

The legal reserve account of the bank shall be allocated on a patronage basis to production credit associations and other financing institutions. Allocations on a patronage basis means that such allocations shall be recorded on the books of the bank for the credit of such users (or their successors in interest) in the proportion that the amount of interest earned by the bank on loans to and discounts for each user bears to the total interest on loans to and discounts for all such users outstanding during the fiscal year. The users shall be given appropriate notice of such allocations in a form approved by the Farm Credit Administration. Allocations may be transferred only on the books of the bank and with its approval. Allocations shall be subject to a first lien as additional collateral for any indebtedness of the holder thereof to the bank, and in any case where such indebtedness is in default may be applied thereon.

§ 640.153–21 Same; distribution.

Whenever the amount in the legal reserve account exceeds 25 percent of the capital stock and participation certificates outstanding at the end of any fiscal year, such excess may be distributed, in full or in part, if the board of directors of the bank so determines, oldest allocations first, in class B stock and participation certificates issued as of the date of the allocations and, whenever the bank has no class A stock outstanding, also in money.

§ 640.153–22 Same; absorption of losses.

When net losses are charged to the legal reserve account, as provided in § 640.152, such losses shall reduce the amounts allocated to production credit associations and other financing institutions, most recent allocations first. All allocations for each year shall be fully absorbed before any losses are charged against allocations for an earlier year. Charges that are less than the full amount of all allocations issued for a specified year shall be on a pro rata basis.

§ 640.153–23 Same; disposition in the event of merger or consolidation of a production credit association or other financing institution.

In the event of a merger or consolidation of two or more production credit associations, the reserve account allocations of the respective associations shall be disposed of in the manner provided in the agreement of merger or consolidation. In the event of a merger or cosolidation of another financing institution, the reserve account allocations of such institution shall be transferred to its successors in interest.

§ 640.153–24 Same; disposition on liquidation of credit bank.

In the event of a liquidation or dissolution of a credit bank, the remaining reserve account allocations shall be paid to the owners of record or their successors in interest.

§ 640.154 Patronage refunds; general.

Patronage refunds may be paid to production credit associations and other

financing institutions only. The amount payable to each such institution shall be in the proportion that the amount of interest earned by the bank on loans to and discounts for that institution bears to the total interest on loans to and discounts for all production credit associations and other financing institutions outstanding during the fiscal year, and shall be paid as provided in §§ 640.154–1 and 640.154–2.

§ 640.154–1 Same; if there is class A stock outstanding at the end of the fiscal year.

Payments of patronage refunds shall be made in class B stock to production credit associations and in participation certificates to other financing institutions borrowing from or discounting with the bank during the fiscal year.

§ 640.154–2 Same; if there is no class A stock outstanding at the end of the fiscal year.

Payments of patronage refunds may be made in cash, or in class B stock to production credit associations and in participation certificates to other financing institutions as provided in § 640.154–1, as may be authorized by the board of directors.

§ 640.161–1 Examinations of Federal intermediate credit banks; by farm credit examiners.

The Farm Credit Administration is required by law (12 U.S.C. 1091) to examine and audit each intermediate credit bank at least once each year. Such examinations are made by Farm Credit examiners appointed pursuant to section 3 of the Federal Farm Loan Act, as amended (12 U.S.C. 656).

§ 640.161–2 Audits by General Accounting Office.

Federal intermediate credit banks are subject to audit by the General Accounting Office, as provided in the Government Corporation Control Act for any year during which any Government-owned class A stock is outstanding (31 U.S.C. 841, 856–858).

§ 640.162–1 Examinations of production credit associations; general.

(a) At least once each year each production credit association is required to be examined by examiners designated by the Governor of the Farm Credit Administration (12 U.S.C. 1138a). Such examinations ordinarily are made in two parts, as follows:

(1) The records and accounts of the associations are examined by Farm Credit examiners; and

(2) Credit examinations are made by employees of the credit bank when designated for that purpose by the Farm Credit Administration. Such credit examinations are required to be made in accordance with the principles and procedures prescribed by the Farm Credit Administration as set forth in the Manual for Credit Examinations of Production Credit Associations.

(b) Credit examinations of production credit associations and analyses of their loans also may be made by Farm Credit examiners.

§ 640.162–2 Same; verification of accounts of borrowers.

(a) Verification requests referred to the bank by the resident examiner should be followed up in the most economical and practical manner. In some cases the bank may be able to clear up exceptions on confirmed accounts through information in its files, or through its knowledge of circumstances in particular cases. When a verification request is assigned by the bank for field followup, the contact should be made in the regular course of business, unless circumstances warrant special attention.

(b) On completion of its followup, the bank will return one copy of the list of accounts submitted for verification to the resident examiner showing thereon the results of the followup, together with exceptions that were not cleared. In the event exceptions are reported which indicate the possible existence of a shortage, the circumstances should be reported as prescribed in § 640.361.

§ 640.163 Other financing institutions.

So long as an institution is indebted to the Federal intermediate credit bank, either directly or indirectly, the bank shall keep itself informed regarding the condition and operations of the institution. In the case of banks, such information ordinarily may be obtained by reviewing reports of examinations made by supervisory authorities. Each agricultural credit corporation, livestock loan company, or other similar institution, except when examined by Farm Credit examiners, should be examined periodically by the credit bank. Ordinarily, examinations of active corporations should be made not less frequently than once each year.

§ 640.171 Supervision of production credit associations.

All costs of supervision and related services furnished production credit associations by an intermediate credit bank will be borne by the bank in accordance with provisions of section 101(b) of the Farm Credit Act of 1956 (12 U.S.C. 1027(b)).

§ 640.172 Charging of fees or commissions unauthorized.

No Federal intermediate credit bank may charge or receive from any production credit association or other financing institution "any fee, commission, bonus, gift, or other consideration" not specifically authorized by law (12 U.S.C. 1129).

§ 640.173–1 Recoverable expenditures; credit examinations—production credit associations.

Section 61 of the Farm Credit Act of 1933 (12 U.S.C. 1138a) requires each production credit association to pay the cost of its examination made pursuant to the Act. The cost of credit examinations made by employees of the bank, as provided in § 640.162–1, shall be assessed to and paid by the associations examined. Since each credit examination is made in connection with the overall credit review of an association's lending and loan servicing operations, only that part of the total cost which is attributable to the credit examination itself will be charged to the association. The amount to be recovered and the basis of allocation among the associations will be determined as follows:

(a) The total costs attributable to credit examinations will be determined each year by the bank and will include the following elements:

(1) One-half of the salary cost and travel expense, including subsistence, of the examiners for the time devoted to the entire credit review, including preexamination training;

(2) The salary cost and travel expense of officers or other supervisory employees for the time devoted to supervising the credit examination work, as estimated by the bank;

(3) Salary costs incurred in typing, checking, and assembling the examination reports;

(4) Cost of forms, supplies, etc., used in making credit examinations; and

(5) A charge to cover overhead costs, which shall be computed at 6 percent of the sum of subparagraphs (1) through (4) of this paragraph.

Salary cost in subparagraphs (1), (2), and (3) of this paragraph will include a proportionate share of the cost of retirement, annual and sick leave, and other fringe benefits, as determined by the bank.

(b) The cost of making the credit examinations, determined as provided above, will be allocated among the associations upon such equitable basis as may be determined by the bank, taking into consideration such factors as the time devoted to making the examinations, the number of loans reviewed and any other elements having a bearing upon the resulting costs of the current year's credit examinations.

(c) Each bank is expected to assess and recover the full cost of each credit examination each calendar year. In the interest of economy and efficient operations the bank may defer its calculation of cost and its assessments until after the close of the calendar year involved; provided, the assessments are made within a reasonable period after the close of such year; and provided further, that the time of making the assessments shall normally follow a consistent pattern so that each association will have to include the cost of only one credit examination in its expenses each year.

A copy of each bank's plans for computing examination cost and for the allocation of such costs among the associations under a and b above shall be submitted to the Farm Credit Administration.

§ 640.173–2 Examinations of other financing institutions made by the bank.

Examinations of financing institutions other than production credit associations are made by the bank for its own account, under the terms of the General Rediscount, Loan and Pledge Agreement entered into between the borrowing institution and the bank. Such examinations are not made for the Farm Credit Administration, nor are they based upon any direct supervisory authority vested in the bank. Each bank is authorized to assess the cost of such examinations, in whole or in part, against the institutions examined, upon such basis as the bank determines to be equitable.

§ 640.173–3 Cost of performing association functions.

When, by reason of a production credit association's inability or failure to employ competent personnel, a bank finds it necessary to assign an officer or employee of the bank to perform the functions of association employees, the bank may require the association to reimburse it for salary, subsistence, and necessary travel expense incurred in the performance of such work, upon such basis as the bank determines to be equitable. In this connection, care should be exercised to differentiate between actual performance of association work and the training of association employees. The latter is regarded as a supervisory function of the bank, the cost of which will be absorbed by the bank.

§ 640.173–4 Other reimbursable expenditures.

When it is found advantageous to the production credit associations to have certain items or services provided on a group or pool basis and to have the related expense paid by the bank and allocated to them on a basis agreed upon, the bank may handle such transactions for the associations concerned and at their expense. The association may contribute to an imprest fund for the payment of such costs, or the bank may carry the expense as accounts receivable and recover from the associations concerned. Among the classes of items which may be treated in this manner are:

(a) Purchasing and carrying an inventory of forms, supplies, etc., for the associations, which may be billed at prices which provide the bank with a margin sufficient to cover estimated inventory losses through deterioration or obsolescence, etc.;

(b) Cost of meeting rooms and other expenses of association conferences;

(c) Expenses of trust committees handling association retirement plans; expenses of handling association investments; assembling data, making reports, filing claims, etc., in connection with association insurance programs; and out-of-pocket costs for procuring and distributing advertising materials, displays, building signs, etc.

The foregoing list is not intended to be all inclusive but to illustrate the types of expenditures which an intermediate credit bank may have occasion to make on behalf of and for the account of production credit associations and for which it may properly obtain reimbursement.

§ 640.174–1 Cost of examinations of financing institutions made by Farm Credit examiners; other financing institutions.

When an examination of any other financing institution is made by a Farm Credit examiner, in connection with or incident to an examination of the credit bank, the cost will be billed to the bank by the Farm Credit Administration. The bank may assess to the institution examined all or such part of the amount paid to the Farm Credit Administration as the bank determines to be equitable.

§ 640.174–2 Same; production credit associations.

The cost of each examination of a production credit association, whether regular or special, will be allocated to and assessed against the association or the bank by the Farm Credit Administration as follows:

(a) The cost of each regular periodic examination made pursuant to § 640.162–1(a), will be assessed against the association examined; and

(b) Because of wide variations in circumstances which may result in special examinations of associations (including special audits, investigations, credit analyses, or other reviews) the Farm Credit Administration will determine the allocation to be made of the resulting cost and will assess the amount involved against the bank or the association, or both, on the basis of such determination. In general, if a special examination of a production credit association is made by Farm Credit examiners because of conditions or developments in or affecting the association, the resulting cost will be chargeable to the association. On the other hand, if the primary purpose of a special examination is to develop information concerning the operations and activities of the bank, such as determining the quality of credit examinations made by bank employees, reviewing its supervisory activities, obtaining or verifying information needed to complete an examination of the bank, or other matters pertaining to the bank's affairs, the resulting cost will be borne by the bank as a part of the cost of its examination. If it appears to the Farm Credit Administration that the character, purpose, and scope of a special examination are such that the cost should be shared by both the bank and the association, it will assess each institution for the amount determined to be chargeable to it.

Subpart B—Loans and Discounts

§ 640.201 Lending powers.

In general, the lending powers of the Federal intermediate credit banks are set forth in section 202(a) of the Federal Farm Loan Act, as amended (12 U.S.C. 1031), as follows:

The Federal intermediate credit banks, when chartered and established, shall have power, subject solely to the restrictions, limitations, and conditions contained in this Act or as may be prescribed by the Farm Credit Administration not inconsistent with the provisions of this Act—

(1) To discount for, or purchase from, any production credit association organized under the Farm Credit Act of 1933, as amended, with its endorsement, any note, draft, or other such obligation presented by such association; and to make loans and advances to any such association secured by such collateral as may be approved by the Governor of the Farm Credit Administration or without collateral to the extent authorized under rules and regulations prescribed by the Farm Credit Administration;

(2) To discount for, or purchase from, any national bank, State bank, trust company, agricultural credit corporation, incorporated livestock loan company, savings institution, credit union, and any association of agricultural producers engaged in the making of loans to farmers and ranchers, with its endorsement, any note, draft, or other such obligation the proceeds of which have been advanced or used in the first instance for any agricultural purpose, including the breeding, raising, fattening, or marketing of livestock; and to make loans and advances to any such financing institution secured by such collateral as may be approved by the Governor of the Farm Credit Administration: *Provided*, That, no such loan or advance shall be made upon the security of collateral other than notes or other such obligations of farmers and ranchers eligible for discount or purchase under the provisions of this section, unless such loan or advance is made to enable the financing institution to make or carry loans for any agricultural purpose;

(3) To make loans to and discount paper for any other Federal intermediate credit bank, any Federal land bank, or any bank for cooperatives organized under the Farm Credit Act of 1933, as amended, all upon terms and at rates of interest or discount approved by the Farm Credit Administration; and

(4) To purchase for investment obligations of the Federal land banks and the banks for cooperatives and, to the extent authorized by the Farm Credit Administration, obligations of any agencies of the United States.

§ 640.201–1 Same; terms denoting different classes of borrowing and discounting institutions.

Except as indicated otherwise, the term "financing institutions" as used in this part shall be understood to include both production credit associations and all institutions of the types listed in paragraph (2) of section 202(a) of the Act, quoted in § 640.201. The term "other financing institutions" includes only those listed in such paragraph (2). The term "banks of the Farm Credit System" includes only those institutions listed in paragraph (3).

§ 640.201–2 Federal credit unions.

Following is an excerpt from the Federal Credit Union Act of June 26, 1934, as amended (12 U.S.C. 1757):

POWERS:

SEC. 7. A Federal credit union shall have succession in its corporate name during its existence and shall have power—

* * * * *

(10) To borrow, in accordance with such rules and regulations as may be prescribed by the Director, from any source, in an aggregate amount not exceeding 50 per centum of its paid-in and unimpaired capital and surplus: *Provided,* That any Federal credit union may discount with or sell to any Federal intermediate credit bank any eligible obligations up to the amount of its paid-in and unimpaired capital;

§ 640.202 General rediscount agreement.

As a condition precedent to making loans to or discounting paper for any production credit association or other financing institution the bank will require the association or corporation desiring such credit to execute a General Rediscount, Loan and Pledge Agreement in form approved by the Farm Credit Administration.

§ 640.203 Qualifications of other financing institutions.

Except that banking institutions and credit unions are not subject to the requirement in § 640.203–1, relating to the character of business in which engaged, all other financing institutions must meet the requirements in §§ 640.203–1 through 640.203–5 in order to obtain credit from a Federal intermediate credit bank.

§ 640.203–1 Same; character of business.

It must be engaged in the business of extending short- and intermediate-term credit to farmers and ranchers for agricultural purposes, including the breeding, raising, fattening, or marketing of livestock. A concern engaged in the business of manufacturing, merchandising, real estate brokerage, real estate loans, etc., will not be classified as an institution eligible to obtain credit from a credit bank merely because it has the power to make loans to farmers and stockmen and to borrow money. On the other hand, the fact that a corporation has powers not related to agricultural credit, or receives income from other sources, will not of itself render it ineligible. Such institutions should be carefully investigated and each case decided on its merits.

§ 640.203–2 Same; incorporation and capital structure.

It must be incorporated; have a capital structure commensurate with the volume of business it expects to handle; and have prospective income sufficient to cover operating costs and establish reserves for possible losses.

§ 640.203–3 Same; compliance with statutes.

It must comply with State laws applicable to it. Violations of State laws will be cause for revocation by the bank of the borrowing and discounting rights of any institution which does not promptly rectify such conditions upon notice from the bank. Special attention should be given to the institution's articles of incorporation and bylaws; capital stock and other securities transactions; and, in the case of foreign corporations, evidence will be required that it has complied with the laws of each State in which it operates.

§ 640.203–4 Same; affiliated with other concerns.

(a) In the case of any financing institution which is affiliated with a bank, cooperative association, or other concern (through stock ownership, management, interlocking directorates, or otherwise) the bank will consider the possible effects of such relationship upon the operations and credit policies of the applicant institution. It is important that the bank keep informed concerning the management, financial condition, and operations of such affiliated concern, in order to assure itself that the practices and policies of the affiliate will not jeopardize the interests of the bank.

(b) A financing institution which is a subsidiary of or affiliated with a farmers' cooperative association, and is otherwise eligible to borrow from and to discount with a Federal intermediate credit bank, may qualify to discount, with its endorsement, or borrow on the security of notes of farmers and stockmen (as distinguished from notes of cooperative associations) evidencing loans to finance the cost of supplies, equipment or services obtained from such affiliated cooperative association, if the board of directors of the bank finds that (1) an additional source of credit is needed to facilitate financing of such transactions; and (2) the primary benefits of such credit will inure to the borrowing farmers and stockmen.

§ 640.203–5 Same; examinations, financial statements, reports, etc.

As a condition precedent to making loans to or discounting paper for any financing institution the bank will require such institution to agree to furnish the bank, the Farm Credit Administration, or any Farm Credit examiner, at any time upon call, full and current information regarding its financial condition and operations, including a detailed financial statement in such form as may be prescribed by the bank or by the Farm Credit Administration; and its agreement to submit, at its own expense, to periodic examinations by examiners of the bank, by national bank examiners, or by Farm Credit examiners: *Provided, however,* That any bank, trust company, or savings institution operating under the supervision of State or national authorities, in lieu of such agreement may submit its authorization to such supervising authority, in writing, to furnish the bank or the Farm Credit Administration upon request, any report of condition, report of examination, or other confidential information in the possession of such supervising authority. In connection with the initial application for credit submitted by an agricultural credit corporation, livestock loan company, or similiar institution, the bank should make a careful and thorough examination: *Provided, however,* That in the case of a newly organized institution having only liquid assets (such as cash and bonds) and no liabilities of consequence, the bank may waive such initial examination.

§ 640.211 Limitations upon amount of credit; ratio of total liabilities to unimpaired capital and surplus.

Within the limitations of the Act, it is the responsibility of the bank to determine the amount of credit that may be granted safely to any institution. Sound credit policy requires that careful consideration be given to the character and ability of the management of each institution; to its actual unimpaired capital and surplus; to the manner in which such capital is invested; to the nature and extent of its other liabilities; as well as to the quality of the paper offered and to the amount of general collateral pledged with the bank. Since these factors are subject to change from time to time, it is important that they be reviewed by the bank at frequent intervals.

§ 640.212 Maximum ratios permitted.

The limitations set out in §§ 640.212–1 through 640.212–4 are maximum ratios and may not be exceeded in any event.

§ 640.212–1 Same; production credit associations.

No credit may be granted to any production credit association if the amount involved, added to its other liabilities, will exceed 10 times its paid-in and unimpaired capital and surplus.

§ 640.212–2 Same; other financing institutions.

No credit may be granted to any other financial institution of the classes listed in paragraph 2 of section 202(a) of the Act, quoted in § 640.201 (other than banks and credit unions) if the amount involved, added to its other liabilities, exceeds the liabilities which the institution may incur under the laws governing its operations or, in any event, exceeds 10 times its paid-in and unimpaired capital and surplus.

§ 640.212–3 Same; banking institutions.

(a) No credit may be granted to any banking institution if the amount involved, added to its other liabilities (other than bona fide deposit liabilities), exceeds the amount of such liability permitted under the laws of the jurisdiction creating such bank, or exceeds twice its paid-in and unimpaired capital and surplus.

(b) A corporation engaged in a banking business and operating under the banking laws of a State, but having the powers of an agricultural credit corporation, livestock loan company, or similar financing institution, must be limited to the amount of credit which may be granted to a banking institution as provided in this section.

§ 640.212–4 Same; credit unions.

No credit may be granted to a credit union if the amount thereof, added to its other liabilities, exceeds the amount of such liability permitted under the laws of the jurisdiction creating such credit

union, or exceeds the amount of its paid-in and unimpaired capital.

§ 640.213 Computation of debt-to-capital ratios.

In computing the debt-to-capital ratio of an institution, the credit bank will include all liabilities (other than bona fide deposit liabilities in the case of banks) whether owing to the credit bank or to others. The unimpaired capital and surplus will include the following:

(a) That portion of the institution's authorized and subscribed capital which has actually been paid in and (except in the case of production credit associations) for which stock certificates are outstanding in the names of bona fide stockholders; and

(b) Its paid-in surplus (if any) and surplus created out of net earnings or savings specifically set aside to augment its effective capital; less

(c) Any losses (whether fully realized or determined to be in prospect) which are not provided for or offset by reserves and undivided profits or otherwise.

§ 640.213–1 Character of items recognized as surplus.

(a) The actual character of a net worth item rather than the title of the account in which it is carried will determine whether it may be recognized as "surplus" within the meaning of this section. Special reserves and similar accounts which are built up and maintained for capital purposes, in a manner similar to the creation of earned surplus, may be treated as surplus regardless of the title of the account in which such reserves are carried.

(b) Valuation reserves, provisions for losses, etc., and undivided profits which have not been set aside as surplus reserves to augment capital will not be treated as surplus within the meaning of this section; however, the amount of such reserves and undivided profits will be recognized as credits against actual and estimated losses in determining whether any impairment of surplus or of capital exists.

§ 640.213–2 Revolving capital.

In the case of institutions or associations which follow the practice of revolving capital, surplus, or some other account which normally would be regarded as the equivalent of capital or surplus as defined in this section, the bank will ascertain the terms and conditions under which such capital is revolved, and will keep itself informed as to the effects which such transactions may have upon the institution's net worth position.

§ 640.221 Credit standards.

Paper offered to a credit bank by a financing institution, for discount or as collateral security for a loan, should be of such character as to assure liquidation of the obligation within a reasonable time, consistent with sound lending and agricultural practices. The integrity and financial condition of the notemaker, the collateral security offered, the productive capacity of the notemaker's farming and livestock operation, the adequacy and practicability of the plan of repayment, and other credit factors, when considered together, should afford reasonable assurance that under ordinary circumstances the income of the notemaker will be sufficient to repay the loan and discharge his other obligations.

§ 640.222 Loan purposes.

(a) Loans discounted for or purchased from a production credit association shall have been made to qualified farmers or ranchers for general agricultural purposes, and other requirements of the borrowers including the needs of their families. (See § 650.101 of this chapter.)

(b) The proceeds of loans discounted for or purchased from other financing institutions shall have been advanced to farmers or ranchers and used in the first instance for an agricultural purpose, including the breeding, raising, fattening, or marketing of livestock (12 U.S.C. 1031(2)).

(c) In determining whether the purpose of a loan offered for discount or purchase is "agricultural" the bank will apply the term on a practical and constructive basis rather than in a purely technical sense. Eligibility should be judged in line with the usually accepted requirements of farm and ranch operations, including the support and maintenance of the farm or ranch family.

§ 640.222–1 Nondiscrimination.

The Federal Farm Credit Board, in February 1969, adopted the following resolution:

Resolved, that it is confirmed to be the policy of the Federal Farm Credit Board that there shall be no discrimination because of race, color, religion, or national origin by the banks and associations which operate under the supervision of the Farm Credit Administration, i.e., Federal land banks and Federal land bank associations, Federal intermediate credit banks and production credit associations, and banks for cooperatives, either as is now proscribed for the financing of housing by section 805 of the Civil Rights Act of 1968 or with respect to the availability of loans generally from such banks and associations. Each FICB should provide instruction or written communication to each PCA in its district of this policy, based on section 805 of the Civil Rights Act of 1968, and should provide each such association with a notice for posting in its office.

§ 640.223 Maturities.

(a) Notes evidencing direct loans to financing institutions, and notes or other obligations discounted or accepted as collateral for loans by an intermediate credit bank usually will be drawn with maturities coinciding with the normal marketing seasons for the crops or livestock from which liquidation is expected, ordinarily not more than 12 months. Any note evidencing an intermediate-term loan may be discounted, or accepted as collateral for direct loans, provided the period from date of discount or acceptance of the note as collateral to its maturity does not exceed 7 years.

(b) Investment securities and other obligations of the classes described in §§ 640.231 and 640.232, even though having more than 7 years to run to maturity, may be accepted as collateral security for direct loans to production credit associations and other financing institutions.

§ 640.224 Interest rates.

To be eligible for discount or as collateral for a loan to a financing institution, the rate of interest or discount charged the maker of a note offered to the bank shall not exceed the rate permitted by regulations of the Farm Credit Administration. (See §§ 640.262 through 640.262–5.)

§ 640.225 Fees and other charges.

No paper shall be eligible for discount, or as collateral for a loan by the credit bank, if the offering financing institution imposes any fee or other charge, aside from interest, at a rate higher than that approved by the bank. If, in the case of other financing institutions, the total amount of interest and other charges to the notemaker exceeds an amount calculated at the maximum interest rate allowed by the laws of the State where the note was executed, careful consideration should be given to the facts and to the exact nature of such charges in the light of usury and other applicable laws.

§ 640.226 Notes of farming corporations.

Notes of a farming corporation may be discounted for, purchased from, or accepted as a basis for a loan to, any eligible financing institution if they meet the requirements of § 640.226–1 or § 640.226–2 applicable to the financing institution concerned.

§ 640.226–1 Same; production credit associations.

To be eligible for discount notes of a corporation presented by a production credit association must meet the requirements of §§ 650.102 and 650.103 of this chapter.

§ 640.226–2 Same; other financing institutions.

Notes of a corporation may be discounted for a financing institution other than a production credit association if the borrowing corporation is engaged in actual farming operations or livestock production and meets the following requirements:

(a) Either (1) at least 75 percent in value and number of shares of its capital stock must be owned by the individuals personally actually conducting the farming or livestock operations of the corporation; or (2) the major portion of the assets of the corporation must consist of property actually devoted to farming or livestock production and at least half of its gross income must be derived from such operations; and

(b) Either the holder or holders of at least a majority of its outstanding shares of voting stock or a principal stockholder will, (1) endorse, or sign as comakers, all notes evidencing such loans or (2) execute continuing guaranties of

all indebtedness of such corporation to the payee lending institution. Requirement (2) may be met by two or more stockholders each executing a guaranty for a specified percentage of the indebtedness, with the aggregate of such guaranties affording personal liability for 100 percent of the indebtedness. If such personal liability of stockholders of the borrowing corporation cannot be obtained by reason of ownership of its capital stock by another corporation, the stockholder liability requirement may be met by like endorsement or guaranty on the part of an individual stockholder or stockholders of such parent of affiliated corporation. As an exception thereto, the payee lending institution may waive the foregoing stockholder liability requirement for loans to eligible corporations if in its judgment the soundness of the loan and continuity of management are reasonably assured without such personal liability, subject to concurrence in such waiver by the bank and the Farm Credit Administration on loans requiring their approval.

§ 640.227 Point of purchase loan programs.

(a) The bank's board of directors may approve programs for production credit associations in its district under which agreements will be entered into with private dealers or cooperatives permitting them to take applications for loans from production credit associations to purchase farm equipment, supplies, and machinery. The dealers and cooperatives will then submit such applications to the associations for acceptance or rejection.

(b) When the sales territory of a dealer or cooperative extends outside the territory of the originating association, then an agreement from all associations affected must be obtained before making such loans. Should the sales territory also extend outside that Farm Credit district then an agreement must be obtained from the affected banks and associations involved.

(c) Reasonable compensation may be paid to a cooperative or dealer for services rendered in connection with such programs whether they involve the financing of farm machinery, capital goods of other kinds, or farm supplies.

§ 640.228 Advances not supported by notes.

The general policy within the Production Credit System is that a lender shall receive a valid note from a borrower before loan funds are disbursed. A few districts have found a need for an exception to this general policy to temporarily accommodate members of PCAs whose use of bill-of-sale drafts give rise to overdrafts, or to facilitate the handling of advances by phone or by mail. Normally, only a limited number of transactions in each association will be within the exception, and they will not involve large amounts. When a district is confronted with an apparent need for an exception to this policy, the reasons therefor should be explored by the bank and if an exception is warranted then a specific written policy should be developed describing what shall be permitted, the limitations, and the required procedure. Such policy shall be made a part of the district's operating manual for associations.

§ 640.229 Drafts.

The use of drafts to facilitate loan disbursements has been practiced by associations for many years. To insure sound business practice and prevent the indiscriminate use of drafts, the following guidelines shall be adhered to:

(a) The primary use of drafts should be for bill-of-sale purposes with adequate control by associations to insure proper description of chattels, and endorsement to insure conveyance of title, before acceptance.

(b) Use of drafts for general disbursement purposes should be authorized by a Federal intermediate credit bank only after determining that such use will not impair or eventually deter the effective use of regular bill-of-sale drafts.

(c) As a general policy, notes should be required of members when they are presented with blank drafts.

(d) Each district should have a written procedure as part of its operating manual covering the use of drafts, and if a bank wishes to make an exception to its general policy this may be handled in writing on a case basis.

§ 640.231 Direct loans to production credit associations.

The bank may make direct loans to production credit associations discounting acceptable paper as provided in §§ 640.221 and 640.222(a) or in conjunction with a direct loan program which encompasses the discounting function. Except with the approval of the Farm Credit Administration, the total of all direct loans and loans discounted shall not at any time exceed the limitations outlined in § 640.231–1. Direct loans will normally be secured by pledge of loans and all other assets of the production credit association, except that where loans to members are separately discounted, direct loans may be unsecured in whole or in part, at the discretion of the bank. The amount loaned on an unsecured basis shall at all times be consistent with sound financial and credit practices.

§ 640.231–1 Same; direct loan limitation.

The total credit extended to a production credit association under a direct loan and by discounting loans may not at any time exceed the total of the following:

(a) That portion of the total loans considered acceptable and problem in accordance with the percentage as classified in the most recent official credit examination;

(b) The total of investments under CCC programs, notes insured or guaranteed by Farmers Home Administration, and in farmers' notes to co-ops and dealers, etc.; and,

(c) Capital and surplus less the total of (1) the amount of class B stock of the bank owned by the association; (2) the legal reserve of the bank allocated to the association; (3) any portion of capital and surplus invested in loans to members; and, (4) any estimated losses not protected by reserves.

§ 640.231–2 Same; form of direct loan obligation, PCA.

Direct loans and advances to a production credit association may be evidenced by a promissory note, or by a loan agreement in form approved by the Farm Credit Administration.

§ 640.232 Direct loans or advances to other financing institutions.

As provided in paragraph (2) of the Act quoted in § 640.201, a Federal intermediate credit bank is authorized to make loans and advances to any financing institution (other than a production credit association), secured by such collateral as may be approved by the Governor of the Farm Credit Administration: *Provided*, That no such loan or advance shall be made upon the security of collateral other than notes or other such obligations of farmers and ranchers eligible for discount or purchase under the provisions of the Federal Farm Loan Act, as amended, unless such loan or advance is made to enable the financing institution to make or carry loans to farmers and ranchers for agricultural purposes. (See § 640.222.) In all cases the amount of collateral required shall not be less than the principal amount of the indebtedness thereby secured.

§ 640.232–1 Same; classes of obligations approved as collateral.

The following classes of obligations are approved as collateral for direct loans and advances to other financing institutions:

(a) Obligations of farmers and stockmen which are eligible for discount or purchase under the provisions of existing laws and regulations;

(b) Bonds and other direct obligations of the United States;

(c) Consolidated Federal farm loan bonds and consolidated debentures of the banks for cooperatives; and

(d) Soil and water conservation loans and farm ownership loans made under programs administered by the Farmers Home Administration, when payment thereof is guaranteed by the United States.

§ 640.232–2 Same; purpose of direct loans or advances.

In making loans or advances to any other financing institution on the security of collateral other than that described in § 640.232–1(a), the bank will assure itself that the proceeds of such loans or advances will be used to enable the financing institution to make or carry loans to farmers and ranchers for agricultural purposes. In making examinations of such institutions, the banks' examiners should include such reviews or test checks as may be needed to satisfy the bank that this provision is complied with.

§ 640.241 General collateral; production credit associations.

Securities and other obligations pledged to the bank by a production credit association pursuant to a general pledge agreement, will be held by the bank (a) as collateral for direct loans made by the bank against such securities; (b) as general collateral to secure all paper discounted for the association; and (c) as security for all other obligations of the association to the bank. In the event it is necessary for a bank to realize on such collateral the proceeds therefrom will be applied in that order.

§ 640.242 Same; other financing institutions.

Other financing institutions (except commercial banks) as a condition precedent to borrowing from or discounting with a credit bank shall pledge as general collateral for any and all obligations to the bank, cash, U.S. Government securities, consolidated Federal farm loan bonds, consolidated debentures of the banks for cooperatives, or other readily marketable securities of high rating in an amount equal to such portion of its capital as shall be determined by the bank. At the discretion of the bank, banking institutions also may be required (unless prohibited by law or by supervisory authority) to deposit acceptable general collateral.

§ 640.242–1 Same; collateral pledge agreements.

Securities and obligations pledged with the bank shall be deposited under a collateral pledge agreement pursuant to which all securities and obligations so pledged, including all substitutions therefor and additions thereto, and the proceeds of any such collateral including all income derived therefrom, shall be available to secure any and all obligations to the bank, whether direct or contingent, present or future.

§ 640.251 Amounts of individual obligations requiring approval.

(a) An intermediate credit bank may not, except with the approval of the Farm Credit Administration, discount or make loans upon the security of obligations of any borrower whose indebtedness to the financing institution offering such paper to the bank exceeds the limitations prescribed herein.

(b) The term "obligations" as used in this section includes all paper upon which one borrower is liable, whether as maker, comaker, endorser, or guarantor, and includes the total commitment in the case of new or repeat loans, and the unpaid balance, undisbursed commitment, and any proposed additional advance in the case of all other loans.

§ 640.251–1 Same; production credit associations.

Any loan which has been approved by the Farm Credit Administration under the provisions of § 650.164 of this chapter, may be discounted or purchased if acceptable to the bank.

§ 640.251–2 Same; other financing institutions.

In addition to any limitations imposed by laws governing a financing institution, any obligation of a borrower accepted for discount or as collateral for a direct loan shall have the prior approval of the Farm Credit Administration when the total obligations of such borrower to the offering institution exceeds $50,000, or 50 percent of the paid-in and unimpaired capital and surplus of such institution, whichever is larger.

§ 640.252 Information to accompany "excess" loans submitted to the Farm Credit Administration for approval.

Requests for Farm Credit Administration approval of excess loans should be accompanied by the following information:

(a) Loan summary and copies of loan papers (including audit reports) which are pertinent to any analysis of the loan. When it is impractical to obtain sufficient copies of audit reports for both the bank and Farm Credit Administration, the bank's copy may be included for Farm Credit Administration use with a request that it be returned, provided the bank retains the audit as a part of its records.

(b) Credit bank's recommendation along with any conditions of approval, including information relative to the loan which is not covered by the loan papers.

Excluding additional advances, changes with respect to commitments previously approved by the Farm Credit Administration which will not adversely affect repayment of the total loan need not be submitted for approval.

§ 640.261 Interest and discount rates; Federal intermediate credit bank.

The interest and discount rates of each Federal intermediate credit bank shall be established and applied in accordance with §§ 640.261–1—640.261–6.

§ 640.261–1 Same; action by board of directors.

Interest and discount rates shall be determined by the board of directors of the bank, subject to the approval of the Farm Credit Administration.

§ 640.261–2 Same; approval of rates.

Two certified copies of each resolution prescribing an interest and discount rate shall be forwarded to the Farm Credit Administration for approval. If approved, one copy will be endorsed to reflect such approval and will be returned to the bank for its files. The bank shall furnish the farm loan registrar a copy of the approved resolution and shall notify all interested discounting and borrowing institutions of the approved rate and its effective date.

§ 640.261–3 Same; application of rates.

The interest and discount rates of a credit bank will be applied in the manner authorized by the board of directors and approved by the Farm Credit Administration.

§ 640.261–4 Same; discount (discounting interest, or collecting in advance).

The Federal intermediate credit banks will not collect interest in advance (deduct discount), except when the paper offered bears interest after maturity only.

§ 640.261–5 Same; interest on delinquent notes under discount.

Should a note purchased or discounted by the bank not be paid promptly at maturity the bank may, at its discretion, collect the full rate of interest specified in the note for such time as the endorsing institution permits such note to remain past due with the bank.

§ 640.261–6 Same; other interest rate provisions.

(a) Rates of interest on interbank and intersystem loans are to be fixed as provided in § 640.132–2.

(b) Interest may be charged on paper taken over by a credit bank from a financing institution in default as provided in § 640.283–2.

§ 640.262 Interest rates charged notemakers by financing institutions.

The rates of interest or discount charged farmers and stockmen on notes or other obligations that may be discounted for, or accepted as collateral for loans to, financing institutions shall not exceed by more than 4 percent per annum the interest and discount rate of the Federal intermediate credit bank in effect at the time the loan is made to the notemaker: *Provided, however,* That in the event the interest and discount rate of the bank is less than 2 percent per annum, the rate of interest or discount charged may be equal to but may not exceed 6 percent per annum.

§ 640.262–1 Same; loans made before reduction in interest rate.

A note offered to the bank after a reduction in its interest and discount rate, but representing a loan made by the financing institution prior to such change, may be accepted by the bank without adjustment of interest by the primary lender; provided, the interest rate borne by the note does not exceed the rate permitted by § 640.262 at the time the loan was made.

§ 640.262–2 Same; higher rate after maturity.

A note bearing interest at one rate to maturity and a higher rate after maturity may be accepted by the bank even though such postmaturity rate may exceed the rate permitted by this section: *Provided, however,* The bank assures itself that this privilege is not abused.

§ 640.262–3 Same; deducted in advance.

A note providing for interest after maturity only, and which does not show the rate at which it was discounted to maturity, may be accepted by the bank if an affirmative certification is made or other evidence satisfactory to the bank is furnished, showing that the rate charged does not exceed the limitations herein

set forth. In such cases the bank and farm loan registrar may accept a blanket certificate, executed by duly authorized officers of the financing institution. Although the bank may collect interest in advance (deduct discount) when paper offered by a financing institution bears interest after maturity only, institutions dealing with the bank should be urged, when making loans which are to be offered to the bank, to draw the notes to bear interest from date.

§ 640.262–4 Same; only on amounts and for time outstanding.

Interest may be charged by a financing institution on paper discounted or held by the bank only on the sums actually advanced, for the time such sums are outstanding. The charging of interest or discount on the face amount of an obligation for the entire term of the loan when the full proceeds have not been advanced, renders the paper ineligible for discount. Likewise, failure on the part of the financing institution to allow proper interest credit for repayments prior to maturity may be cause for suspension of the borrowing and discounting rights of such institution.

§ 640.262–5 Same; add-on interest.

The acceptance of notes by PCAs in connection with investment note programs on which interest is computed by the add-on method is approved, provided that the rate charged when converted to a simple per annum rate is within the limitations of the regulations in this part. Notes with add-on interest accepted in good faith that meet the foregoing provisions when executed are not rendered ineligible for investment because of unanticipated subsequent deviations in the planned date or amount of payments that would actually cause a higher rate by maturity.

§ 640.271 Loans to and discounts for banks for cooperatives.

In addition to intersystem loans provided for in § 640.130 for the purpose of utilizing surplus funds, a credit bank is authorized to extend credit to any bank for cooperatives by discounting or purchasing notes representing loans made to farmers' cooperative associations, or by making loans to such bank secured by such paper or by other collateral approved by the Governor or, at the discretion of the credit bank, on an unsecured basis. Such loans and discounts shall be subject to the provisions of §§ 640.271–1 and 640.271–2.

§ 640.271–1 Same; interest and discount rates.

Interest on loans and discounts made by a credit bank to a bank for cooperatives under this section shall be at the prevailing interest and discount rate established by the bank as provided in § 640.261.

§ 640.271–2 Same; maturities of loans and discounts.

The following principles should be followed in determining the maturities of direct loans to the bank for cooperatives, and the maturities of notes acceptable for discount or purchase:

(a) *Direct loan notes of banks for cooperatives.* Notes of a bank for cooperatives shall be drawn payable on demand, or with a maturity of not to exceed 1 year from date thereof: *Provided*, That if the lending and borrowing banks enter into an agreement under which the interest rate will be subject to adjustment from time to time (such as quarterly, semiannually, or at such other times as may be specified), notes with maturities up to but not exceeding 7 years may be taken; and

(b) *Notes of cooperative associations.* Discounts and purchases of notes of cooperative associations should be limited to obligations maturing in 1 year or less, except where the borrowing and lending banks have entered into an agreement under which the discount rate to be charged may be adjusted in a manner similar to that provided in paragraph (a) of this section with respect to interest rates on direct loans. Notes of cooperative associations with maturities exceeding 7 years may not be discounted for, purchased from, or accepted as collateral security for a direct loan to, any bank for cooperatives.

§ 640.272–1 Credit to other financing institutions in special circumstances; partial discount procedure.

When a financing institution other than a production credit association is in need of funds in excess of amounts that can be made available through normal processes and if, for credit reasons, a bank is unwilling to discount or purchase a loan offered by such institution for its face amount, it may discount or purchase less than the full amount of the loan. In such transactions the financing institution shall be required to apply all repayments on the borrower's obligations first to pay the bank the amount discounted or purchased by it. In lieu of discounting or purchasing notes which are not acceptable at face value, a credit bank may accept such paper, at a reduced value, as collateral security to a direct loan to the borrowing institution under § 640.232.

§ 640.272–2 Same; return to normal procedures.

Use of the partial discount procedure is not intended as a substitute for or as replacing the normal procedure of discounting acceptable paper, and every effort should be made to correct the underlying cause rendering such financing necessary.

§ 640.281 Filing and recording assignments of security instruments.

Assignments of security instruments by production credit associations or other financing institutions may be accepted by the bank without requiring that such assignments be recorded or filed, except where the risk involved or other circumstances surrounding the paper makes recordation or filing thereof advisable as a matter of sound credit policy. In lieu of a separate assignment of each instrument, the bank may accept from such institution a single blanket assignment and agreement to execute separate assignments to the bank whenever requested by it.

§ 640.282 Suspension of right to borrow and discount.

Should the capital and surplus of a financing institution dealing with a credit bank be reduced, or become impaired through losses (actual and prospective), to such extent that the ratio of its total liabilities to its unimpaired capital and surplus becomes unsatisfactory, or should the condition or the operations of a financing institution become otherwise unsatisfactory to the bank, its right to borrow and discount may be withdrawn or suspended by the bank until the unsatisfactory condition is corrected. In the event it is determined that the debt-to-capital ratio exceeds the legal limits prescribed in § 640.212, the right of such institution to borrow and discount shall be withdrawn or suspended forthwith, and shall remain so until necessary correction has been effected.

§ 640.282–1 Same; operations during suspension.

During any period of suspension as herein provided, no new paper will be purchased from or discounted for the institution, and no further advances will be made to it pending correction, except to the extent necessary to cover commitments on paper held by the bank or to preserve the security and protect the interests of the bank in obligations held by it. Before making additional advances to any financing institution whose right to borrow or discount has been suspended because the ratio of its total liabilities to unimpaired capital and surplus equals or exceeds the maximum permitted under § 640.212, it will be necessary for the bank to satisfy itself that the corporation will not violate any applicable law by assuming liability for such additional advances.

§ 640.283–1 Insolvency; production credit associations.

Upon default by any production credit association on any obligation, the bank shall submit a report of the facts to the Farm Credit Administration with its recommendations as to placing the association in receivership pursuant to section 65 of the Farm Credit Act of 1933 (12 U.S.C. 1138e).

§ 640.283–2 Same; other financing institutions.

In the event a financing institution other than a production credit association becomes insolvent or is in process of liquidation, particularly if it fails to service its paper properly and where supervision or orderly liquidation will be facilitated by direct handling of the obligations of the notemakers, a credit bank may, with the consent of the Farm Credit Administration, take over such paper for orderly liquidation. Notes or other obligations pledged with the bank by a financing institution, either as collateral for a direct loan or as additional

security for any and all indebtedness of the institution to the bank, also may be taken over and handled directly with the makers after title has been acquired in accordance with the provisions of applicable laws and the terms of the pledge agreements executed by the institution concerned. The bank's authority to handle such paper directly includes the authority to make additional advances, to grant renewals and extensions, and to take such other actions as may be needed to work out the problems involved. Direct liquidation of paper carried for a financing institution should be resorted to only in cases where other measures have failed and it is apparent that direct liquidation is the only practicable means available to the bank for protection of its interests.

§ 640.283–3 Same; obligations acquired for direct liquidation not eligible to secure debentures.

Paper handled for insolvent financing institutions as provided in § 640.283–2 will not be assigned to the farm loan registrar as collateral for debentures, and will be carried in a separate account as provided in the chart and description of accounts for Federal intermediate credit banks.

§ 640.283–4 Same; interest on obligations acquired for direct liquidation.

On paper which a credit bank has taken over from a defaulted financing institution for liquidation, interest will be collected according to the terms of the loans. Renewals of such notes, when taken payable directly to the bank, should bear interest at a rate not to exceed the maximum rate that may be charged by financing institutions on paper eligible for discount by the bank as provided in § 640.262.

Subpart C—Production Credit Associations

§ 640.301 Production credit association charters and bylaws.

Production credit associations are incorporated under provisions of the Farm Credit Act of 1933, their charters are granted by the Governor of the Farm Credit Administration, and their bylaws are subject to the approval of the Farm Credit Administration.

§ 640.301–1 Same; charter amendments.

Requests for charter amendments shall be submitted by the Federal intermediate credit bank to the Farm Credit Administration, accompanied by a certified copy of the resolution of the association board of directors, giving its reasons for the proposed change. The bank should also submit its recommendations concerning the proposed changes together with any additional information which it feels would be helpful to the Farm Credit Administration in acting upon the proposal.

§ 640.301–2 Same; bylaw amendments.

A production credit association may adopt any bylaw provision contained in "Standard Bylaws of the Production Credit Associations" or "Optional Bylaws of the Production Credit Associations," both designated as Form PCA–202 reissued as of July 1, 1963, and any additions thereto, the use of which is approved by the bank for the associations in its district. Certain special provisions specifically approved for individual associations, contained in "Special Bylaws of the Production Credit Associations," also designated as Form PCA–202, reissued as of July 1, 1963, may be continued in use by the association or associations for which they are approved. Proposed bylaw amendments which do not conform to those already approved by the Farm Credit Administration should be submitted to it for approval.

§ 640.302 Territory.

An association's territory should conform to county lines unless natural barriers or other circumstances make such conformance impractical.

§ 640.303 Headquarters office.

The headquarters office of an association should be located as conveniently as possible to the members and potential members of the association. Any change in the location of the headquarters office other than within the same town requires a change in the association's charter and requests therefor must be submitted to the Farm Credit Administration as provided in § 640.301–1.

§ 640.304 Field offices.

In order to provide convenient service to members, associations maintain various types of field offices and contact points. For ready reference, association field offices are classified in §§ 640.304–1—640.304–3.

§ 640.304–1 Same; full-time office.

(a) *Branch office.* An office carrying on a complete production credit service, operating on a fully decentralized basis under comprehensive delegation of authority, and maintaining its own loan files and records. Ordinarily, the function of discounting loans is handled directly with the bank, and the office is open for business each business day of the year.

(b) *Other.* An office open during regular business hours (a minimum of 4 hours) each business day of the year, or an office open during regular business hours each business day of the week during peak seasons and open part-time during the rest of the year.

§ 640.304–2 Same; part-time office.

An office maintained as production credit association office but open less than 4 hours each day, or on specified days each week.

§ 640.304–3 Same; contact point.

A designated place, not included in §§ 640.304–1 and 640.304–2, where a representative of the association may be contacted at specified times.

§ 640.305 Reorganizations and territorial adjustments.

The success of an association is dependent upon its ability to provide sufficient earnings to retain competent management and pay other operating expenses, as well as build necessary reserves. To accomplish these objectives it may be necessary for certain associations with adjoining territories to consolidate, merge, or otherwise adjust territories. While a consolidation, merger, or other territorial adjustment must be authorized by the boards of directors of the associations concerned, the bank should encourage them to take such actions as may be needed to achieve the objectives stated above. The bank will submit to the Farm Credit Administration copies of the resolutions adopted by the boards of directors of the associations, together with the bank's recommendations.

§ 640.305–1 Same; consolidation or merger.

Each consolidation or merger shall be handled in accordance with the instructions contained in the applicable special manual. In cases where two or more associations are combined into one, it should be determined whether they are to be consolidated to form a new association, in which case the separate existence of each of the constituent associations shall cease, or to be merged into one of the constituent associations, in which case there is a continuing existence of one of the constituent associations. This determination is of importance to member-owned associations from the standpoint of taxation. In either event, the territory, the assets, liabilities and net worth will be combined and the stockholders will become stockholders of the resultant association, as provided in §§ 650.401–650.403 of this chapter.

§ 640.305–2 Same; division of territory.

When it is contemplated that an association's territory will be divided between two or more existing or new associations the bank should consult with the Farm Credit Administration before making any commitments with respect thereto, since each division of territory usually involves problems unique to the individual situation.

§ 640.305–3 Same; other adjustments of territory.

When one or more counties are transferred to the territory of another association, the outstanding loans may be sold to the new association at an agreed value, or may be carried by the old association subject to the limitations prescribed in § 650.106 of this chapter.

§ 640.306 Voluntary liquidation of associations.

Ordinarily, an association will be liquidated only in the event of serious impairment of its capital stock. Any voluntary liquidation shall be subject to approval, and shall be carried out as provided in §§ 650.411–650.413 of this chapter.

§ 640.311 Election of directors.

Elections of well qualified directors are essential to the sound operation of associations and to the maintenance of genuine interest and support on the part of the members. The use of nominating

committees and democratic election procedures should be encouraged. Salaried officers and employees shall refrain from any activities which might influence the nomination or election of association directors. An association director should not participate in activities which would be likely to conflict with his impartial service to the association and its members. Information similar to that called for in a "Statement of Director" relating to other activities and business connections should be on file in the bank for each director. Any request for approval of a director by the Governor should be forwarded by the bank to the Farm Credit Administration accompanied by a copy of the "Statement of Director" and such other information as the bank deems pertinent.

§ 640.312 Approval of compensation.

The approval of compensation by the bank as required by § 431 of the bylaws of associations shall be made in such manner and on such forms as the bank may prescribe. (See § 640.330.) The bank may approve suitable salary ranges or ceilings applicable to various positions in each association, and may delegate to the association board of directors the responsibility for setting salaries within such ranges or ceilings, subject to such limitations as the bank may prescribe.

§ 640.312–1 Same; Fair Labor Standards Act, as amended.

Each association is required to comply with the applicable provisions of the Fair Labor Standards Act of 1938, as amended, and to maintain such records and conform with such regulations as may be prescribed by the Administrator of that Act. When approving compensation for association personnel, the bank should determine that no salary is fixed at a rate below the minimum prescribed by such regulations.

§ 640.313 Removal of association personnel.

Sections 654.501–654.505 of this chapter provide for the removal under certain circumstances of association personnel by the bank. When in the opinion of the bank an association director, officer, employee, or agent should be removed, a statement should be furnished to the Farm Credit Administration setting forth all pertinent circumstances which appear to warrant such action by the bank.

§ 640.314 Nepotism.

As a means of promoting better employee relationships, and to emphasize the merit system of appointment, associations should abstain from nepotism. In addition to members of the immediate family, the employment of first cousins and all those of similarly close relationship by blood or by adoption and brothers-in-law and persons of similarly close relationship by marriage should be avoided. No person should be employed in a position in which he would be under the direct or indirect supervision of a relative.

§ 640.315 Personnel training.

It is essential to the production credit system that suitable standards and procedures for training directors, officers, and employees be maintained. While this is primarily the function of the association with respect to its own personnel, assistance should be rendered by the bank to the extent of aiding in the development and promotion of training programs, including provision of suitable media for this purpose.

§ 640.316 PCA employees' retirement program.

It is the responsibility of each bank to determine that the association employees' retirement program is being properly administered and meets the needs of the associations.

§ 640.317 Provisions of the General Administrative Manual.

The bank shall inform all associations in its district concerning the provisions of the General Administrative Manual for the Farm Credit Districts which relate specifically or by implication to associations, their officers, and employees.

§ 640.318–1 Fringe benefits for association personnel; general policy.

The same general standards that are considered in deciding upon fringe benefits for bank personnel should be applied in considering fringe benefits for personnel of the associations. Such benefits should be consistent with a well considered personnel program and with benefits generally granted by the better employers in the district. Fringe benefits should be limited to those which can reasonably be expected to aid in attracting and retaining well qualified employees, and which, when added to basic salary or compensation, constitute a fair total payment for services rendered.

§ 640.318–2 Same; coverage of association directors.

The nature of service rendered by association directors and their relationship to the association do not constitute a basis for their inclusion in the fringe benefit programs applicable to employees. Therefore, in any statement of fringe benefit policy there should be a clear distinction between the status of directors and the status of employees. If, in some instances, there are circumstances which would seem to justify fringe benefits for directors and a conclusion is reached to grant such benefits to them, the following guides should be considered:

(a) Services of directors should be excluded from coverage under retirement plans;

(b) Any other fringe benefits, such as group life insurance, group hospitalization and medical benefits, and accident insurance made available to directors should terminate, insofar as any association participation is concerned, upon termination of the directors' services;

(c) Contributions by associations for the cost of any such directors' benefits should be on an equitable basis considering the portion of their time which is devoted to official duties;

(d) Additional costs for coverage of members of directors' families under any programs provided on a family basis should be paid by the directors; and

(e) In determining the nature and extent of fringe benefits for directors, consideration should be given to any such benefits they may receive as a result of services rendered other organizations. Duplication of benefits from any other Farm Credit bank or association should be avoided.

§ 640.318–3 Same; approval of policies.

General policy statements governing fringe benefits in the associations should be developed by the board of directors of the bank, subject to such approval of the Farm Credit Administration, as may be requested by the General Administrative Manual. Such statements should provide the basis and guidelines under which fringe benefit programs are to be developed, and if any such benefits are to be granted directors, there should be separate provisions showing the applicability to employees and to directors of the various types of benefits to be provided under the general policy.

§ 640.321 Fiscal and accounting; supervision.

It is the responsibility of the bank to supervise the fiscal affairs and accounting activities of the associations. It should see that appropriate safeguards and internal controls are maintained. Accounting practices and procedures should be reviewed from time to time with a view to developing improved methods, reducing workloads, and effecting operating economies.

§ 640.321–1 Same; negotiable and other collateral.

Each association, with approval of the bank, may hold in its own custody negotiable and other collateral deposited with the association by borrowers as security for loans to them. Adequate safekeeping facilities must be provided for such collateral; when in negotiable form a safety deposit box should be used. Numerical receipt forms should be used in connection with the receipt and return of collateral. Subsidiary records in detail and the related control records should be maintained for all collateral deposited with the association and to facilitate audit of such transactions. Access to a safety deposit box should be under the dual control of two or more association officers or employees designated by the association board of directors. Release of any deposited collateral should be made under the direction of association's chief executive officer.

§ 640.322 Books and records.

The books and records of associations shall be maintained in conformity with the accounting principles and account classifications set forth in the PCA Accounting Manual approved by the Farm Credit Administration. Amendments to and changes in account classifications may be prescribed by the bank with the

prior approval of the Farm Credit Administration. Association accounting forms, procedures, and methods shall be prescribed or approved by the bank.

§ 640.323–1 Capital stock and surplus; authorized capital.

The authorized capital stock is specified in each association's charter. Any change in authorized capital requires an amendment to the charter, which shall be handled as provided in § 640.301–1.

§ 640.323–2 Same; stock investments by the Governor.

The revolving fund available to the Governor for investment in class A and class C stock of production credit associations is designed to enable the Farm Credit Administration to supply capital needs which cannot be met by an association from local sources. Determination as to the amount and class of stock to be purchased, if any, will be made in each instance by the Farm Credit Administration upon the basis of the pertinent facts.

(a) As a general rule, purchases of class A stock will be restricted to instances in which additional capital is needed because of adverse conditions, including actual and prospective losses of such magnitude as to impair the association's ability to serve the sound credit needs of farmers and ranchers in its territory. Since in such instances the rehabilitation of the association is an important objective, which will be facilitated by restoring tax exemption, class A stock may be purchased. In all other cases, such as an association whose ratio of loans to net worth is approaching the maximum considered sound from a financial and credit standpoint, and whose volume of loans is increasing more rapidly than supporting capital can be obtained from members or other local sources, any capital to be supplied will be through the purchase of class C stock.

(b) Before submitting the request of any production credit association for capital out of the revolving fund, the bank will make a careful analysis of the association's current and prospective net worth position, including the ability of the association to meet its needs through sales of additional class A stock to its members, the building of surplus reserve out of earnings, and the payment of dividends and patronage refunds in the form of class A stock. Operating economies, as a means of improving net earnings, also may require attention. Where capital needs are the result of unsound or faulty business or credit practices of the association, the bank will take such steps as may be necessary to bring about corrective action by the association. Government capital will not be used for the sole purpose of increasing an association's income.

(c) When the board of directors of the bank is satisfied that the investment of Government funds in the capital stock of an association is warranted, the bank should submit to the Farm Credit Administration a full report of the facts, including the association's plan for retiring such stock, together with the recommendations of the board. If the Farm Credit Administration concludes that capital should be supplied from the revolving fund the bank will be advised as to any conditions or requirements to be met and the steps to be taken by the bank and by the association to complete the transaction.

§ 640.323–21 Same; stock investments by the Federal intermediate credit bank.

When a production credit association has outstanding class A or class C stock held by the Governor and is deemed not to have resources available to retire and cancel such stock, but in the judgment of the Governor the Federal intermediate credit bank of the district has resources available to do so, the Governor may require such bank to invest:

(a) In an equivalent amount of class A stock to retire class A stock of the association held by the Governor, or

(b) In an equivalent amount of class A or class C stock to retire class C stock of the association held by the Governor.

§ 640.323–3 Same; surplus and reserves.

Earnings retained by the association in the reserved surplus account ordinarily should be maintained as a part of the permanent capital of the association. Future earnings should be added to this account whenever the balance is less than the amount required under § 640.323–31. Earnings may also be retained in an allocated surplus account which are subject to distribution to the borrowers when no longer needed by the association. As a further means of providing capital, an association may also require borrowers to invest in an equity reserve account under the terms of a plan that may be provided for in the association's bylaws. In addition to these resources, associations are required, by law, to maintain valuation reserves for losses on loan assets (Reserve for Bad Debts); though these may not be taken into account for capital purposes, nevertheless the amount of such reserves is important when considering the extent to which the surplus accounts need to be maintained. Due consideration should be given by the bank when prescribing the respective limits of the surplus accounts as provided herein to the interrelationship of all of these accounts when used by the association, and to the program followed by the association for the orderly development and distribution, when applicable, of its surplus resources.

§ 640.323–31 Same; reserved surplus.

The reserved surplus account for the association shall be not less than the amount of the reserve account allocations received from the bank for the period 1957 through June 30, 1965, and such additional amount as may be required by the bank. It would ordinarily be expected to include at least an amount equal to the balance of the association's surplus account at the close of its last fiscal year that ended before January 1, 1966.

§ 640.323–32 Same; allocated surplus.

An association may establish and maintain an allocated surplus account upon authorization by its board of directors and approval by the bank. The bank may consent to a program for the distribution of allocated surplus subject to the limitations provided in § 640.323–34, oldest allocation first, in accordance with the association bylaws.

§ 640.323–33 Same; equity reserve.

(a) When the board of directors of an association is considering means of providing additional capital and determines that the establishment of an equity reserve is warranted, it shall submit a proposed plan to the bank for its consideration. The proposal shall specify the amounts required to be invested in the equity reserve by each borrower, which shall be on an equitable basis for all borrowers; and, it shall include provision for other conditions and limitations relating to the use and disposition of the equity reserve, as required by the association's bylaws.

(b) As a general rule, investments by borrowers in equity reserve should be restricted to instances where additional capital needs exist. Establishment of an equity reserve should not be approved where capital needs are the result of unsound or faulty business or credit practices of the association; in such cases the bank will take the necessary steps to bring about corrective action by the association.

(c) When approved by the bank, the association's plan shall be submitted for consideration by the Farm Credit Administration and, if approved, the plan shall be subject to ratification by the class B stockholders of the association. A full report of the pertinent facts and the bank's recommendations shall accompany the submission to the Farm Credit Administration for consideration.

§ 640.323–34 Same; total surplus.

(a) The minimum total surplus (reserved surplus and allocated surplus) of the association shall be prescribed by the bank and it shall be not less than the amount of reserved surplus required by § 640.323–31. No transfer may be made from the reserved surplus account to the allocated surplus account.

(b) When approving distributions of allocated surplus, due consideration should be given to the total capital requirements of the association. Normally, a distribution should not be approved which would result in a ratio of maximum volume of loans outstanding during the most recent 3-year period to capital and surplus at the end of the fiscal year in excess of 7 to 1. On the other hand, whenever such loan-to-capital ratio is below 5 to 1 and the association has an adequate reserve for bad debts, normally, it is expected that allocated surplus in excess of foreseeable capital needs would be revolved. No distribution of allocated surplus in cash or its equivalent shall be approved so long as the Governor holds any stock in the association.

§ 640.324–1 Investments; general.

(a) Each association shall maintain such investments in securities as may be prescribed by the bank pursuant to § 650.201 of this chapter. The amount prescribed should be consistent with sound operating requirements of the association.

(b) In determining the amount of the association's resources to be invested, consideration should be given to the amount of its capital and surplus (reserved surplus and allocated surplus); the reserve for bad debts; the investment in FICB capital stock, allocations of FICB legal reserve, investment in office buildings, if any, and other fixed assets; and, to the working cash balances required to maintain the association's lending operations. In considering the amount needed as a working cash balance recognition should be given to the various procedures under which the association may borrow from the bank.

§ 640.324–2 Same; state and municipal bonds.

Pursuant to § 650.201 of this chapter, an association is authorized to invest in bonds issued by a State, municipality, political subdivision, or public agency or instrumentality thereof, when approved by the bank on a case basis within limitations prescribed by the Farm Credit Administration. Such investments are approved by the Farm Credit Administration when they are restricted to bonds that have been rated A or better (or the equivalent) by a recognized rating service, mature within approximately 10 years, and are readily marketable. They should be purchased only by associations that are in a financial position to hold them until maturity. When considering a request for approval the bank should compare the yield on such securities with the after-tax yield on securities referred to in § 650.201 (a) and (b) of this chapter having similar maturities. Unless there is a worthwhile difference (as determined by the bank) in such yields, the investment should normally be in Treasury or approved agency issues. Ordinarily, not more than 10 percent of an association's investment securities should be in such State and municipal bonds. Investments that do not meet the foregoing requirements may be considered by the Farm Credit Administration on a case basis.

§ 640.324–3 Same; farmers' notes given co-ops and private dealers.

In accordance with the provisions of § 650.201 of this chapter, the board of directors of the bank may approve a plan for associations to invest in conditional sales contracts, farmers' notes and similar obligations given to cooperatives and private dealers. The rates of interest on notes given to cooperatives and dealers in which an association invests may not exceed those set forth in § 640.262 when such notes are offered as collateral for a direct loan from the bank.

(a) *Eligibility of purpose.* Such notes and other obligations evidencing purchases of farm machinery, supplies, equipment, home appliances, and other items of a capital or semicapital nature handled by cooperatives and private dealers will be eligible for purchase as investments.

(b) *Maximum investment.* The total amount which an association may have invested in such farmers' notes and other obligations given to cooperatives and dealers, at any one time, shall not exceed 15 percent of the balance of loans outstanding at the close of an association's preceding fiscal year.

§ 640.325–1 Deposit insurance; FDIC regulations.

The following regulations of the Federal Deposit Insurance Corporation are of general applicability to the production credit associations:

(a) The deposit account records of the insured bank shall be conclusive as to the existence of any relationship pursuant to which the funds in the account are deposited and on which a claim for insurance coverage is founded. Examples would be trustee, agent, custodian, or executor. No claim for insurance based on such a relationship will be recognized in the absence of such disclosure.

(b) If the deposit account records of an insured bank disclose the existence of a relationship which may provide a basis for additional insurance, the details of the relationship and the interests of other parties in the account must be ascertainable either from the records of the bank or the records of the depositor maintained in good faith and in the regular course of business.

(c) The deposit account records of an insured bank in connection with a trust account shall disclose the name of both the settlor (grantor) and the trustee of the trust and shall contain an account signature card executed by the trustee.

(d) The interests of the coowners of a joint deposit account shall be deemed equal, unless otherwise stated on the insured bank's records in the case of a tenancy in common.

§ 640.325–2 Same; designation of accounts with depositary banks.

(a) Custodial bank accounts in which funds belonging to others may be deposited from time to time in the ordinary course of business should be designated "_____ Production Credit Association, for Itself and Others."

(b) Separate deposit accounts maintained for trust funds held by an association should be designated as "_____ _____ Production Credit Association (trustee) and _____ (trustor), Trust Funds," thus disclosing the nature of the account. In order to provide appropriate FDIC insurance coverage for "trust funds" it is necessary to so designate each trust account.

§ 640.326 Interest rates and other charges to borrowers.

In authorizing or approving interest rates and other charges to borrowers, pursuant to §§ 650.144 and 650.145 for Production Credit Associations, Part 650, due consideration should be given to the needs of the association for income necessary to enable it to operate soundly, provide appropriate service and build adequate reserves.

§ 640.326–1 Same; authorization of differential interest rates.

The bank is authorized to approve the making of loans by production credit associations to eligible borrowers at different rates of interest for different classes of loans. Such loans shall be made in accordance with a plan adopted by the association(s) with the approval of the bank and the Farm Credit Administration. The plan(s) shall include such criteria for defining the classes of loans to which the different interest rates are to apply, as may be prescribed or approved by the Farm Credit Administration.

§ 640.327 Valuation reserves.

The determination of necessary valuation reserves to be maintained by an association is the responsibility of its board of directors, provided that valuation reserves against loan assets (the reserve for bad debts) shall be determined in accordance with the association's bylaws and section 22(a) of the Farm Credit Act of 1933, as amended. The bank should counsel with the association concerning the reasonableness or adequacy of such reserves, and make such recommendations as may be deemed advisable. Valuation reserves, including the reserve for bad debts, shall not be treated as net worth of an association in statements of condition, determining ratios of loans to net worth, etc. In financial statements it is preferable that such reserves be shown as deductions from the related assets; however, with the approval of the bank the related assets may be shown on a net basis, or the reserves may be reported in the liability section (as distinguished from net worth).

§ 640.328 Taxes.

The preparation of tax returns is the responsibility of the associations. The bank should give such assistance, counsel and guidance as thought advisable for the best interest of an association and the production credit system. The bank should not assume functions normally expected to be performed by a tax accountant or consultant. In order to obtain maximum benefits throughout the system, there should be an appropriate exchange of information regarding major developments in the tax field, particularly those relating to Federal and State income taxes. In order to achieve this objective, matters of significance should be reported to the Farm Credit Administration.

§ 640.329–1 Dividends approvals.

Pursuant to § 650.211 of this chapter, all dividends on capital stock of production credit associations are subject to the approval of the bank and, under certain conditions, are subject to the further approval of the Farm Credit Administration.

§ 640.343–3 Same; association as agent or licensee.

A production credit association itself, as distinguished from its personnel, may act as agent for the insurance company (or companies) and be licensed by the State if such participation by the association is necessary or advisable to assist borrowers from the association in obtaining hail insurance on their crops.

§ 640.343–4 Same; "borrowers" defined.

As used in § 640.343 "borrowers" includes:

(a) Former borrowers who have continued to hold their capital stock in the association and may be expected to borrow from the association again, and

(b) Landlords of tenant borrowers from the association as to crops in which the association will have a security interest in connection with a loan to the tenant, provided the landlord also holds or acquires capital stock in the association.

§ 640.344 Comprehensive insurance.

Consistent with any applicable limitations in State law and under administrative policies approved by the bank, a production credit association may permit its officers and employees to assist association borrowers in obtaining comprehensive insurance on farm machinery and equipment purchased under point-of-purchase financing programs with dealers. Such insurance shall be optional with each borrower. Personnel of an association and dealers shall not receive any commissions, payments or other benefits, directly or indirectly, as a result of the program except to the extent that an officer or employee may be covered by comprehensive insurance as a bona fide borrower.

§ 640.344–1 Same; income to associations.

When permitted by State law associations are authorized to receive, as a partial or full recovery of costs when it is adequately justified to the satisfaction of the bank, a reimbursement not to exceed the equivalent of 15 cents per $100 of insurance for each full or fractional year that it is in force. The reimbursement may be received either at the "front end" or the end of the period, as may be allowed under State law.

§ 640.344–2 Same; licensing of association employees.

To the extent required under State law, an association employee may be authorized to obtain a license to write comprehensive insurance on behalf of one underwriter for association members only. All commissions or other payments shall be assigned or otherwise accrue to the benefit of the association.

§ 640.344–3 Same; association as agent or licensee.

A production credit association itself, as distinguished from its personnel, may act as agent for the insurance company and be licensed by the State if such participation by the association is necessary or advisable to assist borrowers from the association in obtaining comprehensive insurance.

§ 640.351 Business development and member relations; general.

The bank is responsible for assisting associations in devising and carrying out programs to keep members fully informed concerning the affairs of the association, and to acquaint other farmers and ranchers, and the public generally, of their credit services in order to promote the continued growth and development of the production credit system.

§ 640.361 Irregularities; personnel; general.

The Examination Division of the Farm Credit Administration will make an investigation of any case involving irregularities, including apparent criminal violations, by bank or association personnel, upon the request of proper officials or upon a determination by the Chief Examiner that an investigation of such case by Farm Credit examiners is necessary or advisable.

§ 640.362–1 Irregularity discovered by or reported to a representative of bank; notice to bank.

The bank's representative shall report any irregularity that comes to his attention to the appropriate officer of the bank and furnish such information as he has obtained or developed. The bank shall determine what further steps, if any, will be taken by its representative in the case.

§ 640.362–2 Same; notice to resident examiner and Farm Credit Administration.

The bank shall immediately notify the resident Farm Credit examiner and the Director of Production Credit Service, and furnish each of them with all available information concerning the matter.

§ 640.362–3 Same; notice to Chief Examiner.

The resident Farm Credit examiner will notify the Chief Examiner and provide him with the available facts in the case. The Chief Examiner, after consultation with the Director of Production Credit Service, will decide whether or not additional investigation is to be made by the Examination Divison or to recommend investigation by the Federal Bureau of Investigation and will advise the resident examiner.

§ 640.363 Irregularity discovered by or reported to Farm Credit examiner.

The Farm Credit examiner will report any irregularity which comes to his attention and furnish all available information to the resident Farm Credit examiner through normal supervisory channels. The resident examiner will notify the appropriate officer of the bank and the Chief Examiner who will inform the Director of Production Credit Service. The Chief Examiner will instruct the resident examiner or the Farm Credit examiner assigned to the case as to any additional investigation, and may instruct the resident examiner to notify the bank that the Examination Division recommends further investigation by the Federal Bureau of Investigation. Pertinent information developed by the Examination Division will be made available to the bank.

§ 640.364 Determination by bank attorney.

The district general counsel or designated attorney shall be responsible for reviewing the information received by the bank, including any information or other material made available by the Examination Division, to determine whether there is substantial evidence (as defined in section 97 of the General Administrative Manual for the Farm Credit Districts) of the violation of a Federal criminal statute. If the bank's attorney concludes that there is not such substantial evidence, he shall, if the Examination Division has recommended an investigation by the Federal Bureau of Investigation, or he may, if the Examination Division has not made such recommendation, discuss the need for such further investigation with the U.S. attorney for the judicial district in which the violation occurred. If the bank's attorney determines, after such consultation with the U.S. attorney as may be appropriate, that the matter is not to be referred to the U.S. attorney, he shall promptly furnish the General Counsel of the Farm Credit Administration with two copies of a written notice of such determination and the reason therefor. The notice shall include determinations made solely by the bank's attorney, determinations made by him after consultation with the U.S. attorney, and determinations not to prosecute, for whatever reason, made by the U.S. attorney. The General Counsel of the Farm Credit Administration will furnish one copy of such notice to the Department of Justice.

§ 640.365 Direct referral to U.S. attorney.

If the bank's attorney determines that there is substantial evidence of a violation of a Federal criminal statute, or if the U.S. attorney, after discussion with the bank's attorney decides that an additional investigation by the Federal Bureau of Investigation shall be undertaken, the bank's attorney shall refer the matter to the U.S. attorney for consideration of criminal action. To accomplish such referral, the bank's attorney shall furnish the U.S. attorney, in triplicate, with a report of the violation, including the criminal violation worksheet, pertinent statements and evidentiary documents, and information and reports of investigation received from the Examination Division. Two copies of the report and attachment referred to the U.S. attorney, except material received from the Examination Division, shall be forwarded by the bank's attorney to the General Counsel of the Farm Credit Administration.

§ 640.329–2 Same; payments from current earnings.

Dividends on class A and class B stock ordinarily should be paid only when current net earnings are available therefor. When a bank approves payment of a dividend where such net earnings are insufficient for that purpose it should advise the Farm Credit Administration of the circumstances which warranted the bank's approval. The class or classes of stock, amount of dividend, portion not covered by such current earnings, and the surplus (reserved surplus and allocated surplus) after dividends expressed as a percent of the association's maximum volume of loans outstanding during the immediately preceding 3 fiscal years, should also be reported.

§ 640.329–3 Same; Farm Credit Administration approval.

When, under § 650.211 of this chapter, a dividend on class B stock requires approval by the Farm Credit Administration the request shall be submitted in duplicate, one copy of which will be returned to the bank with FCA action endorsed thereon.

§ 640.330 Budgets.

Each association shall prepare a budget annually on forms prescribed by the bank. A copy of such budget shall be submitted to the bank for review and such recommendations as may be appropriate. A budget provides an important management tool for an association, as well as a supervisory instrument for the bank, and a source of information to the Farm Credit Administration. At the discretion of the bank, a schedule of salaries may be incorporated in the budget form and used as a means of approving compensation of association personnel. (See § 640.312.) One copy of the budget of each association shall be sent to the Farm Credit Administration.

§ 640.331 Contributions.

It is recognized that a production credit association is looked upon and accepted as an important part of the local business community in which it is located and is expected to make reasonable contributions to worthy causes. In making such contributions, the association's board of directors must make a determination that the association will reap a commensurate benefit. Board authorization or approval of each such contribution shall be recorded in the board minutes. Separate entry in the minutes is not necessary when "contributions", as distinguished from memberships, are authorized to be made from a lump sum item in the association's approved budget and are subsequently reported as expenditures. Approval by the board shall constitute a determination that there will be a commensurate benefit to the association.

§ 640.341 Insurance; general.

(a) Each association will maintain insurance coverage of the kinds and amounts necessary to protect it (and its employees where appropriate) against hazards involved in the conduct of its business. Policies relating to bankers blanket bonds, insurance on shipments of valuables by associations, and nonownership liability insurance for employees' automobiles used on official business are set forth in the General Administrative Manual.

(b) The bank will advise and assist associations in developing and may make arrangements for such other types of insurance as may be agreed upon between the bank and the associations. Contingent liability, workmen's compensation, and fringe benefits in the form of insurance as covered elsewhere in this Manual are illustrative of the types of coverage which might be included in such arrangements.

(c) At the request of the associations covered by any blanket policy the bank may, on their behalf, handle the payment of premiums, the allocation thereof to the participating associations, the presentation of claims, and other related matters on a basis agreed upon between the association and the bank.

§ 640.342 Credit life insurance.

Credit life insurance may be offered to members under administrative policies approved by the bank. Such insurance shall be optional with each borrower. Personnel of an association shall not receive any commissions, payments or other benefits, directly or indirectly, as a result of the program except to the extent that an officer or employee may be covered by credit life insurance as a bona fide borrower.

§ 640.342–1 Same; income to association.

An association may receive and retain income in the manner permitted to lenders and creditors generally under the State law applicable to credit life insurance, subject to the further limitations indicated herein. The income so received and retained by an association, however denominated, shall be subject to approval and periodic review by the bank. Income up to an amount equal to 25 percent of gross premiums may be received and retained at the time the insurance is written and additional income may be received and retained as the result of experience refunds. If for 3 consecutive years an association receives and retains a total amount for each of such years equal to more than half of the premiums paid for the year, whether received when the premiums are paid or by subsequent dividends or credits, the bank shall then initiate action to have the rate of such income reduced in order that the total amount received for future years will not exceed half of the premiums. If it wishes, the bank may take action to reduce the rate of such income prior to the end of such 3-year period. Any fees and charges in connection with credit life insurance that an association may collect directly from a borrower, separately from premiums, shall be included in applying the foregoing limitations.

§ 640.342–2 Same; licensing of association employees.

To the extent required under State law, an association employee may be authorized to obtain a license to write credit life insurance on behalf of one underwriter for association members only. All commissions or other payments shall be assigned or otherwise accrue to the benefit of the association.

§ 640.342–3 Same; association as agent or licensee.

A production credit association itself, as distinguished from its personnel, may act as agent for the insurance company and be licensed by the State if such participation by the association is necessary or advisable to assist borrowers from the association in obtaining credit life insurance.

§ 640.343 Hail insurance.

Consistent with any applicable limitations in the State law and under administrative policies approved by the bank, a production credit association may permit its officers or employees to assist borrowers from the association in obtaining hail insurance on their crops as hereinafter specified. Although in some instances approval of a loan by the association may be conditioned on the borrower obtaining hail insurance on his crops, in no event may the borrower be limited to obtaining the hail insurance only from or through such association personnel.

§ 640.343–1 Same; participation by association personnel.

In addition to providing clerical services, association personnel who are permitted to assist borrowers from the association in obtaining hail insurance on their crops, may act as agent for the insurance company (or companies) and be licensed by the State, if necessary or advisable, but only to obtain hail insurance for borrowers from the association. Such association personnel may not act for the insurance company in adjusting or settling a claim under such hail insurance, but may assist a borrower from the association in filing and supporting such a claim. No association officer or employee may retain for his own benefit, directly or indirectly, any commissions, fees, or other payments as a result of obtaining hail insurance for borrowers and any such income must be turned over to the association. However, an association officer or employee, who is a borrower from the association, may obtain hail insurance on his own crops on the same terms as any other borrower from the association.

§ 640.343–2 Same; association as beneficiary.

To the extent of the indebtedness of the borrower to the production credit association, the association shall be designated as the first beneficiary of such hail insurance.

§ 640.366 Direct report to FBI.

Where the circumstances of a case require an immediate report to the Federal Bureau of Investigation and do not permit reporting the case to the Farm Credit Administration for handling as provided in §§ 640.363–640.365, the following procedure is authorized: Where the association and the bank consider immediate action necessary, the bank's attorney may report the case directly to the local or regional office of the Federal Bureau of Investigation with a request for an immediate investigation. Such action shall be reported promptly in duplicate to the General Counsel of the Farm Credit Administration and to the U.S. attorney. The General Counsel will forward one copy of the report to the Department of Justice. It is expected that cases will not be referred directly to the Federal Bureau of Investigation except where the subject has disappeared or his disappearance is likely, or property in which the association has or might acquire an interest might be disposed of if action is delayed. Direct reference of such cases to field divisions of the Federal Bureau of Investigation was approved by the Director of that Bureau in a letter dated May 24, 1941.

§ 640.367 Reports to association board of directors.

The bank shall bring to the attention of the board of directors of an association concerned any irregularity found to exist, and shall keep it informed of all significant developments in order that the board may take such action as may be required to protect the association's interests.

§ 640.368 Notice to Federal land bank.

Where irregularities occur in a production credit association office which also handles transactions for a Federal land bank association, or where persons involved are jointly employed by a production credit association and a Federal land bank association, the bank shall promptly notify the Federal land bank of such irregularities so that it may determine whether its interests are affected.

§ 640.371 Criminal violations; borrowers and others.

Violations of Federal criminal statutes by borrowers from production credit associations in connection with their loans most commonly involve actions prohibited by 18 U.S.C. 658 and 18 U.S.C. 1014. Section 658 of the criminal code makes it unlawful for any person knowingly, and with intent to defraud, to conceal, remove, dispose of, convert to his own use or to that of another, property mortgaged, pledged to, or held by an association. Section 1014 of the criminal code makes it unlawful to knowingly make a false statement or report for the purpose of influencing the action of the association upon any application, advance, commitment, or loan or any change or extension of any such action by renewal, deferment of action, or otherwise, or acceptance, release, or substitution of security therefor.

§ 640.372 Substantial evidence; report to U.S. attorney.

Where there is substantial evidence (as defined in § 97 of the General Administrative Manual for the Farm Credit Districts) that a violation has been committed of any of the foregoing as well as other Federal criminal statutes, it is required that the matter be reported to the Department of Justice for consideration of prosecution. At no time after it appears to the association that a violation may have occurred shall any employee of the association threaten the borrower with criminal prosecution, whether in an effort to collect the indebtedness, recover property, or otherwise.

§ 640.373 Initial reports.

As soon as possible after it becomes known that there may be a violation of a Federal criminal statute, the association shall notify the appropriate officer of the bank who will notify the resident Farm Credit examiner for his information. Promptly after giving notification, the association shall ascertain the full details involved in the alleged violation and prepare a concise and specific report which will include each of the items listed in the criminal violations worksheet. This complete report shall be sent directly to the district general counsel or designated attorney with the association's recommendation regarding prosecution. It is the responsibility of the bank's attorney to review the material submitted, to request additional factual information necessary for him to make his determination as to whether there is substantial evidence of the violation of a Federal criminal statute or whether further investigation should be undertaken to produce additional factual evidence which may be needed in the prosecution. The bank's attorney may discuss the need for further investigation with the U.S. attorney for the judicial district in which the violation occurred who may determine that such investigation shall be undertaken by the Federal Bureau of Investigation. If the bank's attorney determines, after such consultation with the U.S. attorney as may be appropriate, that the matter is not to be referred to the U.S. attorney, he shall promptly furnish the General Counsel of the Farm Credit Administration with two copies of a written notice of such determination and the reasons therefor. The notice shall include determinations made solely by the bank's attorney, determinations made by him after consultation with the U.S. attorney, and determinations not to prosecute, for whatever reason, made by the U.S. attorney. The General Counsel will forward one copy of such notice to the Department of Justice.

§ 640.374 Direct referral to U.S. attorney.

If the bank's attorney determines that there is substantial evidence of a violation of a Federal criminal statute, or if the U.S. attorney, after discussion with the bank's attorney, decides that an additional investigation by the Federal Bureau of Investigation shall be undertaken, the bank's attorney shall promptly refer the matter to the U.S. attorney for consideration of criminal action. To accomplish such referral, the bank's attorney shall furnish the U.S. attorney, in triplicate, with a report based on the material received from the association, including the criminal violations worksheet, and all pertinent statements and other evidentiary documents. Two copies of all material referred to the U.S. attorney shall be forwarded to the General Counsel of the Farm Credit Administration who will transmit one copy to the Justice Department.

§ 640.375 Prosecution under State law.

Some actions which constitute violation of Federal criminal law may also constitute a violation of similar criminal statutes of the State. The policy of the Department of Justice is to determine whether or not there shall be a Federal criminal prosecution before a matter is referred to the prosecuting officials of the State or county for action under State criminal laws. Where a report has been made as required by § 640.373 and Federal criminal prosecution is declined, or where the U.S. attorney, after the discussion described in § 640.374, has authorized the bank or association to proceed under State criminal law, such action may be instituted and a report thereof in duplicate shall be submitted to the General Counsel of the Farm Credit Administration who will transmit one copy to the Department of Justice.

§ 640.376 Notice to local police and bonding company.

In case of burglary, robbery, holdup, or violations of other non-Federal criminal statutes, the association should immediately notify local police authorities as well as the bank. Mysterious disappearances of cash or other losses to be recovered under the bankers' blanket bond should be immediately reported to the bank, which will notify the resident Farm Credit examiner, and the procedure outlined in §§ 640.363–640.364 (including notifying the Farm Credit Administration and Chief Examiner) will be followed to the extent justified under the circumstances. Cash-short items which are determined to be properly charged to the cash-over-and-short account need not be reported to the Washington office. However, should the frequency and amount of such cash-short items or the circumstances involved indicate possible irregularity, the usual report should be made by the bank both to the resident examiner and to the Farm Credit Administration. (It is understood that each over-and-short item will be brought to the attention of the association board of directors at its next meeting.)

§ 640.377 Progress reports; final report.

Supplemental reports shall be furnished to the U.S. Attorney and the General Counsel of the Farm Credit Administration if any additional important

information becomes available to the association or bank. When a case is closed, a final report in duplicate shall be submitted by the bank's attorney advising the General Counsel of the Farm Credit Administration of its disposition. The General Counsel will inform the Chief Examiner and the Director of Production Credit Service, and will transmit a copy of the final report to the Department of Justice.

§ 640.381 Obsolete records; general.

Subject to the general limitations set forth in the General Administrative Manual for the Farm Credit Districts, §§ 68, 69, and 70, and the additional limitations in §§ 640.382 and 640.383 hereof, a production credit association may dispose of obsolete records under schedules adopted by its board of directors and approved by the Federal intermediate credit bank of the district. Automatic data processing records are treated in the same manner as other association records.

§ 640.382 Retention periods.

Retain indefinitely unless otherwise approved by FCA:

(a) Financial reports of the association (Form FCA 771 F&R) as of December 31 of each year, and as of the end of its fiscal year if that is a different date;

(b) Applications, notes, security instruments, financial statements, and any individual records pertaining to loans charged off, where the net loss exceeds $500, or such lesser amount as may be prescribed by the bank; except that, when recoveries have reduced the net to $500 (or such lesser amount as may have been prescribed by the bank), the records may be destroyed at the expiration of the period applicable to other loans;

(c) A list or lists of all obsolete records destroyed.

§ 640.383 Other provisions.

Microfilm copies may be retained in lieu of originals if the quality standards for the film meet those for Government records set forth in the General Services Administration Regulations, Subchapter B, Federal Property Management Regulations, Archives and Records, Subpart 101–11.5, and frequent use of a record is not anticipated, except that the original should be maintained until after at least one FCA examination. Before authorizing microfilm copies in lieu of originals, the bank should satisfy itself that the association will provide adequate film storage and protection. The district general counsel or other designated attorney should ascertain that microfilm copies are admissible as evidence in the courts of the State involved.

E. A. JAENKE,
Governor,
Farm Credit Administration.

[FR Doc.71–3960 Filed 3–23–71;8:46 am]

Title 20—EMPLOYEES' BENEFITS

Chapter III—Social Security Administration, Department of Health, Education, and Welfare

[Regs. No. 5, further amended]

PART 405—FEDERAL HEALTH INSURANCE FOR THE AGED (1965_____)

Subpart D—Principles of Reimbursement for Provider Costs and for Services by Hospital-Based Physicians

COMPENSATION OF OWNERS

On September 22, 1970, there was published in the FEDERAL REGISTER (35 F.R. 14730) a notice of proposed rule making with a proposed amendment of Subpart D, Regulations No. 5, relating to the allowance of compensation for services of owners of hospitals and other providers of services in computing allowable costs under the Hospital Insurance program. All comments submitted were considered and on the basis of the comments received, several minor changes have been made. The principal modification is an expansion of § 405.426(d)(2) to provide a definition of negotiable instrument. Although comment was received to the effect that the distinction in the proposed regulation between sole proprietorships and corporations was inappropriate, the regulation recognizes that employees owning stock in corporate providers do receive actual compensation for services rendered as distinguished from any distribution of profits received. It is appropriate that the allowance of compensation for the services of such individuals be determined on the basis of actual compensation payments received. On the other hand, owners of providers operated as sole proprietorships and partnerships generally do not receive compensation as such. Rather, the payments made are ordinarily considered for Federal income tax and other purposes to be a distribution of profits and/or capital. Consequently, the proposed amendment provides that the allowance of compensation for such individuals is not dependent upon the amount of actual payments made but rather on the basis of the value of services rendered.

With the aforementioned changes, the amendment is hereby adopted.

(Secs. 1102, 1814(b), 1861(v), 1871, 49 Stat. 647, as amended, 79 Stat. 296, 322, 331; 42 U.S.C. 1302, 1395 et seq.)

Effective date. The amendment as set forth below shall be effective upon publication in the FEDERAL REGISTER (3–24–71).

Dated: February 22, 1971.

ROBERT M. BALL,
Commissioner of Social Security.

Approved: March 17, 1971.

ELLIOT L. RICHARDSON,
Secretary of Health, Education, and Welfare.

Subpart D of Regulations No. 5 of the Social Security Administration (20 CFR 405.401 et seq.) is amended by adding paragraph (d) to § 405.426 to read as follows:

§ 405.426 Compensation of owners.

* * * * *

(d) *Payment requirements*—(1) *Sole proprietorships and partnerships.* The allowance of compensation for services of sole proprietors and partners is the amount determined to be the reasonable value of the services rendered (not to exceed the amount claimed for these services on the annual cost report submitted by the provided). Such allowance is an allowable cost regardless of whether there is any actual distribution of profits or other payments to the owner. The operating profit (or loss) of the provider does not affect the allowance of compensation for the owner's services.

(2) *Corporations.* To be includable in allowable costs, compensation for services rendered as an employee, officer, or director by a person owning stock in a corporate provider, must be paid (by cash, negotiable instrument, or in kind) during the cost reporting period in which the compensation is earned or within 75 days thereafter. If payment is not made during this time period, the unpaid compensation is not included in allowable costs, either in the period earned or in the period when actually paid. For this purpose, an instrument to be negotiable must be in writing and signed, must contain an unconditional promise or order to pay a certain sum of money on demand or at a fixed and determinable future time and must be payable to order or to bearer.

[FR Doc.71–3996 Filed 3–23–71;8:48 am]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

[Docket No. 71–531]

PART 76—HOG CHOLERA AND OTHER COMMUNICABLE SWINE DISEASES

Areas Quarantined

Pursuant to provisions of the Act of May 29, 1884, as amended, the Act of February 2, 1903, as amended, the Act of March 3, 1905, as amended, the Act of September 6, 1961, and the Act of July 2, 1962 (21 U.S.C. 111–113, 114g, 115, 117, 120, 121, 123–126, 134b, 134f), Part 76,

Title 9, Code of Federal Regulations, restricting the interstate movement of swine and certain products because of hog cholera and other communicable swine diseases, is hereby amended in the following respects:

1. In § 76.2, paragraph (e)(13) relating to the State of Texas is amended to read:

(13) *Texas.* (i) All of Bexar and El Paso Counties.

(ii) That portion of the State of Texas comprised of all of Bosque, Callahan, Collin, Comanche, Eastland, Erath, Hill, Hood, McLennan, Somervell, and Tarrant Counties and portions of Bell, Brown, Coleman, Corryell, Denton, Ellis, Falls, Freestone, Hamilton, Johnson, Limestone, Mills, Navarro, Palo Pinto, Parker, Shackelford, Stephens, Taylor, and Wise Counties, and bounded by a line beginning at the junction of U.S. Highway 287 and the Tarrant–Dallas County line; thence, following U.S. Highway 287 in a southeasterly direction to Interstate Highway 45 in Ellis County; thence, following Interstate Highway 45 in a southeasterly direction to State Highway 14 in Navarro County; thence, following State Highway 14 in a southerly direction to State Highway 7 in Limestone County; thence, following State Highway 7 in a generally southwesterly direction to thence, following State Highway 320 in a southwesterly direction to State Highway 53 in Bell County; thence, following State Highway 53 in a northwesterly direction to State Highway 36 in Bell County; thence, following State Highway 36 in a northwesterly direction to U.S. Highway 84 in Coryell County; thence, following U.S. Highway 84 in a generally northwesterly direction to State Highway 351 in Taylor County; thence, following State Highway 351 in a northeasterly direction to U.S. Highway 180 in Shackelford County; thence, following U.S. Highway 180 in an easterly direction to State Highway 67 in Stephens County; thence, following State Highway 67 in a northeasterly direction to Farm to Market Road 717 in Stephens County; thence, following Farm to Market Road 717 in a southeasterly direction to U.S. Highway 180 in Stephens County; thence, following U.S. Highway 180 in an easterly direction to Farm to Market Road 920 in Parker County; thence, following Farm to Market Road 920 in a northwesterly direction to Farm to Market Road 1885; thence, following Farm to Market Road 1885 in a northwesterly direction to the Parker-Palo Pinto County line; thence, following the Parker-Palo Pinto County line in a northerly direction to the Parker Palo Pinto-Jack County lines; thence, following the Parker-Jack County line in an easterly direction to Farm to Market Road 51 in Wise County; thence, following Farm to Market Road 51 in a northeasterly direction to U.S. Highway 81, 287 in Wise County; thence, following U.S. Highway 81, 287 in a southeasterly direction to Farm to Market Road 730; thence, following Farm to Market Road 730 in a southeasterly direction to the Wise-Parker-Tarrant County lines; thence, following the Wise-Tarrant County line in an easterly direction to the Tarrant-Denton County line; thence, following the Tarrant-Denton County line in an easterly direction to U.S. Highway 377; thence, following U.S. Highway 377 in a northeasterly direction to State Highway 24 in Denton County; thence, following State Highway 24 in an easterly direction to Farm to Market Road 720; thence, following Farm to Market Road 720 in a southeasterly direction to the Denton-Collin County line; thence, following the Denton-Collin County line in a northerly direction to the Denton-Collin-Grayson County lines; thence, following the Collin-Grayson County line in an easterly direction to the Collin-Grayson-Fannin County lines; thence, following the Collin-Fannin County line in a southerly and then easterly direction to the Collin-Fannin-Hunt County lines; thence, following the Collin-Hunt County line in a southerly direction to the Collin-Hunt-Rockwall County lines; thence, following the Collin-Rockwall County line in a westerly direction to the Dallas-Denton-Collin County lines; thence, following the Denton-Dallas County line in a westerly direction to the Denton-Dallas-Tarrant County lines; thence, following the Tarrant-Dallas County line in a southerly and then westerly direction to its junction with U.S. Highway 287.

2. In § 76.2, the reference to the State of Iowa in paragraph (f) is deleted and paragraph (g) is amended by adding thereto the name of the State of Iowa.

(Secs. 4–7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791–792, as amended, secs. 1–4, 32 Stat. 1264, 1265, as amended, sec. 1, 75 Stat. 481 secs. 3 and 11, 76 Stat. 130, 132; 21 U.S.C. 111–113, 114g, 115, 117, 120, 121, 123–126, 134b, 134f; 29 F.R. 16210, as amended)

Effective date. The foregoing amendments shall become effective upon issuance.

The amendments quarantine all of Collin County and portions of Stephens, Parker, and Hood Counties in Texas because of the existence of hog cholera. The restrictions pertaining to the interstate movement of swine and swine products from or through quarantined areas as contained in 9 CFR Part 76, as amended, will apply to the quarantined county and portions of such counties.

The amendments also exclude a portion of Freestone County, Tex. from the areas quarantined because of hog cholera. Therefore, the restrictions pertaining to the interstate movement of swine and swine products from or through quarantined areas as contained in 9 CFR Part 76, as amended, will not apply to the excluded area, but will continue to apply to the quarantined areas described in § 76.2(e). Further, the restrictions pertaining to the interstate movement of swine and swine products from nonquarantined areas contained in said Part 76 will apply to the area excluded from quarantine.

The amendments delete Iowa from the list of hog cholera eradication States in § 76.2(f), and the special provisions pertaining to the interstate movement of swine and swine products from or to such eradication States are no longer applicable to Iowa. The amendments add Iowa to the list of hog cholera free States in § 76.2(g), and the special provisions pertaining to the interstate movement of swine and swine products from or to such free States are applicable to Iowa.

Insofar as the amendments impose certain further restrictions necessary to prevent the interstate spread of hog cholera, they must be made effective immediately to accomplish their purpose in the public interest. Insofar as they relieve restrictions, they should be made effective promptly in order to be of maximum benefit to affected persons. It does not appear that public participation in this rule making proceeding would make additional relevant information available to this Department.

Accordingly, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the amendments are impracticable, unnecessary, 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 19th day of March 1971.

GEORGE W. IRVING, Jr.,
Administrator,
Agricultural Research Service.

[FR Doc.71-4014 Filed 3-23-71;8:49 am]

[Docket No. 71-532]

PART 76—HOG CHOLERA AND OTHER COMMUNICABLE SWINE DISEASES

Areas Quarantined

Pursuant to provisions of the Act of May 29, 1884, as amended, the Act of February 2, 1903, as amended, the Act of March 3, 1905, as amended, the Act of September 6, 1961, and the Act of July 2, 1962 (21 U.S.C. 111–113, 114g, 115, 117, 120, 121, 123–126, 134b, 134f), Part 76, Title 9, Code of Federal Regulations, restricting the interstate movement of swine and certain products because of hog cholera and other communicable swine diseases, is hereby amended in the following respects:

In § 76.2, the introductory portion of paragraph (e) is amended by adding the name of the State of Massachusetts and a new paragraph (e)(18) relating to the State of Massachusetts is added to read:

(18) *Massachusetts.* That portion of Bristol County comprised of Norton town.

(Secs. 4–7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791–792, as amended, secs. 1–4, 33 Stat. 1264, 1265, as amended, sec. 1, 75 Stat. 481, secs. 3 and 11, 76 Stat. 130, 132; 21 U.S.C. 111, 112, 113, 114g, 115, 117, 120, 121, 123–126, 134b, 134f; 29 F.R. 16210, as amended)

Effective date. The foregoing amendment shall become effective upon issuance.

The amendment quarantines a portion of Bristol County, Mass., because of the existence of hog cholera. This action is deemed necessary to prevent further

spread of the disease. The restrictions pertaining to the interstate movement of swine and swine products from or through quarantined areas as contained in 9 CFR Part 76, as amended, will apply to the quarantined portion of such county.

The amendment imposes certain further restrictions necessary to prevent the interstate spread of hog cholera and must be made effective immediately to accomplish its purpose in the public interest. Accordingly, under the administrative procedure provisions in 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 contrary to the public interest, and good cause is found for making it effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 19th day of March 1971.

GEORGE W. IRVING, Jr.,
Administrator,
Agricultural Research Service.

[FR Doc.71-4015 Filed 3-23-71;8:49 am]

[Docket No. 71-533]

PART 76—HOG CHOLERA AND OTHER COMMUNICABLE SWINE DISEASES

Areas Quarantined

Pursuant to provisions of the Act of May 29, 1884, as amended, the Act of February 2, 1903, as amended, the Act of March 3, 1905, as amended, the Act of September 6, 1961, and the Act of July 2, 1962 (21 U.S.C. 111-113, 114g, 115, 117, 120, 121, 123-126, 134b, 134f), Part 76, Title 9, Code of Federal Regulations, restricting the interstate movement of swine and certain products because of hog cholera and other communicable swine diseases, is hereby amended in the following respects:

In § 76.2, the introductory portion of paragraph (e) is amended by adding the name of the State of Arkansas; paragraph (f) is amended by deleting the name of the State of Arkansas; and a new paragraph (e)(19) relating to the State of Arkansas is added to read:

(19) *Arkansas.* That portion of Mississippi County bounded by line beginning at the junction of State Highway 18 and the Mississippi-Craighead County line; thence, following State Highway 18 in an easterly direction to State Highway 18B; thence, following State Highway 18B in a southerly direction to State Highway 18; thence, following State Highway 18 in a southeasterly direction to Little River; thence, following the west bank of the Little River in a generally southwesterly direction to State Highway 77; thence, following State Highway 77 in a northerly direction to State Highway 158; thence, following State Highway 158 in a westerly direction to the Mississippi-Craighead County line; thence, following the Mississippi-Craighead County line in a northerly direction to its junction with State Highway 18.

(Secs. 4-7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791-792, as amended, secs. 1-4, 33 Stat. 1264, 1265, as amended, sec. 1, 75 Stat. 481, secs. 3 and 11, 76 Stat. 130, 132; 21 U.S.C. 111, 112, 113, 114g, 115, 117, 120, 121, 123-126, 134b, 134f; 29 F.R. 16210, as amended)

Effective date. The foregoing amendment shall become effective upon issuance.

The amendment quarantines a portion of Mississippi County, Ark., because of the existence of hog cholera. This action is deemed necessary to prevent further spread of the disease. The restrictions pertaining to the interstate movement of swine and swine products from or through quarantined areas as contained in 9 CFR Part 76, as amended, will apply to the quarantined portion of such county.

The amendment also deletes Arkansas from the list of hog cholera eradication States in § 76.2(f), and the special provisions pertaining to the interstate movement of swine and swine products from or to such eradication States are no longer applicable to Arkansas.

Insofar as the amendment imposes certain further restrictions necessary to prevent the interstate spread of hog cholera, it must be made effective immediately to accomplish its purpose in the public interest. The amendment also relieves restrictions on shipments into Arkansas. Such restrictions are deemed unnecessary in view of the existence of hog cholera in that State. It does not appear that public participation in this rule making proceeding would make additional relevant information available to the Department.

Accordingly, under the administrative procedure provisions in 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 contrary to the public interest, and good cause is found for making it effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 19th day of March 1971.

GEORGE W. IRVING, JR.,
Administrator,
Agricultural Research Service.

[FR Doc.71-4016 Filed 3-23-71;8:49 am]

Title 49—TRANSPORTATION

Chapter V—National Highway Traffic Safety Administration, Department of Transportation

[Docket No. 69-23; Notice 2]

PART 571—FEDERAL MOTOR VEHICLE SAFETY STANDARDS

Seat Belt Assemblies in Passenger Cars, Multipurpose Passenger Vehicles, Trucks, and Buses

Correction

In F.R. Doc. 71-3257 appearing at page 4607 in the issue for Wednesday, March 10, 1971, the penultimate sentence of paragraph (d) in amendment VI should read, "The reciprocating device shall be operated for 2,500 cycles at a rate of 18 cycles per minute with a stroke length of 8 inches."

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket No. 9464; Amdts. Nos. 25-26, 27-5, 33-4]

PART 25—AIRWORTHINESS STANDARDS: TRANSPORT CATEGORY AIRPLANES

PART 27—AIRWORTHINESS STANDARDS: NORMAL CATEGORY ROTORCRAFT

PART 33—AIRWORTHINESS STANDARDS: AIRCRAFT ENGINES

Fire Detectors and Engine Power Response

The purpose of these amendments is to expand the design and installation requirements for fire detector devices in transport category airplanes, to require a fire detector system in normal category rotorcraft, and to establish more specific requirements concerning engine response to throttle control movement under various load conditions.

These amendments are based on Notice 69-7, issued March 8, 1969 (34 F.R. 5020). Numerous comments were received in response to Notice 69-7 and changes have been made in the proposal based thereon. These changes are discussed hereinafter.

One of the comments stated that fire detectors should be capable of monitoring the worst fire foreseeable and suggested that this language be incorporated into § 25.1203. The FAA does not consider that such a change is necessary. The regulations now require that fire detectors be installed in each designated fire zone and in the combustion, turbine, and tailpipe sections in sufficient numbers and locations to insure prompt detection of a fire. This regulation is not limited to any particular type of fire, but applies to all fires in the designated areas. It would, therefore, include the worst fire foreseeable. The commentator also requested that the regulation be changed to prevent the fire detectors from being rendered inoperative by a type of fire, such as blowtorching. The FAA is aware that there have been instances in which detectors were rendered inoperable due to blowtorching. However, this has occurred infrequently. Under this regulation, the detector system must still function in the event the sensor or wiring is severed at one point, unless there is a means to warn the crew of the severing, whether or not the severing results from "blowtorching". Moreover, if the system does become inoperative

due to a short circuit in the system, a means is required to alert the crew to this condition. The FAA, therefore, believes that the matters raised by the commentator are already adequately covered and that the suggested changes to the proposal are unnecessary.

One commentator suggested that fire detector systems should provide both visual and aural fire warning, contending that visual lights are ineffective in sunlight and that taller pilots are unable to see some warning lights from the normal sitting position. The commentator also urged that all transport category aircraft be required to have installed the newer and more reliable types of fire detection equipment as they become available, and observed that some aircraft presently in service do not provide fire extinguishing for certain combustion heaters which burn JP–1 fuel and are located in the tail compartment, inaccessible to the crew in flight. With respect to the first comment, the FAA does not believe it is necessary to require both visual and aural fire warning indicators. So long as the type of warning means selected by the manufacturer provides prompt and effective warning of fire to the crew, either visual or aural means may be used. If both visual and aural means are needed to provide effective fire warning, then both means would have to be used. Further evaluation of the proposal has revealed that the term "alert" as used in the proposed § 25.1203(b)(3) may cause some confusion. The intent of the requirement was to provide a warning for the crew and this term is consistently used throughout the regulations. Therefore, the regulation has been revised to require a means to warn the crew in the event that a short circuit occurs. With regard to the second comment, the FAA does not believe it is either necessary or feasible to require that the newer fire detection equipment be installed in the older transport category airplanes. In many instances the installation of the newer detection systems in the older airplanes would be extremely burdensome, if not impossible. Moreover, the FAA is not aware that fire detection systems on older aircraft are inadequate or that they need to be replaced with the newer equipment. In any event, if an unsafe condition were found involving the fire detector system of any airplane now in operation, appropriate action, including an airworthiness directive, would be taken to correct that condition. Regarding the commentator's observation concerning JP–1 combustion heaters, it should be noted that the current airworthiness regulations (§ 25.859) do not require fire protection for all combustion heaters. Section 25.859 requires that combustion heater fire protection must be provided for the region surrounding the heater only if this region contains any flammable fluid system components (excluding the heater fuel system) that could be damaged by heater malfunctioning or could allow flammable fluids or vapors to reach the heater in case of leakage, or if the heater fuel system has fittings that, if they leaked, would allow fuel or vapors to enter this region. Thus, in any region surrounding a heater where the conditions covered in the regulation do not exist, fire protection would not be required. This rule would apply to the situation referred to by the commentator. A change in the current requirements is not considered necessary in the interest of safety.

After further evaluation in the light of various comments received, the FAA has determined that the proposed requirement that a fire detector remain in an operable condition in the event it is severed at one point is unnecessarily restrictive. The FAA has determined that it is not necessary in the interest of safety to require that a fire detector system remain operable after it has been severed at one point or, for that matter, after a short circuit, if there is a means to warn the crew that the system has been severed or that there has been a short circuit. The proposal has, therefore, been changed to require that there be a means to warn the crew in the event that the fire detector system does not continue to function as a satisfactory detection system after the sensor or the associated wiring has been severed at one point or after there has been a short circuit in the sensor or associated wiring.

Another commentator observed that single spot detectors would not meet the proposed requirements since they do not remain operable if severed at any one point, and stated further that the regulation would dictate the use of dual loop detector systems. However, in view of the change to the proposal discussed in the preceding paragraph, single spot detectors could be used if the fire detection system provided the required warning to the crew.

One commentator suggested that the term "fire detector system" be defined to include the sensors, control means, indicating panel, and associated wiring. The commentator also suggested that § 25.1203(b)(1) be changed to refer to the severing of sensors and associated interconnecting means. However, the FAA's recent evaluation of fire detector systems failures has shown that only the fire detector sensors and associated wiring located in designated fire zones need to be protected from severing and that failures due to shorts are most likely to occur in designated fire zones. The proposal has, therefore, been revised to refer only to the "sensor or associated wiring within a designated fire zone".

The FAA has also determined on the basis of comments received, that the phrase "remain in an operable condition" does not accurately convey the intent of the proposal. Safety requires that the crew must be warned in the event that the fire detecting sensor or associated wiring in any designated fire zone is severed unless the system "continues to function as a satisfactory detection system." The proposal has been changed accordingly.

It was proposed to require a means to alert the pilot in the event of a short circuit in the detector system. However, after further consideration the FAA believes that it is not appropriate in the interest of safety to restrict the warning to the pilot and the regulation now provides for a means to warn the crew in the event of a short circuit.

Two of the comments pointed out that the proposal would require an alert in the event of a short circuit even though in a given case the short circuit might not impair the performance of the fire detector system. The FAA agrees that the proposal is not clear in that respect, and that it is not necessary in the interest of safety to require that the system provide an alert to the crew of any short circuit which does not render the detector system incapable of detecting a fire. The proposal has been changed accordingly.

Several comments objected to the proposed requirement that the fire detector be constructed or protected so that when it is in the configuration for installation it would withstand mechanical damage that might occur as a result of routine maintenance performed on the powerplant. The comments indicated difficulty with the scope of routine maintenance and with the requirement that the detector withstand mechanical damage. However, in view of the changes being made to the proposal permitting a warning to the crew in the event that a fire detector sensor or associated wiring is severed at one point, the FAA considers that the subject requirement is no longer necessary. Section 25.1203(g), as proposed in Notice 69–7, has been revised accordingly.

Some commenators contended that the present fire detector TSO (TSO–C11d) should be changed so that the required response time test will allow more than the presently prescribed 5 seconds for high alarm temperature sensors. One of the commentators also suggested that TSO–C11d allow for the effect of airframe structure on response time, and that a preflight check be required in order to verify the performance of the detector system if the system is not demonstrated to be unaffected by damage or age. With respect to the first comment, the FAA believes that the 5-second response time now permitted by TSO–C11d is the maximum that can be allowed consistent with safety. However, the TSO does provide for a higher initial temperature for high alarm temperature sensor tests, provided those sensors are used only in the corresponding high alarm temperature installation. Regarding the effect of airframe structure on detector response time, the TSO requirements pertain to the performance of the detectors separate from the many types of aircraft in which they may be installed. However, with respect to the commentator's suggestion, the FAA does not agree that the detector response time in the TSO should be increased to take into consideration the effect of airframe structure. Safety dictates that the TSO detector response time must be met with the detectors in

the installed configuration and the proposal is unchanged in this respect. In regard to the last comment, while § 25.1203 (d) presently requires that there must be a means to check the functioning of each fire detector circuit in flight, service experience has not indicated that there is a need to require a preflight check to verify performance of the detector system.

There was also a comment which recommended that the system remain in an operable condition or, in the alternative, that there be a means to warn the crew in the event of a break or short in a fire detector element. As previously pointed out, the proposal has been changed to provide for a crew warning unless the system continues to function as a satisfactory detection system after the severing or short circuit.

Upon further review of the proposed amendments to § 25.1203, and in view of some of the above comments, the arrangement of the section is being changed slightly in the interest of clarity. Therefore, that part of the proposed § 25.1203(g) requiring that fire detectors withstand vibration, inertia, and other loads is being incorporated into § 25.1203 (b), where it is logically associated with the requirements concerning severing and shorting of the fire detectors.

In regard to the proposed new § 27.1195, one comment was received which urged that the proposed regulation be omitted from the final amendment. The commentator contended that the lower rate of engine failures, including engine fires, for turbine engine powered rotorcraft as compared to the rate for reciprocating engine powered rotorcraft shows that there is no need for the proposed requirement for fire detectors. The commentator also stated that the provisions in Part 27 requiring that the flammable fluid line and fitting in any area subject to engine fire conditions must be located or shielded to prevent fluid leakage on surfaces hot enough to ignite the fluid, provide a level of safety equivalent to that provided by the present § 29.1203, which requires fire detectors in transport category rotorcraft. Further, the commentator questioned whether the greater fuel load of turbine engine powered rotorcraft was a valid factor in requiring fire detectors, and maintained that engine fires can be detected by the pilot via normal engine instruments. The FAA does not agree that the proposed § 27.1195 is unnecessary. The FAA is not aware that the rate of engine failures, including fires is lower for turbine engine powered rotorcraft and the commentator has submitted no data to substantiate this claim. In any event, the FAA does not agree that the present § 27.1183(a)(3) provides a level of safety equivalent to that provided by § 29.1203. Although § 27.1183(a)(3) does prescribe standards of safety for flammable fluid line and fitting leakage which are not now provided for Transport Category Rotorcraft, Part 29 is currently being amended in conjunction with other airworthiness parts and the FAA is updating the standards for flammable fluid lines, fittings, and other components. Further, the additional hot surface area of turbine engines poses a hazardous source for the ignition of leaking flammable fluids on turbine engine powered rotorcraft. It should be noted that § 27.1195 will apply only to turbine engine powered rotorcraft. The FAA does not agree that engine fires on Part 27 rotorcraft are detectable by the pilot through normal engine instruments and the commentator has submitted no data in support of this contention. Finally, the FAA notes that turbine engine powered rotorcraft have higher altitude performance capability than do reciprocating engine powered rotorcraft. The time required for an emergency descent and landing following an engine fire may thus be appreciably greater for turbine engine powered rotorcraft and could exceed the 5-minute period provided by § 27.861 for the protection of the rotorcraft structure, controls, rotor mechanism, and other essential parts in the event of powerplant fires. The immediate detection of turbine engine fires by means of a fire detector system is therefore required in the interest of safety.

A number of comments were received in regard to the proposed §§ 33.73 and 33.89. Two commentators questioned whether the maximum rated power or thrust specified in § 33.73 would include the augmented thrust resulting from afterburning. The intention of the proposal was that the takeoff power or thrust rating used in showing compliance with that section be a rating selected by the applicant for the certification of its engine. However, if the applicant elects to use augmented thrust in establishing the rated thrust of the engine for certification, the augmented thrust need not be used in showing compliance with § 33.73. The manufacturer will have the option of using either augmented thrust or unaugmented thrust in demonstrating compliance with § 33.73, and proposed § 33.73 (b) has been revised to make this clear. In addition, after further study it has been determined that the word "maximum" as used in the proposed § 33.73 is not necessary and may cause confusion. The definitions in Part 1 of the FAR's refer to "rated takeoff power" and "rated takeoff thrust", and in the interest of consistency, the phrases "maximum rated power or thrust" and "maximum rated takeoff power or thrust" in § 33.73 have been changed to "rated takeoff power" and "rated takeoff thrust".

Various changes to the wording of proposed § 33.73(b) were recommended to make provision for the differences in power management of the primary propulsion systems of fixed wing and rotary wing aircraft, and to improve compatability between Part 33 requirements and the landing climb requirements of Part 25. The FAA does not agree that the suggested changes are necessary. The language of proposed § 33.73(b) was selected to represent the minimum power setting to be used in the certification of all engines. Furthermore, § 33.73(b) is a design requirement for a specific engine thrust response capability without relation to the many power management systems that may be used. Insofar as compatibility of the new regulation with Part 25 is concerned, the FAA sees no conflict. Section 25.119 allows 8 seconds between the movement of the power lever from minimum flight idle to maximum takeoff position and demonstration of the required minimum climb gradient capability. The extra 3 seconds provided by § 25.119 over the 5 seconds provided by § 33.73(b) should be adequate to provide for any engine power losses due to engine installation, accessory loads, and air bleed. In any event, it is the airframe manufacturer's responsibility to select an engine having adequate thrust response characteristics to match the expected performance characteristics of the airplane and to comply with the regulations, including § 25.119. The intent of § 33.73(b) is to establish minimum engine thrust response characteristics, and not to deal with airplane performance requirements.

Several comments were received in response to the proposed § 33.89. One commentator suggested that § 33.89(c) be reworded to incorporate the more precise definition of idle power and the 5-second response time provided in § 33.73(b). The agency does not agree with the suggested change. Section 33.73(b) prescribes design requirements, whereas § 33.89 is concerned with operational test requirements. From the standpoint of engine operation, the precise idle power setting used to demonstrate design power or thrust response time is not appropriate, since the variables introduced during the operational test may cause the power or thrust produced by the engine when the power level is at the specified idle power setting to be somewhat different from the design idle power or thrust. Requiring this test to be run with prescribed power lever positions will result in more realistic test times. The commentator also suggested that a new paragraph (d) be added to include engine operation with variable geometry inlet and exhaust nozzles, and with thrust augmentation. However, this comment is beyond the scope of Notice 69-7 and will be considered in future revisions to Part 33. Another commentator suggested that the requirements of § 33.89(c) be deleted, except for paragraph (c)(1), and be transferred to Subpart E of Part 33 as design and construction standards since the test facilities necessary to make the determinations required under § 33.89 are not widely available. The FAA does not agree that the requirements of § 33.89 should be transferred to Subpart E. However, the FAA is aware that the necessary test facilities for power extraction may not be available, and analytical means could be used in lieu of the test prescribed for power extraction by § 33.89(c) (2) and (3). Therefore, a new paragraph (d) has been added to permit the use of analytical means for the tests prescribed by § 33.89(c) (2) and (3) for power ex- by § 33.89 (c) (2) and (3) for power extraction if necessary test facilities are not available.

Interested persons have been given an opportunity to participate in the making of these amendments. All relevant material submitted has been fully considered.

In consideration of the foregoing, Parts 25, 27, and 33 of the Federal Aviation Regulations are amended as follows, effective April 23, 1971:

1. Part 25 is amended by paragraph (b) and by adding a new paragraph (g) to § 25.1203 to read as follows:

§ 25.1203 Fire-detector system.

* * * * *

(b) Each fire detector system must be constructed and installed so that—

(1) It will withstand the vibration, inertia, and other loads to which it may be subjected in operation;

(2) There is a means to warn the crew in the event that the sensor or associated wiring within a designated fire zone is severed at one point, unless the system continues to function as a satisfactory detection system after the severing; and

(3) There is a means to warn the crew in the event of a short circuit in the sensor or associated wiring within a designated fire zone, unless the system continues to function as a satisfactory detection system after the short circuit.

* * * * *

(g) Each fire detector system must be constructed so that when it is in the configuration for installation it will not exceed the alarm activation time approved for the detectors using the response time criteria specified in the appropriate Technical Standard Order for the detector.

2. Part 27 is amended by adding a new § 27.1195 titled "Fire Detector Systems" following § 27.1194 to read as follows:

§ 27.1195 Fire detector systems.

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

3. Part 33 is amended as follows:

a. By amending § 33.73 to read as follows:

§ 33.73 Power or thrust response.

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

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

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

b. By amending § 33.89 to read as follows:

§ 33.89 Operation test.

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

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

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

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

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

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

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

(d) If testing facilities are not available, the determination of power extraction required in subparagraphs (2) and (3) of paragraph (c) of this section may be accomplished through appropriate analytical means.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421, 1423; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Washington, D.C., on March 16, 1971.

J. H. Shaffer,
Administrator.

[FR Doc.71-3983 Filed 3-23-71;8:47 am]

[Airspace Docket No. 70-SO-106]

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

Designation of Transition Area

On March 5, 1971, F.R. Doc. 71-3092 was published in the Federal Register (36 F.R. 4374), amending Part 71 of the Federal Aviation Regulations by designating the Louisville, Miss., transition area.

In the amendment, an extension was predicated on the 357° bearing from Louisville RBN. Subsequent to publication of the rule, it was determined that this bearing was in error and should have been published as "353°." Since this amendment is minor in nature, notice and public procedure hereon are unnecessary.

In consideration of the foregoing, effective immediately, F.R. Doc. 71-3092 is amended as follows: In line five of the Louisville, Miss., transition area description "* * * 357° * * *" is deleted and "* * * 353° * * *" is substituted therefor.

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

Issued in East Point, Ga., on March 11, 1971.

Gordon A. Williams, Jr.,
Acting Director, Southern Region.

[FR Doc.71-3984 Filed 3-23-71;8:47 am]

[Airspace Docket No. 71-WE-4]

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

Alteration of Transition Area

On February 4, 1971, a notice of proposed rule making was published in the Federal Register (36 F.R. 2404) stating that the Federal Aviation Administration was considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the description of the Battle Mountain, Nev., transition area.

Interested persons were given 30 days in which to submit written comments, suggestions, or objections. No objections have been received and the proposed amendment is hereby adopted without change.

Effective date. This amendment shall be effective 0901 G.m.t., May 27, 1971.

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

Issued in Los Angeles, Calif., on March 15, 1971.

Lee E. Warren,
Acting Director, Western Region.

In § 71.181 (36 F.R. 2140) the description of the Battle Mountain, Nev., transition area is amended to read as follows:

Battle Mountain, Nev.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Lander County Airport (latitude 40°36'03" N., longitude 116°52'25" W.) and within 5 miles each side of the Battle Mountain VORTAC 218° radial, extending from the VORTAC to 16 miles southwest of the VORTAC; that airspace extending upward from 1,200 feet above the surface within 5 miles southeast and 9.5 miles northwest of the Battle Mountain 218° radial, extending from the VORTAC to 23 miles southwest of the VORTAC, and within 6.5 miles south and 9 miles north of the Battle Mountain VORTAC 077° and 257° radials, extending from 8 miles west to 18.5 miles east of the VORTAC.

[FR Doc.71-3985 Filed 3-23-71;8:47 am]

[Airspace Docket No. 71-WE-14]

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

Revocation of Reporting Points

The purpose of these amendments to Part 71 of the Federal Aviation Regulations is to revoke several domestic low altitude reporting points.

There is no longer a need for the following compulsory low altitude reporting points: Barstow INT, Calif.; Bay Point INT, Calif.; Doby INT, Nev.; Hidden Hills INT, Calif.; Ilwaco INT, Wash.; and Stansbury INT, Utah. Accordingly, action is taken herein to revoke them.

Since these amendments are minor in nature and relieve a burden on the public, notice and public procedure thereon are unnecessary, and good cause exists for making these amendments effective on less than 30 days notice.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective upon publication in the FEDERAL REGISTER (3-24-71), as hereinafter set forth.

In § 71.203 (36 F.R. 2301) the following low altitude reporting points are revoked: Barstow INT, Bay Point INT, Doby INT, Hidden Hills INT, Ilwaco INT, and Stansbury INT.

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

Issued in Washington, D.C., on March 16, 1971.

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

[FR Doc.71-3986 Filed 3-23-71;8:47 am]

Title 7—AGRICULTURE

Chapter II—Food and Nutrition Service, Department of Agriculture

PART 215—SPECIAL MILK PROGRAM FOR CHILDREN

Appendix—Third Apportionment of Special Milk Program Funds, Pursuant to Child Nutrition Act of 1966, Fiscal Year 1970

Amendments of reapportionment for the State and total as listed below.

A third apportionment pursuant to section 3 of the Child Nutrition Act of 1966, Public Law 89-642, 80 Stat. 885-6 milk assistance funds available for fiscal year ending June 30, 1970, was published in the FEDERAL REGISTER on September 15, 1970 (35 F.R. 179). The third apportionment is amended for the State and total listed as follows:

State	Total apportionment	State agency	Withheld for private schools
New Mexico	$670,760	$398,240	$272,520
Total	101,607,317	95,170,418	6,436,899

(Secs. 2, 3, 6, 8-16, 80 Stat. 885-890, 42 U.S.C. 1771, 1772, 1775, 1777-1785)

Dated: March 18, 1971.

HOWARD P. DAVIS,
Acting Administrator.

[FR Doc.71-4017 Filed 3-23-71;8:50 am]

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

[Orange Reg. 67, Amdt. 7]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of Temple and Murcott Honey oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

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

Order. In § 905.529 (Orange Reg. 67; 35 F.R. 18741, 19245, 19246; 36 F.R. 1522, 2860, 3194, 3460, and 3884), the provisions of paragraph (a)(2) (v), (vi) and (viii) are amended to read as follows:

§ 905.529 Orange Regulation 67.

(a) * * *

(2) * * *

(v) Any Temple oranges, grown in the production area, which do not grade at least U.S. No. 2;

(vi) Any Temple oranges, grown in the production area, which are of a size smaller than 2 1/16 inches in diameter, except that a tolerance of 10 percent, by count, of Temple oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in said United States Standards for Florida Oranges and Tangelos;

* * * * *

(viii) Any Murcott Honey oranges, grown in the production area, which are of a size smaller than 2 1/16 inches in diameter, except that a tolerance of 10 percent, by count, of Murcott Honey oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in said United States Standards for Florida Oranges and Tangelos.

* * * * *

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

Dated, March 19, 1971, to become effective March 22, 1971.

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

[FR Doc.71-4018 Filed 3-23-71;8:50 am]

[Navel Orange Reg. 229, Amdt. 1]

PART 907—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 907, as amended (7 CFR Part 907, 35 F.R. 16359), regulating the handling of Navel oranges grown in Arizona and designated part of California, 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 Navel Orange 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 Navel oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

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

Order, as amended. The provisions in paragraph (b)(1) (i), and (ii) of § 907.529 (Navel Orange Regulation 229, 36 F.R. 4705) during the period March 12, through March 18, 1971, are hereby fixed as follows:

§ 907.529 Navel Orange Regulation 229.

* * * * *

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

(i) District 1: 923,000 cartons;

(ii) District 2: 377,000 cartons.

* * * * *

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

Dated: March 18, 1971.

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

[FR Doc.71-3964 Filed 3-23-71;8:46 am]

[Lemon Reg. 471, Amdt. 1]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

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

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

Order, as amended. The provisions in paragraph (b)(1) (i) and (ii) of § 910.771 (Lemon Regulation 471, 36 F.R. 4859) during the period March 14, through March 20, 1971, are hereby amended to read as follows:

§ 910.771 Lemon Regulation 471.

* * * * *

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

(i) District 1: 10,000 cartons;

(ii) District 2: 215,000 cartons.

* * * * *

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

Dated: March 18, 1971.

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

[FR Doc.71-3965 Filed 3-23-71;8:46 am]

[966.308 Amdt. 1]

PART 966—TOMATOES GROWN IN FLORIDA

Limitation of Shipments

Correction

In F.R. Doc. 71-3819 appearing on page 5285 in the issue of Friday, March 19, 1971, the fourth line of § 966.308(a)(3) should be transposed to appear following the second line of the subparagraph.

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

[T.D. 7103]

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

Accounting for Advanced Payments

On August 7, 1970, notice of proposed rule making with respect to promulgation of regulations which relate to accounting for advance payments for goods was published in the FEDERAL REGISTER (35 F.R. 12612). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the Income Tax Regulations (26 CFR Part 1) are amended as follows:

PARAGRAPH 1. There is inserted immediately after § 1.451–4 the following new section:

§ 1.451–5 Advance payments for goods and long-term contracts.

(a) *Advance payment defined.* (1) For purposes of this section, the term "advance payment" means any amount which is received in a taxable year by a taxpayer using an accrual method of accounting for purchases and sales or a long-term contract method of accounting (described in § 1.451–3), pursuant to, and to be applied against, an agreement:

(i) For the sale or other disposition in a future taxable year of goods held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or

(ii) For the building, installing, constructing or manufacturing by the taxpayer of items where the agreement is not completed within such taxable year.

(2) For purposes of subparagraph (1) of this paragraph:

(i) The term "agreement" includes (*a*) a gift certificate that can be redeemed for goods, and (*b*) an agreement which obligates a taxpayer to perform activities described in subparagraph (1) (i) or (ii) of this paragraph and which also contains an obligation to perform services that are to be performed as an integral part of such activities; and

(ii) Amounts due and payable are considered "received".

(3) If a taypayer (described in subparagraph (1) of this paragraph) receives an amount pursuant to, and to be applied against, an agreement that not only obligates the taxpayer to perform the activities described in subparagraph (1) (i) and (ii) of this paragraph, but also obligates the taxpayer to perform services that are not to be performed as an integral part of such activities, such amount will be treated as an "advance payment" (as defined in subparagraph (1) of this paragraph) only to the extent such amount is properly allocable to the obligation to perform the activities described in subparagraph (1) (i) and (ii) of this paragraph. The portion of the amount not so allocable will not be considered an "advance payment" to which this section applies. If, however, the amount not so allocable is less than 5 percent of the total contract price, such amount will be treated as so allocable except that such treatment can not result in delaying the time at which the taxpayer would otherwise accrue the amounts attributable to the activities described in subparagraph (1) (i) and (ii) of this paragraph.

(b) *Taxable year of inclusion.* Advance payments may be included in income:

(1) In the taxable year of receipt; or

(2) Except as provided in paragraph (c) of this section, in the taxable year in which properly accruable under the taxpayer's method of accounting if the method used is not at variance with the method used by the taxpayer for purposes of all reports (including consolidated financial statements) to shareholders, partners, other proprietors, beneficiaries, and for credit purposes.

For example, if a taxpayer in the business of selling goods normally would account for his sales under his accrual method of accounting when goods are shipped, the advance payments received with respect to such goods may be included in income in the taxable year of such shipment (except as provided in paragraph (c) of this section) if such treatment is not at variance with the method used by the taxpayer for purposes of all reports referred to in subparagraph (2) of this paragraph. See subdivision (ii) of § 1.466–1(c)(1).

(c) *Exception for inventoriable goods.* (1) (i) If a taxpayer receives an advance payment in a taxable year with respect to an agreement for the sale of goods properly includable in his inventory (or with respect to an agreement for the sale of good which are inventoriable but for the fact that the taxpayer is using

the completed contract method described in § 1.451–3), or with respect to an agreement (such as a gift certificate) which can be satisfied with goods or a type of goods that cannot be identified in such taxable year, and on the last day of such taxable year the taxpayer—

(*a*) Is using the method prescribed in paragraph (b)(2) of this section (other than the percentage of completion method described in § 1.451–3),

(*b*) Has received "substantial advance payments" (as defined in subparagraph (3) of this paragraph) with respect to such agreement, and

(*c*) Has on hand (or available to him in such year through his normal source of supply) goods of substantially similar kind and in sufficient quantity to satisfy the agreement in such year,

then all advance payments received with respect to such agreement by the last day of the second taxable year following the year in which such substantial advance payments are received, and not previously included in income in accordance with the taxpayer's accrual method of accounting, must be included in income in such second taxable year.

(ii) If advance payments are required to be included in income in a taxable year solely by reason of subdivision (i) of this subparagraph, the taxpayer must take into account in such taxable year the costs and expenditures included in inventory at the end of such year with respect to such goods (or substantially similar goods) on hand (or, in the case of a taxpayer using the completed contract method, the costs and expenditures incurred with respect to such goods which have not been deducted from gross income in prior years) or, if no such goods are on hand by the last day of such second taxable year, the estimated cost of goods necessary to satisfy the agreement.

(iii) Subdivision (ii) of this subparagraph does not apply if the goods or type of goods with respect to which the advance payment is received are not identifiable in the year the advance payments are required to be included in income by reason of subdivision (i) of this subparagraph (for example, where an amount is received for a gift certificate).

(2) If subparagraph (1)(i) of this paragraph is applicable to advance payments received with respect to an agreement, any advance payments received with respect to such agreement subsequent to such second taxable year must be included in gross income in the taxable year of receipt. To the extent estimated costs of goods are taken into account in a taxable year pursuant to subparagraph (1)(ii) of this paragraph, such costs may not again be taken into account in another year. In addition, any variances between the costs or estimated costs taken into account pursuant to subparagraph (1)(ii) of this paragraph and the costs actually incurred in fulfilling the taxpayer's obligations under the agreement must be taken into account as an adjustment to the cost of goods sold (or, in the case of a taxpayer using the completed contract method, as an item of income or deduction) in the year the taxpayer completes his obligations under such agreement.

(3) For purposes of subparagraph (1) of this paragraph, a taxpayer will be considered to have received "substantial advance payments" with respect to an agreement by the last day of a taxable year if the advance payments received with respect to such agreement during such taxable year plus the advance payments received prior to such taxable year pursuant to such agreement, equal or exceed the total costs and expenditures reasonably estimated as includible in inventory with respect to such agreement (or in the case of a taxpayer using the completed contract method, the total costs and expenditures reasonably estimated as necessary to satisfy such agreement). Advance payments received in a taxable year with respect to an agreement (such as a gift certificate) under which the goods or type of goods to be sold are not identifiable in such year shall be treated as "substantial advance payments" when received.

(4) The application of this paragraph is illustrated by the folowing example:

Example. In 1971, X, a calendar year accrual method taxpayer, enters into a contract for the sale of goods (properly includible in X's inventory) with a total contract price of $100. X estimates that his total inventoriable costs and expenditures for the goods will be $50. X receives the following advance payments with respect to the contract:

1971	$35
1972	20
1973	15
1974	10
1975	10
1976	10

The goods are delivered pursuant to the customer's request in 1977. X's closing inventory for 1972 of the type of goods involved in the contract is sufficient to satisfy the contract. Since advance payments received by the end of 1972 exceed the inventoriable costs X estimates that he will incur, such payments constitute "substantial advance payments". Accordingly, all payments received by the end of 1974, the end of the second taxable year following the taxable year during which "substantial advance payments" are received, are includible in gross income for 1974. Therefore, for taxable year 1974 X must include $80 in his gross income. X must include in his cost of goods sold for 1974 the cost of such goods (or similar goods) on hand or, if no such goods are on hand, the estimated inventoriable costs necessary to satisfy the contract. Since no further deferral is allowable for such contract, X must include in his gross income for the remaining years of the contract, the advance payment received each year. Any variance between estimated costs and the costs actually incurred in fulfilling the contract is to be taken into account in 1977, when the goods are delivered. See paragraph (c)(2) of this section.

(d) *Information schedule.* If a taxpayer uses the accounting method for advance payments prescribed in paragraph (b)(2) of this section, he must attach to his income tax return for each taxable year such method is used an annual information schedule reflecting the total amount of advance payments received in the taxable year, the total amount of advance payments received in prior taxable years which has not been included in gross income before the current taxable year, and the total amount of such payments received in prior taxable years which has been included in gross income for the current taxable year.

(e) *Adoption of method.* (1) For taxable years ending on or after December 31, 1969, and before January 1, 1971, a taxpayer (even if he has already filed an income tax return for a taxable year ending within such period) may secure the consent of the Commissioner to change his method of accounting for such year to the method prescribed in paragraph (b)(2) of this section in the manner prescribed in section 446 and the regulations thereunder, if an application to secure such consent is filed on Form 3115 within 180 days after March 23, 1971.

(2) A taxpayer who is already reporting his income in accordance with the method prescribed in paragraph (b)(2) of this section need not secure the consent of the Commissioner to continue to utilize this method. However, such a taxpayer for all taxable years ending after March 23, 1971, must comply with the requirements of paragraphs (b)(2) (including the financial reporting requirement) and (d) (relating to an annual information schedule) of this section.

(f) *Cessation of taxpayer's liability.* If a taxpayer has adopted the method prescribed in paragraph (b)(2) of this section, and if in a taxable year the taxpayer dies, ceases to exist in a transaction other than one to which section 381(a) applies, or his liability under the agreement otherwise ends, then so much of the advance payment as was not includible in his gross income in preceding taxable years shall be included in his gross income for such taxable year.

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

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

Approved: March 19, 1971.

JOHN S. NOLAN,
Acting Assistant Secretary of the Treasury.

[FR Doc.71-3969 Filed 3-23-71;8:46 am]

[T.D. 7102]

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

PART 301—PROCEDURE AND ADMINISTRATION

Computation of Tax by Internal Revenue Service

On December 30, 1970, notice of proposed rule making with respect to the amendment of the Income Tax Regulations (26 CFR Part 1) under sections

6013, 6014, and 6151 of the Internal Revenue Code of 1954, and the Regulations on Procedure and Administration (26 CFR Part 301) under sections 6014, 6211, and 6402 of such Code to conform to amendments made by sections 803(d)(1) and 942 of the Tax Reform Act of 1969 (83 Stat. 684, 726) was published in the FEDERAL REGISTER (35 F.R. 19755). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the amendment as proposed is hereby adopted. The amendment does not reflect the provisions of Public Law 91-679, 84 Stat. 2063 (January 12, 1971), relating to the liability of a spouse for tax with respect to a joint return.

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

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

Approved: March 18, 1971.

JOHN S. NOLAN,
Acting Assistant Secretary of the Treasury.

In order to conform to amendments made by sections 803(d)(1) and 942 of the Tax Reform Act of 1969 (83 Stat. 684, 726), the Income Tax Regulations (26 CFR Part 1) under sections 6013, 6014, and 6151 of the Internal Revenue Code of 1954, and the Regulations on Procedure and Administration (26 CFR Part 301) under sections 6014, 6211, and 6402 of such Code, are amended as follows:

PARAGRAPH 1. Paragraph (b) of § 1.6013-4 is amended to read as follows:

§ 1.6013-4 Applicable rules.

* * * * *

(b) *Computation of income, deductions, and tax.* If a joint return is made, the gross income and adjusted gross income of husband and wife on the joint return are computed in an aggregate amount and the deductions allowed and the taxable income are likewise computed on an aggregate basis. Deductions limited to a percentage of the adjusted gross income, such as the deduction for charitable, etc., contributions and gifts, under section 170, will be allowed with reference to such aggregate adjusted gross income. A similar rule is applied in the case of the limitation of section 1211(b) on the allowance of losses resulting from the sale or exchange of capital assets (see § 1.1211-1). Although there are two taxpayers on a joint return, there is only one taxable income. The tax on the joint return shall be computed on the aggregate income and the liability with respect to the tax shall be joint and several. For computation of tax in the case of a joint return, see § 1.2-1. For tax in the case of a joint return of husband and wife electing to pay the optional tax under section 3, see § 1.3-1. For the election not to show on a joint return the amount of tax due in connection therewith, see paragraph (c) of § 1.6014-1 and paragraph (d) of § 1.6014-2. For separate computations of the self-employment tax of each spouse on a joint return, see paragraph (b) of § 1.6017-1.

* * * * *

PAR. 2. Section 1.6014 is amended to read as follows:

§ 1.6014 Statutory provisions; income tax return—tax not computed by taxpayer.

SEC. 6014. *Income tax return—tax not computed by taxpayer*—(a) *Election by taxpayer.* An individual entitled to elect to pay the tax imposed by section 3 whose gross income is less than $10,000 and includes no income other than remuneration for services performed by him as an employee, dividends or interest, and whose gross income other than wages, as defined in section 3401(a), does not exceed $100, shall at his election not be required to show on the return the tax imposed by section 1. Such election shall be made by using the form prescribed for purposes of this section and shall constitute an election to pay the tax imposed by section 3. In such case the tax shall be computed by the Secretary or his delegate who shall mail to the taxpayer a notice stating the amount determined as payable. In determining the amount payable, the credit against such tax provided for by section 37 shall not be allowed.

(b) *Regulations.* The Secretary or his delegate shall prescribe regulations for carrying out this section, and such regulations may provide for the application of the rules of this section—

(1) To cases where the gross income includes items other than those enumerated by subsection (a),

(2) To cases where the gross income from sources other than wages on which the tax has been withheld at the source is more than $100,

(3) To cases where the gross income is $10,000 or more,

(4) To cases where the taxpayer is entitled to the credit provided by section 37 (relating to retirement income credit), or

(5) To cases where the taxpayer does not elect the standard deduction.

Such regulations shall provide for the application of this section in the case of husband and wife, including provisions determining when a joint return under this section may be permitted or required, whether the liability shall be joint and several, and whether one spouse may make return under this section and the other without regard to this section.

[Sec. 6014 as amended by secs. 201(d)(14) and 301(b)(2), Rev. Act 1964 (78 Stat. 32, 140); secs. 803(d)(1) and 942(a), Tax Reform Act 1969 (83 Stat. 684, 726)]

PAR. 3. Section 1.6014-1 is amended by revising the heading and adding a new paragraph (e) at the end thereof, to read as follows:

§ 1.6014-1 Tax not computed by taxpayer for taxable years beginning before January 1, 1970.

* * * * *

(e) This section shall apply to taxable years beginning before January 1, 1970.

PAR. 4. Immediately after § 1.6014-1 the following new section is added:

§ 1.6014-2 Tax not computed by taxpayer for taxable years beginning after December 31, 1969.

(a) *In general.* An individual subject to the tax imposed by section 1 of the Code may elect, for any taxable year beginning after December 31, 1969, not to show on his income tax return for such year the amount of tax due in connection with such return, if none of the restrictions in paragraph (b) of this section is applicable and his adjusted gross income for such year—

(1) Does not exceed $20,000, and

(2) Consists entirely of remuneration for personal services performed as an employee (including tips), dividends, interest, pensions, or annuities.

Such election shall be made in accordance with the instructions applicable to such income tax return.

(b) *Restrictions on making an election.* An election pursuant to this section shall not be made by an individual—

(1) Who does not make a valid election under section 144 to take the standard deduction (see section 142); or

(2) Who does not file his return (or amended return) making such election on or before the date prescribed in section 6072(a) for the filing of the original return (determined without regard to any extension of time).

(c) *Effects of election.* (1) A taxpayer who, in accordance with the provisions of this section, elects not to show the tax on his income tax return is not required to pay the unpaid balance of such tax at the time he files the return. In such case, the tax will be computed for the taxpayer by the Internal Revenue Service, and a notice will be mailed to the taxpayer stating the amount of tax due. Where it is determined that a refund of tax is due, the Internal Revenue Service will send such refund to the taxpayer. See paragraph (c) of § 301.6402-3 of this chapter (Regulations on Procedure and Administration). The computation of tax by the Internal Revenue Service shall be treated for purposes of this chapter as if made by the taxpayer, and such computation or the issuance of a notice or refund pursuant thereto shall not relieve the taxpayer of liability for any deficiency (although the deficiency is based upon an amount of tax different from that computed for the taxpayer by the Internal Revenue Service) or affect the rights of the Internal Revenue Service with respect to any subsequent audit or other review of the taxpayer's return.

(2) In the case of a taxpayer whose adjusted gross income is less than $10,000, an election under section 6014 also constitutes an election to pay the tax imposed by section 3.

(3) A taxpayer who makes an election under section 6014 shall not be precluded from claiming—

(i) Status as a head of household or a surviving spouse;

(ii) The credit under section 31 (relating to tax withheld on wages);

(iii) The credit under section 37 (relating to retirement income);

(iv) The credit under section 38 (relating to investment in certain depreciable property);

(v) The credit under section 39 (relating to certain uses of gasoline and lubricating oil); or

(vi) The credit under section 40 (relating to overpayments of tax).

(d) *Joint return.* (1) A husband and wife who file a joint return may elect not to show the tax on such return in accordance with the rules prescribed in paragraphs (a) and (b) of this section if their aggregate adjusted gross income does not exceed $20,000.

(2) The tax computed for a husband and wife who elect pursuant to this section not to show their tax on their joint income tax return shall be the lesser of the following amounts:

(i) A tax computed as though the return of income constituted a joint return, or

(ii) If sufficient information is provided for the taxable income of each spouse to be determined, a tax computed as though the return of income constituted the separate returns of the spouses.

(e) *Married individuals filing separate returns.* In the case of a married individual who files a separate return and who elects pursuant to this section not to show the tax thereon, his tax shall be computed on the basis of the percentage standard deduction rather than with regard to the low income allowance provided in section 141(c). The preceding sentence shall not apply if he attaches to such return a statement on which he declares that the tax of his spouse was not determined with regard to the percentage standard deduction.

(f) *Revocation of election.* An election pursuant to this section may be revoked on an amended return (whether such return is filed before or after the date prescribed in section 6072(a) for filing the original return).

PAR. 5. Paragraph (b) of § 1.6151–1 is amended to read as follows:

§ 1.6151–1 Time and place for paying tax shown on returns.

* * * * *

(b) *Returns on which tax is not shown.* If a taxpayer files a return and, in accordance with section 6014 and the regulations thereunder, elects not to show the tax on the return, the amount of tax determined to be due shall be paid within 30 days after the date of mailing to the taxpayer a notice stating the amount payable and making demand upon the taxpayer therefor. However, if the notice is mailed to the taxpayer more than 30 days before the due date of the return, payment of the tax shall not be required prior to such due date.

* * * * *

PAR. 6. Section 301.6014 is amended to read as follows:

§ 301.6014 Statutory provisions; income tax return—tax not computed by taxpayer.

SEC. 6014. *Income tax return—tax not computed by taxpayer*—(a) *Election by taxpayer.* An individual entitled to elect to pay the tax imposed by section 3 whose gross income is less than $10,000 and includes no income other than remuneration for services performed by him as an employee, dividends or interest, and whose gross income from other than wages, as defined in section 3401 (a), does not exceed $100, shall at his election not be required to show on the return the tax imposed by section 1. Such election shall be made by using the form prescribed for purposes of this section and shall constitute an election to pay the tax imposed by section 3. In such case the tax shall be computed by the Secretary or his delegate who shall mail to the taxpayer a notice stating the amount determined as payable. In determining the amount payable, the credit against such tax provided for by section 37 shall not be allowed.

(b) *Regulations.* The Secretary or his delegate shall prescribe regulations for carrying out this section, and such regulations may provide for the application of the rules of this section—

(1) To cases where the gross income includes items other than those enumerated by subsection (a),

(2) To cases where the gross income from sources other than wages on which the tax has been withheld at the source is more than $100,

(3) To cases where the gross income is $10,000 or more,

(4) To cases where the taxpayer is entitled to the credit provided by section 37 (relating to retirement income credit), or

(5) To cases where the taxpayer does not elect the standard deduction.

Such regulations shall provide for the application of this section in the case of husband and wife, including provisions determining when a joint return under this section may be permitted or required, whether the liability shall be joint and several, and whether one spouse may make return under this section and the other without regard to this section.

[Sec. 6014 as amended by secs. 201(d)(14) and 301(b)(2), Rev. Act 1964 (78 Stat. 32, 140); secs. 803(d)(1) and 942(a), Tax Reform Act 1969 (83 Stat. 684, 726)]

PAR. 7. Section 301.6014–1 is amended to read as follows:

§ 301.6014–1 Income tax return—tax not computed by taxpayer.

For provisions relating to the election not to show on an income tax return the amount of tax due in connection therewith, see §§ 1.6014–1 and 1.6014–2 of this chapter (Income Tax Regulations).

PAR. 8. Section 301.6211–1 is amended by revising paragraphs (a) and (c) thereof to read as follows:

§ 301.6211–1 Deficiency defined.

(a) In the case of the income tax imposed by subtitle A of the Code, the estate tax imposed by chapter 11, subtitle B of the Code, or the gift tax imposed by chapter 12, subtitle B of the Code, the term "deficiency" means the excess of the tax (income, estate, or gift tax, as the case may be) over the sum of the amount shown as such tax by the taxpayer upon his return and the amounts previously assessed (or collected without assessment) as a deficiency; but such sum shall first be reduced by the amount of rebates made. If no return is made, or if the return (except a return of income tax pursuant to sec. 6014) does not show any tax, for the purpose of the definition "the amount shown as the tax by the taxpayer upon his return" shall be considered as zero. Accordingly, in any such case, if no deficiencies with respect to the tax have been assessed, or collected without assessment, and no rebates with respect to the tax have been made, the deficiency is the amount of the tax imposed by subtitle A, chapter 11, or chapter 12. Additional tax shown on an "amended return", so-called, filed after the due date of the return, is a deficiency within the meaning of the Code.

* * * * *

(c) The computation by the Internal Revenue Service, pursuant to section 6014, of the income tax imposed by subtitle A shall be considered as having been made by the taxpayer and the tax so computed shall be considered as the tax shown by the taxpayer upon his return.

* * * * *

PAR. 9. Paragraph (c) of § 301.6402–3 is amended to read as follows:

§ 301.6402–3 Special rules applicable to income tax.

* * * * *

(c) The filing of a properly executed income tax return shall, in any case in which the taxpayer is not required to show his tax on such form (see section 6014 and the regulations thereunder), constitute an election by the taxpayer to have the return treated as a claim for refund, and such return shall constitute a claim for refund within the meaning of section 6402 and section 6511 for the amount of the overpayment shown by the computation of the tax made by the district director or the director of the regional service center on the basis of the return. For purposes of section 6511, such claim shall be considered as filed on the date on which such return is considered as filed, except that if the requirements of § 301.7502–1, relating to timely mailing treated as timely filing, are met the claim shall be considered to be filed on the date of the postmark stamped on the cover in which the return was mailed.

* * * * *

[FR Doc.71–3968 Filed 3–23–71;8:46 am]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 5A—Federal Supply Service, General Services Administration

PART 5A–73—FEDERAL SUPPLY SCHEDULE PROGRAM

Subpart 5A–73.1—Production and Maintenance

REQUIREMENTS IN EXCESS OF MAXIMUM ORDER LIMITATIONS

Clarification of instructions concerning addresses to which agencies shall direct requisitions for their requirements which exceed contract maximum order limitations.

Section 5A–73.113 is amended as follows:

§ 5A–73.113 Requirements in excess of maximum order limitations.

(a) *Federal Supply Schedule provisions.* (1) Whenever a Maximum Order Limitation provision is contained in a Federal Supply Schedule solicitation, the resultant Schedule shall include both the Maximum Order Limitation provision (see § 5A–73.112) and the applicable Requirements in Excess of Maximum Order Limitations provision as set forth in this subparagraph (1) and in subparagraph (2) of this paragraph. However, the following provision is not applicable to procurements of FSC Group 65, Part I, Sections A and B, Drugs and Pharmaceutical Products, and FSC Group 89, Part I, Subsistence; which are assigned to the Veterans Administration.

REQUIREMENTS IN EXCESS OF MAXIMUM ORDER LIMITATIONS

(a) Except as provided below, agencies included under (a) of the "Scope of Contract" provision, including the Department of Defense where the requirement falls within DOD–GSA Interagency Purchase Assignments, shall forward purchase requests for items included herein which exceed the applicable maximum order limitation *to the GSA regional office which serves the consignee.* Agencies included under (b) of the "Scope of Contract" provision may, at their option, forward such purchase requests to the GSA regional office which serves the consignee for purchase action.

(b) Whenever feasible, agencies should consolidate their requirements so as to take advantage of price savings available through separate procurement of quantities which exceed the maximum order limitation. Agencies which periodically consolidate requirements for one or more items included in this Schedule at an agency headquarters office (national, regional, State, bureau, etc.) and the total requirement exceeds the maximum order limitation, may either:

(1) Arrange for the office executing the Schedule to make a separate contract for use by the agency in placing delivery orders (direct order/expediting/payment by requiring agency), or

(2) Submit requisitions for the total requirement to the GSA regional office serving the agency headquarters office.

(2) The following provision shall be used in Schedules for FSC Group 58, Part V, Section A–EDP Tape, and FSC Group 75, Part VIII, Sections A and B, Tabulating Cards. (See FPMR 101–26.508–2 and 509–2.)

REQUIREMENTS IN EXCESS OF MAXIMUM ORDER LIMITATIONS

(a) Except as provided below, agencies included under (a) of the "Scope of Contract" provision, including the Department of Defense where the requirement falls within DOD–GSA Interagency Purchase Assignments, shall forward purchase requests for items included herein which exceed the applicable maximum order limitation to *General Services Administration, Federal Supply Service, Procurement Operations Division—FPN, Washington, DC 20406.* Agencies included under (b) of the "Scope of Contract" provision may, at their option, forward such purchase requests to the above office.

(b) Whenever feasible, agencies should consolidate their requirements so as to take advantage of price savings available through separate procurement of quantities which exceed the maximum order limitation. Agencies which periodically consolidate requirements for one or more items included in this Schedule at an agency headquarters office (national, regional, State, bureau, etc.) shall, when the total requirement exceeds the maximum order limitation, forward such purchase requests to the office referred to in (a), above.

(b) *Procurement procedure.* Requirements which exceed the maximum order limitation of Federal Supply Schedules (except the two Schedules identified in paragraph (a) of this section) shall be procured in accordance with this paragraph (b).

* * * * *

(Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c); 41 CFR 5–1.101(c))

Effective date. This regulation is effective 30 days after the date shown below.

Dated: March 9, 1971.

H. A. ABERSFELLER,
Commissioner,
Federal Supply Service.

[FR Doc.71–3951 Filed 3–23–71;8:45 am]

Chapter 9—Atomic Energy Commission

PART 9–1—GENERAL

Subpart 9–1.7—Small Business Concerns

PART 9–5—SPECIAL AND DIRECTED SOURCES OF SUPPLY

Subpart 9–5.10—Use of Excess Aluminum

MISCELLANEOUS AMENDMENTS

This revision of § 9–1.709, "Records and Reports," amends the semiannual small business reporting requirements to provide for including the number and dollar value of prime actions under construction set asides in reports made by AEC Field Offices.

1. In § 9–1.709, *Records and reports,* subparagraph (5) of paragraph (b) is revised to read as follows:

§ 9–1.709 Records and reports.

* * * * *

(b) * * *

(5) Number and dollar value of set-asides to small business. For field offices only, number and dollar value of prime construction set-asides shall be reported separately.

§ 9–5.1001 [Amended]

2. In § 9–5.1001, *Policy,* delete paragraph (c).

(Sec. 161, Atomic Energy Act of 1954, as amended, 68 Stat. 948, 42 U.S.C. 2201; sec. 205, Federal Property and Administrative Services Act of 1949, as amended, 63 Stat. 390, 40 U.S.C. 486)

Effective date. These amendments are effective upon publication in the FEDERAL REGISTER (3–24–71).

Dated at Germantown, Md., this 17th day of March 1971.

For the U.S. Atomic Energy Commission.

JOSEPH L. SMITH,
Director,
Division of Contracts.

[FR Doc.71–3978 Filed 3–23–71;8:47 am]

Chapter 12B—Coast Guard, Department of Transportation

[CGFR 71–19]

PART 12B–1—GENERAL

PART 12B–50—CONTRACTS GENERAL

Distribution of Contracts

Correction

In F.R. Doc. 71–3491 appearing on page 4754 in the issue for Friday, March 12, 1971, the reference to "Subpart 12–1.10" in the third line of the first paragraph should read "Subpart 12B–1.10".

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 18425; FCC 71–285]

PART 73—RADIO BROADCAST SERVICES

Remote Control of Television Broadcast Stations

First report and order. In the matter of amendment of Part 73, Subpart E of the Commission's rules and regulations governing television broadcast stations concerning the operation of VHF and UHF television broadcast stations by remote control, RM–1340.

1. This proceeding was initiated by a notice of proposed rule making on January 15, 1969, in response to a petition filed by the National Association of Broadcasters (NAB) on August 14, 1968, seeking rule amendments which would permit the operation of VHF television stations by remote control. In support of its petition, NAB submitted reports of the results of remote control operations conducted experimentally at WNEW–TV, New York, N.Y., KMBC–TV, Kansas City, Mo., and KTTV, Los Angeles, Calif., which it alleges demonstrates that VHF television stations can feasibly be operated by remote control in full compliance with the Commission's technical standards.[1]

[1] On March 29, 1967, the Commission adopted a Report and Order in Docket No. 16206 (FCC 67–409) denying a petition by NAB seeking rule amendments which would permit VHF television broadcast stations to be operated by remote control. The denial was based in part on a failure of NAB and other parties commenting in the proceeding to show that an operator stationed at a remote control point could exercise adequate technical surveillance over the distant transmitter. The Commission did not close the door to further consideration of this matter should a more convincing showing be submitted.

2. The notice proposed and invited comments on rule amendments which, if adopted, would sanction VHF remote control. The deadlines for the filing of comments and reply comments were set in the notice as March 28, 1969, and April 11, 1969. By subsequent orders, the final date for the submission of comments was extended until April 25, 1969, and reply comments until May 23, 1969.[2]

3. Eighty-five comments, reply comments, and further comments were filed. A list of the parties filing these pleadings is contained in Appendix A.[2a] All parties, save National Association of Broadcast Employees and Technicians (NABET) and International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of United States and Canada (IATSE),[3] unions which represent broadcast station operators, favored the objective of the proposed rules. Many accepted the rules uncritically, but many others took exception to one or more of the specific requirements of the rules, and suggested certain additions, deletions or changes. All pleadings have been fully considered in arriving at a decision in this proceeding.

4. NABET and IATSE hold the NAB has failed to demonstrate the manner in which the public interest will be directly served by the remote control of VHF television broadcast stations—there is no indication that transmissions will be of higher technical quality, or that increased profits resulting from lower operating costs will be funneled into the production of better programs. No urgent economic need for remote control has been claimed.

5. On the other hand, they say, removal of operators from the immediate supervision of the transmitter, particularly in instances where the transmitter location is not quickly accessible from the remote control point, cannot but detract from the reliability of transmitter operation. NABET questions the conclusiveness of the tests conducted for NAB in support of its petition, stating that they fail to reveal how long it would have taken to correct faults had an operator not been stationed at the transmitter, or the effects of adverse weather conditions, such as blizzards and electrical storms, on the ability of stations to continue operating by remote control. Data and comments are submitted in support of a thesis that many television transmitter sites are inaccessible for extensive periods of time, and that failures and malfunctions quite frequently occur even in the more reliable transmitting installations.

6. Finally, it is alleged that the Commission and the industry should be concerned with the depressing effect which actions aimed at the reduction in the requirements for operators at broadcast stations has on the potential pool of qualified radio operators, not only for the broadcasting industry, but as a source of skilled technicians in time of national emergency.

7. The shortage of qualified radio operators, which NABET says may be created by policies sanctioning remote control, in the opinion of many broadcasters commenting in this proceeding, now exists, has existed for some time, and is one of the principal reasons why authority to operate by remote control is sought.[4]

8. It is particularly difficult, say broadcasters, to attract and retain operators for service at transmitter sites which are not easily accessible, or are remote from populated areas. Moreover, the stationing of operators at the transmitter, where, for a good part of the time, they have little to do, is a waste of the talents of highly qualified technicians, which could be more usefully employed at the studio location in improving the technical quality of the station's programing, with a resulting benefit to the viewing public.

9. NAB states that there are numerous techniques which can be employed to increase the reliability of service, including the installation of duplicate facilities, standby units and auxiliary antennas, and that the inherent reliability of the newer transmitters is very high. It urges that licensees undertaking to operate by remote control, particularly those whose transmitters are in isolated or inaccessible locations, can be expected, in their own interest, to utilize transmitting apparatus designed to provide uninterrupted service over long periods. Storer and Taft have supplied data intended to demonstrate the degree of reliability which can be achieved by well-run stations.

10. It is also suggested that the upgrading of facilities required for successful remote control operation may, in some cases, result in improvements in an existing degree of reliability and better transmitter surveillance. One party points out that the use of remote control in certain instances can make possible increased on-the-air time, and cites circumstances where stations remain silent beyond the regular time for commencement of operation because adverse weather conditions delay the arrival of station operators at their transmitters.

11. We hold that to the extent remote control operation of stations makes possible the more efficient and economical use of the services of qualified technical personnel, which broadcasters almost unanimously contend is scarce, the overall operation of such stations may be enhanced, and the public interest thereby served.

12. The interposition of the remote control circuits between the operator and the transmitter inevitably presents an additional element in the transmitting system which may malfunction, and it is axiomatic that a transmitter fault may not be as quickly corrected as it otherwise might be if it occurs while an operator is not stationed at the transmitter. At remote and inaccessible locations, NAB suggests that we can expect licensees to install transmitting apparatus designed for extreme reliability, and capable of continued operation despite major equipment malfunctions. While we believe that the employment of such apparatus is necessary to insure satisfactory remote control operation of isolated transmitters, we do not believe we should rely entirely on the broadcaster voluntarily installing such apparatus, and in some circumstances we wou'd require that this be done, as later discussed.

13. We will now consider the comments made on specific rules, and the amendments which we are adopting in the light of these comments.

14. Understandably, it is station licensees with transmitter sites in isolated or inaccessible locations who are the more enthusiastic supporters of the proposition that remote control of VHF television stations should be authorized. However, such licensees, with considerable degree of unanimity, are in the forefront of a number of those parties who oppose adoption of paragraphs (c) and (e) of proposed § 73.676, as presently written.

15. The portion of paragraph (c) to which exception is taken, reads as follows:

> * * * and any fault or failure which results in loss of essential control or any essential telemetry function, will cause the television transmitter to cease radiating signals from the antenna.

Paragraph (e) reads, in pertinent part:

> The remote control equipment shall be calibrated and tested and the television broadcast transmitter shall be inspected as often as is necessary to insure proper operation and in any event at least five days each week * * *

16. It is the consensus of those criticizing paragraph (c) that the loss of telemetry should not be the occasion for immediate automatic transmitter shut down. (There are one or two suggestions that this should not occur, even when the control function is lost.) Rather, it is suggested that a period of time be afforded (the suggested periods range from 30 minutes to 2 hours, with most parties

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[2] Subsequently, on February 9, 1970, the Commission released an order affording an opportunity for further comments on a report, filed in the instant Docket, of tests conducted at KTTV, Los Angeles, Calif., late in 1969. These tests were designed to explore the feasibility of multiplexing the aural subcarrier for the purpose of providing telemetry signals to a remote control point. EIA and NAB filed timely comments.

[2a] Appendix A filed as part of the original document.

[3] IATSE's "statement" was filed on May 7, 1969, and, of course, is late. However, as representative of a group whose interests, it is alleged, will be adversely affected by affirmative action in this proceeding, its position will be considered herein.

[4] One reason given by some of those commenting for this shortage is the greater opportunities offered for technically trained persons in the manufacturing and defense industries. If this is the case, such persons obviously are as much a part of a pool of skilled technicians, available in a national emergency, as if they were in the ranks of the radio operators.

favoring 1 hour) in which to reestablish telemetry (or control), or to effect direct monitoring and control of the transmitter. NAB suggests that the requirement for automatic shut down be deleted entirely. It is urged that implementation of the proposed requirement will result in unnecessary loss in service to the public, and that the hazard of improper operation is not great during the suggested interim period if the transmitter has been functioning normally up to the time of the remote circuit malfunction. Moreover, they point out, the operator at the remote control point is not left entirely without means for transmitter surveillance. The proposed rules require the maintenance of apparatus at the remote control point for monitoring the wave form of the visual signal, a function whose performance requires the interception of the signal radiated by the transmitter. The operator thus has a depiction, independent of the remote control system, of the general performance of the transmitter, including an approximate indication of relative visual transmitter power.[5]

17. Finally, it is argued that the rules governing remote control of standard and FM broadcast stations, and the rules now applying to remote control of UHF television stations do not require automatic transmitter shut down upon the loss of telemetry (although they do require the licensee to revert to direct operation under such circumstances) and there is no persuasive reason to impose different requirements in the present case.[6]

18. We will leave undisturbed the requirement that a loss of transmitter control will automatically result in the removal of the transmitter from the air. This is a basic requirement in the remote control rules for each of the broadcast services. We think it essential that the transmitter be under full control at all times that it is on the air, both to minimize the possibility that degraded service and interference to other stations may develop and continue unchecked, and to fully comply with the statutory requirement that a broadcasting station be under the continuous control of a licensed operator.

19. As pointed out in comments, there are no rules in the other broadcasting services requiring that loss of telemetry result in cessation of transmitter operation. However, our experience in these services has demonstrated that without the threat of complete loss of service there have been too many occasions on which station licensees have tolerated partial or complete loss of the telemetry function over extensive periods of time without taking corrective action or instituting manual control of their transmitters. We believe that such laxity, inexcusable in any case, is particularly dangerous in the television broadcasting service, and we are reluctant to adopt rules which might encourage it.

20. On the other hand, we are persuaded that if adequate off-the-air monitoring facilities are maintained at the remote control point, immediate cessation of operation need not occur with a loss of telemetry over the regular circuits between the transmitter and the remote control point, and a reasonable amount of time should be afforded in which to restore the telemetry circuit to proper operation, or to effect manual control of the transmitter. We consider 1 hour to be sufficient for this purpose in most cases, and are unwilling to grant the much longer periods which might be sought in instances where transmitters are distant and not easily accessible from their remote control points. Off-the-air monitoring facilities in every case will be required. These must include, as a minimum, a visual wave form monitor, a picture monitor (which, as a practical matter, must be fed an off-the-air signal in nearly every case), a loudspeaker, and an aural modulation monitor, with necessary auxiliary apparatus. Where any portion of a station's transmissions are in color a color picture monitor also will be required, as well as a vectorscope or other instrument capable of depicting the instantaneous phase and amplitude relationships of color test signals.

21. To the calibration, testing, and inspection requirements of proposed § 73.676(c) which, in effect, would make mandatory the presence of an operator at the transmitter site on portions of at least five of every seven days, the majority of those filing comments raised no objection. However, many parties do object, including several licensees of UHF stations, which would become subject to the requirement for the first time (the present rule specifies only a weekly transmitter visit). Not only are such frequent transmitter inspections unnecessary to maintain reliable and efficient operation, they hold, but the burdens imposed would be so great, in some instances, as to negate any advantages gained through the institution of remote control. As might be expected, the most vigorous opposition comes from those licensees whose transmitter sites, located in many instances on mountain tops, are least accessible. For example, Frontier Broadcasting Co. estimates a travel time of 3½ hours from the base to the top of Elk Mountain, the proposed transmitter site for KVRW–TV, Rawlings, Wyo. The Post Co., licensee of KIFI–TV, Idaho Falls, states that its transmitter is at the top of a 6,000-foot mountain, and for 6 months of the year the access road is blocked by heavy snow. Operators man the transmitter on 7 day shifts. "A bulldozer is kept on the mountain top. After a snowfall, the road is plowed and the bulldozer then driven back to the mountain top * * *. The bulldozer must be kept at the mountain top because it can only plow going down the mountain side."

22. Admittedly, in such circumstances, a 5-days-per-week inspection schedule may be undertaken only with considerable hardship. However, it should be observed that to the extent a transmitter site is inaccessible for daily inspection it is equally inaccessible for the correction of any transmitter malfunctions which may occur. The inspection schedule which we adopt is intended to minimize the likelihood of gross malfunctions by permitting early detection of faults while they are still incipient. Thus, the cases where frequent inspections are difficult are those in which it would seem most desirable to minimize the possibility of partial or total failures, which, because of transmitter inaccessibility, are not susceptible to easy or early correction.

23. On consideration of this whole problem, we have decided to adhere to our original proposal for 5-days-per-week inspection and calibration. However, the rules which we adopt will permit the institution of a 1-day-per-week schedule if a licensee has taken specific measures to insure continuity of service in the event of main transmitter malfunctioning by the installation of such additional facilities as may be necessary to insure continued operation with output power at least 20 percent of the authorized transmitter power. These facilities can be brought into operation either automatically, or by manual switching from the remote control point.

24. We proposed to permit multiplexing of the aural carrier for the transmission of telemetry signals from the television transmitter to its remote control location. The rules applying to such operation were set forth in a proposed new subparagraph (22) to paragraph (a) of § 73.682.[7] Among the conditions specified was one limiting multiplexing to the use of a single subcarrier. Comments were invited, however, on the need of more than one subcarrier for remote control operation, and the feasibility of employing more than one subcarrier without degradation of the broadcast service.

25. The six parties who responded to this invitation were all of the opinion that more than one subcarrier should be permitted. NBC suggested, also, that an ability to multiplex the visual carrier would contribute to reliable operation by permitting continued telemetry in the event of aural carrier loss.

26. These opinions are completely unsupported by facts or data. We have, at this point, no description of the circumstances in which more than one aural subcarrier would be required, or any demonstration of the feasibility of employing multiple subcarriers without adverse effect on the aural or visual signals.

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[5] If frequency and aural modulation monitors are located at the remote control point and activated by off-the-air signals, the operator has further information, independent of the remote control circuits, on other important aspects of transmitter performance.

[6] Mosely points out that where the telemetry is multiplexed on the aural carrier, some delay in the actuation of the fail-safe mechanism is necessary. Otherwise, when the transmitter is shut down the fail-safe interlock prevents immediate restarting of the transmitter.

[7] These provisions are included in subparagraph (23) in the rules which we adopt. Subparagraph (22) now includes the provisions applying to electronic program identification.

Therefore, we will adhere to the single subcarrier limitation set forth in the proposed rules. Similarly, NBC's suggestion that visual carrier multiplexing be permitted remains just that, and without technical support does not merit serious consideration at this stage of the instant proceeding.

27. The last aspect of the rules which engendered widespread comment and opposition is found in proposed § 73.676, which stipulates that, prior to the issuance of a remote control authorization to a VHF television station, the station must engage, for a period of 6 months, in simulated remote control operation, with its licensed operators stationed at its transmitter. The purpose of such operation is to demonstrate that the station can function reliably, and remote control can be effectively maintained.

28. Ten parties hold that such a "shake down" period is unnecessary, or is too long. Others accept it with obvious reluctance, and some skepticism, as a necessary price to pay for a remote control authorization, and suggest that the requirement may be subsequently relaxed after experience is gained with VHF remote control. Those who consider the shake down period excessively long generally suggest 2 or 3 months as an adequate period for such operation. Cullum and King Broadcasting Co. point out that we have furnished no guidelines as to what level of demonstrated performance will be considered acceptable. Consequently, a licensee who has invested a substantial sum in the installation of a remote control system faces the hazard that, at the end of the shake down period, it may be denied an authorization for regular operation of this system for failure to meet standards of which he had no foreknowledge.

29. Questions were raised as to various aspects of the procedures specified in proposed § 73.676(a) for operation during the shake down period. However, in the light of the action we take in this matter it is unnecessary to consider these questions.

30. On full consideration of the comments, and a review of our previous position in this matter, we have decided not to require a period of simulated remote control operation prior to the issuance of an authorization for remote control operation.

31. We make this decision, not because we believe that extensive prior testing is not desirable to insure reliable and effective operation by remote control, but in recognition of the fact that the stakes in television are so high, and the economic consequences of frequent and extended outages are so great that a licensee, in its own best interest, cannot be content with a system of questionable reliability. Thus, we would expect that the licensee would not request a remote control authorization without having fully satisfied himself that such operation may be effectively conducted.

32. Presumably, a report of the results of a 6 months period of simulated operation, such as we proposed to require, would not be submitted to the Commission unless, in the licensee's opinion, it fully demonstrated the feasibility of remote control operation of its station. Even then, as pointed out in the comments, a licensee would face the hazard that the criteria employed by the Commission in evaluating the report might be more stringent than the licensee's. Nevertheless, we find it impractical to attempt to formulate specific standards of performance to be used in such an evaluation. Thus, we conclude that a mandatory period of simulated operation would not substantially enhance the possibility that remote control operations by VHF stations will be more efficient and reliable, and its imposition may impose unnecessary burdens on station licensees and on the Commission. We will therefore not require it.

Miscellaneous matters. 33. WSAU–TV and WKBH Television, Inc., both suggest that the rules permit the employment of TV cameras to take meter readings and to pan the transmitter room for security purposes. WKBH further suggests that the microwave link or coaxial cable which must be used to relay the camera information to a remote control point could also be used to supply waveform samples from various test points in the transmitter.

34. The rules we adopt do not specifically preclude the adoption of any accurate and reliable method of obtaining information on the essential functions of the transmitter for display at the remote control point. However, if a system such as proposed by these parties is to be used, information transmittal must be by coaxial cable. Subpart F of Part 74 of the rules, governing television auxiliary broadcast stations, does not permit the use of a microwave link for this purpose, and we are unwilling to amend the rules to permit such use. Most of the essential telemetry information can be transmitted by other methods with a necessary bandwidth of a few hundred cycles/second. The transmitter video waveform can be observed off-the-air, and aural modulation in the same way. However, the employment of a radio channel with a bandwidth of 3 Mc/s or more, to transmit information which can be accommodated satisfactorily in a far narrower channel, can only be considered as an unjustifiably inefficient use of the radio spectrum.[8]

35. Group W requests that the proposed subparagraph (2) of § 73.677(a) be modified to permit instrument indications which do not "show the position of the decimal point" providing that appropriate information as to its location is provided at the operating position or on an automatically printed log. It also requests it be made clear that automatic logging may be employed.

36. Kear and Kennedy notes that the condition of antenna tower lighting is usually observed at a remote control point on an instrument whose indication is proportional to the current flow through the obstruction lamps—the failure of one or more lamps being reflected in a lower than normal reading. The absolute value of the indication has no significance. Accordingly, it is urged that the requirement of § 73.676(a)(2) that indicating instruments at the remote control point be direct reading should not apply to the tower light condition indicator.

37. We have modified § 73.676(a)(2) to incorporate the substance of the changes suggested by Group W and Kear and Kennedy. Kear and Kennedy also suggest that during the period the remote telemetering circuits are being switched to read other parameters, or adjustments are being made, it may be impossible to "continuously" monitor the percentage of modulation of the aural signal pursuant to § 73.676(a)(5)) and that this requirement be modified to recognize that hiatuses in modulation observation may occur.

38. As we indicated in paragraph 20, above, we are requiring that the aural modulation monitor be located at the remote control point, to be activated by an off-the-air signal from the transmitter. With the monitor so located, the operator will have available for observation not only the peak flasher (whose indications are not normally transmitted over conventional telemetry circuits) but the carrier level meter, which can be used as an approximate indication of the relative power level of the aural transmitter, should a temporary failure of the regular telemetry circuit occur. Since its indications are available regardless of the condition and use of the regular telemetry circuit a means for continuously monitoring the percentage of modulation of the aural signal is provided, as the rule requires.

39. Cullum is of the opinion that the requirement for the logging at 30-minute intervals of indications from which the input and output power of the transmitter may be determined is unnecessary and out-dated. The average television transmitter has little capability for operation at levels above its rated power, and the rules permit operation below this level for limited periods, where necessary, without specific authority. On the other hand, he states, we do not require the logging of parameters of far more importance to proper television operation, such as the setting of black, white, and synchronizing pulse levels.

40. Walt W. Bundy, Jr., suggests that we establish by rule the specific parameters which must be controlled and monitored at the remote point. He believes that, besides visual and aural power and sync level, blanking, video, chroma and audio level should be subject to control at the remote point. He states such control should be exercised

[8] A licensee may desire to include in his telemetry system facilities for providing warnings of fire or illegal entry at the transmitter site, even though such facilities are not required. While television surveillance may be an effective way of providing such protection, other less elegant methods not requiring wide band radio transmissions are available. Heat and smoke sensors and entry alarms can provide remote indications over conventional circuits utilizing far less bandwidth than would television transmission.

at the transmitter, even where it is feasible to apply it at the input of the program circuits, since such circuits may have insufficient amplitude range to provide for the compensation necessary without distortion or degradation of the signal-to-noise ratio.

41. The mandatory logging requirements for remotely controlled television transmitters are no different than those which apply to directly controlled transmitters. The burden of complying with these requirements should not appreciably increase because a station operates by remote control. Accordingly, the question of whether these requirements should be modified is a general one, and, without passing on the merits of Cullum's position, we find it is not appropriate for consideration in this proceeding. This is also our view concerning a proposal by Bundy that the requirement for daily frequency checks be eliminated.

42. In the proposed rules we have required that the remote control system include "A sufficient number of control circuits to perform all transmitter adjustments normally required to insure strict compliance with the technical requirements of the rules." We think that it is quite clear that we are concerned not only with adjustments necessary to insure that the station does not cause undue interference to other stations, but those required to maintain the quality of the visual and aural service provided by the station. Since the rules we adopt, subject to stated conditions, could permit a licensee to visit his transmitter as infrequently as once a week, we believe it essential that there be at the remote control point facilities for making any transmitter adjustments normally required before or during each day's operation.

43. The Journal Co. (WTMJ–TV), states that its master control room is about 100 feet from its transmitter building, and the most feasible and reliable way to effect remote control is to employ a separate cable circuit for each control and metering function. It states that if "telemetering" were required in all cases, it "would be compelled to install complicated encoding and decoding equipment", which seems unnecessary in its case. The rules we are adopting offer considerable flexibility in the means by which control and supervision is established at the remote point. In any event, "telemetering" involves only the measuring of a quantity at some point distant from the place the quantity is sampled. Switching, encoding, and decoding and other operations in telemetry systems are employed principally because the distance between the transmitter and remote control point is so great, in the usual case, as to make infeasible or uneconomical the use of a separate circuit or channel for each control function or quantity measured. Where this is not the case, a system using separate circuits may offer the maximum of simplicity and reliability. Our rules are not intended to preclude such systems.[9]

44. Cullum suggests that certain licensees may wish to have the capability for remote control operation, to be exercised perhaps only when there is a shortage of operators because of illness or vacations. An authorization for remote control operations therefore should not require the holder to operate in this manner at all times—rather, he should be free to choose the periods of operation during which either remote or direct control is utilized.

45. With respect to remote control operation in the other broadcast services the Commission has taken the position that an authorization therefor does not impose an obligation, but, rather, confers a privilege, to be exercised to the extent a holder sees fit. We see no reason why television remote control authorizations should be viewed in any different light. Accordingly, no specific rule is required to afford the flexibility which Cullum seeks.

46. We believe that a licensee operating by remote control, where all technical facilities are not under direct supervision, has a particular obligation to insure that the visual and aural signals delivered to its audience are of high quality; especially is this true for transmissions in color. The rules dealing with the installation and use of equipment to be employed for off-the-air monitoring of the transmitted signal require that this equipment be capable of accurate indications. For such monitoring, the received signal must be amplified, and in the case of the visual signal, demodulated before being fed to the waveform monitor and vectorscope. Unless these functions are performed adequately, serious errors in indication may result. Accordingly, we expect extreme care will be used in the design and operation of the necessary equipment, and, where manufactured amplifiers and demodulators are installed, only state-of-the-art apparatus will be used. We are also requiring calibration of the remote waveform monitor at at least weekly intervals, and the maintenance of equipment at the remote control point capable of generating suitable test signals for this purpose, as well as for other tests necessary to ascertain that the entire transmission system (studio equipment, STL, transmitter and antenna) is capable of performance in full accordance with the Commission's rules.

[9] Earlier in this document, we have stated that certain monitoring facilities utilizing an off-the-air signal pickup must be installed. Where, as in this other-than-usual case, the transmitter and remote control point are very closely located, it may not be feasible to obtain the signal in this manner. To take care of this situation, the pertinent rules permit, as an alternative to off-the-air pickup, the signal to be brought to the monitoring facilities by a coaxial link coupled to the antenna circuit.

47. The rules set forth below require that test signals be transmitted in the vertical interval during periods of program transmission, and that visual monitoring facilities be provided for the observation of these signals. It is well recognized that the transmission of test signals of suitable characteristics simultaneously with program material offers an effective and practical means by which transmission deficiencies which adversely affect picture quality may be identified and localized. We think the employment of such signals will be particularly beneficial in remotely controlled station operation, and we have therefore decided to require their use.

48. For a number of years vertical interval test (VIT) signals have been transmitted with network programs primarily for use in maintaining the performance of network lines. At the present time, an industry committee is investigating the feasibility of employing a special vertical interval reference (VIR) signal which would accompany each color program from its point of origination and provide a ready means by which certain significant distortions occurring at any point in the transmission system can be detected and corrected.

49. Where the VIT signals are available at a station their transmission and observation with the off-the-air monitoring facilities may provide a useful check on station performance. However, such signals suffer some degradation in traversing even well maintained lines, and they cannot be used for the detection of deficiencies produced by station equipment unless allowance is made for the condition of the signals when they are taken from the network lines. Furthermore, the VIT signals may not be, in all cases, those most useful in determining the performance of the station itself.

50. Accordingly, we have concluded that the vertical interval test signals regularly employed by each station should be generated at the station. We believe, however, that for the maximum benefit to be derived from such signals, our rules should provide some guidance as to their characteristics. We do not now have sufficient information on which to base rules which would prescribe the specific nature of the test signals. Therefore, a note has been added to § 73.676(f) of the rules set forth below, which requires the employment of locally generated signals, to suspend the applicability of this requirement until the specifications of these signals can be decided. In a separate action, taken today, we are issuing a further notice of proposed rule making in this proceeding, designed to elicit information and data on which the formulation of appropriate rules may be based.

51. It should be noted that the rules which we hereby adopt and which we believe embody the minimum requirements which are necessary to insure adequately supervised and reliable remote

control operation, apply to both VHF and UHF television broadcast stations. In a number of respects, the new rules impose requirements beyond those now set forth in § 73.676 for remote control of UHF stations, and it is to be expected that certain UHF stations now operating by remote control may fail to fully comply with the new rules. Equitable considerations require that noncomplying existing operations be granted a period of time in which to achieve compliance. Accordingly, UHF stations now operating by remote control will be afforded a period of 1 year from the effective date of these rules to file modified applications for remote control, supplying the information necessary to demonstrate compliance with the amended rules

52. The rules governing the remote control of television broadcasting stations formulated in the light of the comments received, and as discussed herein, are set forth in Appendix B below.[10]

53. *Accordingly, it is ordered,* Effective April 30, 1971, that Part 73 of the rules and regulations is amended in accordance with Appendix B.

54. Authority for the adoption of these rule amendments is found in sections 4(i) and 303(r) of the Communications Act of 1934, as amended.

55. *It is further ordered,* That this proceeding be kept open for the receipt of comments and reply comments on matters presented in the Further Notice of Proposed Rule Making, adopted March 17, 1971.

(Secs. 4, 303, 48 Stat., as amended, 1066, 1082; 47 U.S.C. 154, 303)

Adopted: March 17, 1971.

Released: March 22, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[11]

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

APPENDIX B

1. Section 73.676 is revised to read as follows:

§ 73.676 Remote control operation.

(a) Television broadcast stations authorized to operate by remote control shall provide, as a minimum, the following telemetry, control, and test functions at the control point:

(1) Means for turning the transmitter on and off at will.

(2) Suitable instruments for indicating the operating parameters which are required by § 73.671 to be entered in the operating log. The indicating instruments shall show the actual values of such parameters, or decimal multiples of those parameters with no less accuracy than that specified in § 73.688 for the indicating instruments employed at the transmitter. Any decimal multipliers applicable must be set forth in a tabulation posted at the operating position if manual logging is employed; on an automatically printed log the tabulation must be imprinted at least once for each calendar day. These requirements do not apply to instruments which show the values of operating parameters (e.g., grid drive, plate current and voltage of intermediate stages) which the rules do not require be logged, and instruments that indicate the condition of obstruction lighting.

(3) A sufficient number of control circuits to perform all transmitter adjustments normally required on a daily basis to insure strict compliance with the technical requirements of the rules.

(4) Apparatus designed to use the signal radiated from the antenna, or fed from the antenna circuit by a coaxial link, and suitable for continuously and accurately monitoring the waveform and other characteristics of the transmitted visual signal including the percentage of modulation of the signal (a vectorscope or other instrument designed to depict the instantaneous phase and amplitude relationships of color components shall be provided, if any portion of the transmissions are in color). The apparatus shall be capable of providing both full field displays, and displays of test signals inserted on selected lines in the vertical blanking interval (See § 73.682 (a)(22)); appropriate switching shall be provided so that either mode of presentation can be selected by the operator.

(5) A type approved aural modulation monitor, equipped, where necessary, with a properly designed signal frequency amplifier, which utilizes the signal radiated from the antenna, or obtained from the antenna circuit by a coaxial link, and is capable of continuously and accurately indicating the peak and quasi-peak percentages of modulation of the aural signal.

(6) Suitable instruments for generating special signals for the testing and adjustment of the entire transmission system from studio to antenna and the calibration of monitoring equipment, in accordance with paragraphs (f) and (g) of this section.

(7) Means for determining that any required obstruction lighting of the antenna and supporting tower is functioning properly.

(8) All stations, whether operating by remote control or direct control, shall be so equipped as to be able to follow the Emergency Action Notification procedures described in § 73.932.

(b) The control point shall be under the immediate supervision and control of one or more operators meeting the requirements of § 73.661 at all times when the station is operating by remote control. Such operators may perform other tasks which do not require absence from the remote control position, and do not otherwise impair necessary supervision of the TV transmitter.

(c) The control circuits from the control point to the transmitter and the return telemetry circuit shall be so designed and installed that open circuits, short circuits, accidental grounding or other line faults, where wire lines are used, or equipment failures, casual signals or random noise impulses, if other means are used, will not activate the transmitter. Any fault or failure which results in loss of control must cause the transmitter to cease operation. The loss of any telemetry function which provides information necessary to comply with the logging requirements of § 73.671 shall result in the actuation of automatic circuitry which, not more than 1 hour from the time of telemetry failure, will terminate operation of the transmitter.

(d) The equipment at the control point and at the transmitter shall be so installed and protected as not to be accessible to or capable of being operated by persons other than those duly authorized to do so by the licensee.

(e) The waveform monitor at the remote control point shall be calibrated against a waveform monitor maintained at the transmitter during each inspection required by paragraph (g) of this section. Any calibration data found necessary to permit accurate interpretation of the indications of the remote monitor shall be posted at the remote control point in a position adjacent to the monitor.

(f) Suitable test signals generated at the remote control point shall be transmitted in the vertical interval pursuant to § 73.682(a)(21). These signals shall be received and observed at the remote control point for the purpose of verifying that the entire system is so adjusted and operated that the visual modulation envelope meets the requirements of the Commission's rules.

NOTE: The characteristics of locally generated test signals, and the manner of their use vis-a-vis such signals as accompany programs which are not locally originated, have not been determined. Until such time as a decision is made in this matter, stations authorized to operate by remote control will not be required to insert locally generated signals in the vertical interval.

(g) The remote control and monitoring equipment shall be calibrated and tested and the television broadcast transmitter shall be inspected as often as is necessary to insure operation in accordance with the rules in this Subpart E; in any event at least 5 days each week, with an interval of not less than 12 hours elapsing between successive inspections, provided, however, that the required calibration, testing and inspection may be made at successive times no longer than 1 week apart if the station is equipped with such additional transmitting and/or switching facilities as may be necessary to insure that malfunctioning of the main visual or aural transmitters shall not preclude continued operation at a transmitter power output level of not less than 20 percent of the

[10] Section 73.677(a) of the new rules requires all applications for authority to operate television broadcast stations by remote control be filed on FCC Form 301-A. This form is presently being revised for that purpose.

[11] Commissioner Johnson concurring in the result.

authorized output power of the malfunctioning transmitter. The facilities required for such continued operation shall be activated automatically by the malfunctioning of the main transmitter, or manually from the remote control point.

(h) Upon completion of the calibration, testing, and inspection required by paragraphs (e) and (g) of this section, the inspecting operator shall enter a signed statement in the maintenance log that the required tests and inspection have been made, noting in detail the tests, adjustments, and repairs which were made to insure proper operation, and shall specify the amount of time, exclusive of travel time to and from the transmitter, which was devoted to this task. If complete repair could not be effected, the statement shall set forth in detail the items of equipment concerned, the nature of the defect and the reasons for failure to make the needed repairs.

NOTE: Television broadcast stations on Channels 14–70 authorized to operate by remote control prior to April 30, 1971, and not meeting all of the requirements of this section, are afforded a period of 1 year in which to achieve full compliance. On or before April 30, 1972, all such stations shall file new remote control applications on FCC Form 301–A, supplying all information required by § 73.677, and upon a grant thereof operate in accordance with the requirements of this section.

2. New § 73.677 is added to read as follows:

§ 73.677 Remote control authorization.

(a) An application to operate a television broadcasting station by remote control, to add a remote control point, or to change the location of a remote control point shall be made on FCC Form 301–A. The application shall include the following information:

(1) The location of the control point, the reason for its choice if at other than the main studio, and the approximate airline distance from the control point to the television broadcast transmitter site.

(2) The number and purpose of the control and telemetry functions that will be provided at the control point.

(3) The method by which control functions will be transmitted to the television transmitter.

(4) The method by which telemetry data required by the rules will be transmitted from the television transmitter to the control point.

(5) A description of the fail-safe features of the remote control system which will insure that loss of either required control or telemetry will place the television transmitter in a nonradiating condition, pursuant to § 73.676(c).

(6) Measures taken to prevent tampering with or activation of transmitting and remote control equipment by unauthorized persons.

(7) A description of all apparatus maintained for off-the-air monitoring, with particular attention to features intended to insure that the demodulated visual signal is free from noise, interference, or from distortion introduced at the receiving point.

(8) A description of apparatus which will be maintained at the control point for the generation and reception of test signals, and of the apparatus employed for their insertion in and extraction from the vertical blanking interval.

(9) A description of any features of the transmitting plant intended to insure continuity of operation in the event of malfunctioning or failure of the main transmitter, and of the automatic or remote control switching arrangements to be utilized in connection therewith.

(10) A description of means employed or procedures which will be followed to make the daily frequency check required by § 73.690(c).

(11) The method of determining, at the control point, that tower obstruction lighting is functioning properly.

(12) A description of the facilities maintained at the control point to permit compliance with the Emergency Action Notification Procedures of § 73.932.

3. Section 73.681 is amended by adding the following definition in proper alphabetical order:

§ 73.681 Definitions.

* * * * *

Multiplex Transmission (Aural). A subchannel added to the regular aural carrier of a television broadcast station by means of frequency modulated subcarriers.

* * * * *

4. Section 73.682(a) is amended by adding the following new subparagraph:

§ 73.682 Transmission standards and changes.

(a) *Transmission standards.* * * *

(23) Multiplexing of the aural carrier may be employed for the purpose of transmitting telemetry and alerting signals from the transmitter site to the control point of a television broadcast station authorized to operate by remote control, subject to the following conditions:

(i) No observable degradation shall be caused to either the visual or aural signals.

(ii) The use of multiplexing shall not produce emissions outside the authorized television channel.

(iii) Multiplexing is limited to the use of a single subcarrier.

(iv) The maximum modulation of the aural carrier by the subcarrier shall not exceed 10 percent of the maximum permissible degree of modulation.

(v) The total modulation of the aural carrier, including that caused by the subcarrier, shall comply with the requirements of § 73.687(b)(7).

(vi) The transmitter output noise level (frequency modulation) resulting from frequency modulation of the main carrier by the subcarrier and other sources shall, in the frequency range 50 to 15,000 cycles be at least 60 decibels below the level corresponding to 100 percent modulation of the main carrier.

(vii) The instantaneous frequency of the subcarrier used to modulate the aural carrier shall fall within the range 20 to 50 kc./s.

* * * * *

[FR Doc.71–3999 Filed 3–23–71;8:48 am]

[Docket No. 18307]

PART 83—STATIONS ON SHIPBOARD IN THE MARITIME SERVICES

Acceptability of Transmitters for Licensing

In the matter of amendment of Parts 2, 81, and 83 to establish a schedule of dates, technical standards, frequencies and other requirements for the use of single sideband radiotelephony on frequencies below 4000 kc/s in the Maritime Services, and to make other incidental rule changes, except in Alaska and the Great Lakes, Docket No. 18307, RM–1286.

Section 83.139 of Part 83 of the rules was amended by the Third Report and Order in Docket No. 18271, released December 22, 1969, the First Report and Order in Docket No. 18307, released June 16, 1970, and by the Report and Order in Docket No. 18577, released November 9, 1970. During the processing of these changes one of the provisions of § 83.139 was inadvertently omitted. To include the omitted paragraph, paragraphs (c), (d), and (e) of that section have been redesignated. Section 83.139 is corrected to read as set forth below.

Released: March 17, 1971.

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

Part 83, Stations on Shipboard in the Maritime Services is amended to read as follows:

In § 83.139, the paragraphs are redesignated to read as follows:

§ 83.139 Acceptability of transmitters for licensing.

(a) Except as provided by paragraphs (c) and (d) of this section, each radiotelephone transmitter authorized in a ship station or marine-utility station (other than transmitters authorized solely for developmental stations) must be type accepted by the Commission.[1]

(b) Each survival craft station transmitter which has not been type approved pursuant to § 83.469 or § 83.472 shall be type accepted for licensing.

(c) Effective January 1, 1972, DSB transmitters operating in the band 2000–2850 kc/s will not be authorized in new

[1] Effective Jan. 1, 1971, in the bands below 27.5 Mc/s, the Commission will discontinue the granting of type acceptance of radiotelephone transmitters employing double sideband emission.

ship radio stations: *Provided, however,* That DSB transmitters authorized for use prior to January 1, 1972, may continue to be used by the same licensee until January 1, 1977, subject to the following:

(1) Aboard the same or another vessel, where a license:

(i) Was granted prior to January 1, 1972; and

(ii) Has not expired due to failure to renew; or

(iii) Has not been canceled at the request of the licensee; or

(iv) Has not been revoked by order of the Commission.

(2) In the case of transfer of DSB equipment to another vessel, the outstanding license which is to be superseded must be submitted with the application for new station license.

(d) Effective January 1, 1972, DSB transmitters operating in the band 4000–27,500 kc/s will not be authorized for installations made aboard ship stations after that date: *Provided, however,* That in a ship radio station authorized to operate on frequencies in the band 4000–27,500 kc/s, DSB equipment may continue to be authorized for operation on frequencies in this band for a period not to extend beyond January 1, 1974, where a license:

(1) Was granted prior to January 1, 1972, and

(2) Has not expired due to failure to renew; or

(3) Has not been canceled at the request of the licensee; or

(4) Has not been revoked by order of the Commission.

(e) Each radiotelegraph transmitter first authorized to operate in the band 535–27,500 kc/s after January 1, 1971, for use in a ship station (other than transmitters authorized solely for developmental stations), and, after January 1, 1973, all radiotelegraph transmitters operating in the band 535–27,500 kc/s shall be of a type which has been type accepted by the Commission.

[FR Doc.71-3998 Filed 3-23-71;8:48 am]

Title 24—HOUSING AND HOUSING CREDIT

Chapter VII—Federal Insurance Administration, Department of Housing and Urban Development

SUBCHAPTER B—NATIONAL FLOOD INSURANCE PROGRAM

PART 1914—AREAS ELIGIBLE FOR THE SALE OF INSURANCE

List of Designated Areas

Section 1914.4 is amended by adding in alphabetical sequence a new entry to the table, which entry reads as follows:

§ 1914.4 List of designated areas.

* * * * * * *

State	County	Location	Map No.	State map repository	Local map repository	Effective date of authorization of sale of flood insurance for area
* * *	* * *	* * *	* * *	* * *	* * *	* * *
California	Solano	Vallejo	E 06 095 4020 01 through E 06 095 4020 05	Department of Water Resources, Post Office Box 388, Sacramento, CA 95802. California Insurance Department, 107 South Broadway, Los Angeles, CA 90012, and 1407 Market St., San Francisco, CA 94103.	Office of the City Engineer, City Hall, Vallejo, CA 94590.	Mar. 19, 1971.
Do	San Mateo	Burlingame				Do.
Do	San Bernardino	Fontana				Do.
Do	do	Loma Linda				Do.
Do	Marin	Unincorporated areas.				Do.
Do	Contra Costa	Pleasant Hill				Do.
Florida	Brevard	Cape Canaveral				Do.
Georgia	Chatham	Vernonburg				Do.
Kansas	Finney	Garden City				Do.
Minnesota	Carver	Chaska	E 27 019 1180 01 E 27 019 1180 02	Division of Waters, Soils, and Minerals, Minnesota Conservation Department, 345 Centennial Bldg., St. Paul, MN 55101. Minnesota Insurance Department, R-210 State Office Bldg., St. Paul, MN 55101.	Chaska City Hall, 205 East 4th St., Chaska, MN 55318.	Do.
Do	Clay	Moorhead	E 27 027 4880 01	do	Office of the City Engineer, Box 779, Moorhead, MN 56560.	Do.
Do	Washington	Afton	E 27 163 0040 01	do	Afton Village Hall, Afton, Minn. 55001.	Do.
Do	do	Lake St. Croix Beach.				Do.
Do	do	St. Mary's Point				Do.
Do	Blue Earth	Unincorporated areas.				Do.
Missouri	Andrain	Mexico				Do.
New Jersey	Essex	Fairfield Borough	E 34 013 0938 01	New Jersey Department of Environmental Protection, Division of Water Policy and Supply, Box 1390, Trenton, NJ 08625. Department of Banking and Insurance, State House Annex, Trenton, N.J. 08625.	Municipal Clerk's Office, Borough of Fairfield, Fairfield, N.J. 07006.	Do.
Do	Monmouth	Manasquan Borough.	E 34 025 1800 01 E 34 025 1800 02	do	Office of the Borough Clerk, Borough Hall, 15 Taylor Ave., Manasquan, NJ 08736.	Do.
Do	do	Belmar Borough				Do.
North Carolina	Brunswick	Holden Beach				Do.
Do	Forsyth	Unincorporated areas.				Do.
Do	do	Winston-Salem				Do.
North Dakota	Cass	Unincorporated areas.				Do.
Do	Grand Forks	Grand Forks				Do.
Do	Stutsman	Jamestown				Do.
Oklahoma	Oklahoma	Oklahoma City				Do.
Oregon	Curry	Unincorporated areas.				Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of authorization of sale of flood insurance for area
* * *	* * *	* * *	* * *	* * *	* * *	* * *
Pennsylvania	Allegheny	Neville Township				Mar. 19, 1971.
South Carolina	Charleston	Edisto Beach				June 30, 1970.
Texas	Calhoun	Unincorporated areas.	I 48 057 0000 04 through I 48 057 0000 07	Texas Water Development Board, 301 West 2d St., Austin, TX 78711. Texas State Board of Insurance, 1110 San Jacinto St., Austin, TX 78701.	County Clerk of Calhoun County, Calhoun County Courthouse, 211 South Ann St., Port Lavaca, TX 77979.	Mar. 19, 1971.
Do	Lavaca	Hallettsville				Do.
Wisconsin	Eau Claire	Eau Claire	E 55 035 1470 01 through E 55 035 1470 04	Department of Natural Resources, Post Office 450, Madison, WI 53701. Wisconsin Insurance Department, 4802 Sheboygan Ave., Madison, WI 53081.	Office of the City Clerk, City Hall, Eau Claire, WI 54701.	Do.
Do	Buffalo	Buffalo				Do.
Do	do	Cochrane				Do.
Do	Crawford	Unincorporated areas.				Do.
Do	Richland	Richland Center				Do.

(National Flood Insurance Act of 1968 (title XIII of the Housing and Urban Development Act of 1968), effective Jan. 28, 1969 (33 F.R. 17804, Nov. 28, 1968), as amended (secs. 408–410, Public Law 91–152, Dec. 24, 1969), 42 U.S.C. 4001–4127; and Secretary's delegation of authority to Federal Insurance Administrator, 34 F.R. 2680, Feb. 27, 1969)

Issued: March 23, 1971.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.71–3884 Filed 3–23–71;8:45 am]

PART 1915—IDENTIFICATION OF FLOOD-PRONE AREAS

List of Flood Hazard Areas

Section 1915.3 is amended by adding in alphabetical sequence a new entry to the table, which entry reads as follows:

§ 1915.3 List of flood hazard areas.

* * * * * * *

State	County	Location	Map. No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
* * *	* * *	* * *	* * *	* * *	* * *	* * *
California	Solano	Vallejo	T 06 095 4020 01 through T 06 095 4020 05	Department of Water Resources, Post Office Box 388, Sacramento, CA 95802. California Insurance Department, 107 South Broadway, Los Angeles, CA 90012, and 1407 Market St., San Francisco, CA 94103	Office of the City Engineer, City Hall, Vallejo, CA 94590	Mar. 23, 1971.
Do	San Mateo	Burlingame				Do.
Do	San Bernardino	Fontana				Do.
Do	do	Loma Linda				Do.
Do	Marin	Unincorporated areas				Do.
Do	Contra Costa	Pleasant Hill				Do.
Florida	Brevard	Cape Canaveral				Do.
Georgia	Chatham	Vernonburg				Do.
Kansas	Finney	Garden City				Do.
Minnesota	Carver	Chaska	T 27 019 1180 01 T 27 019 1180 02	Division of Waters, Soils, and Minerals, Minnesota Conservation Department, 345 Centennial Bldg., St. Paul, MN 55101. Minnesota Insurance Department, R-210 State Office Bldg., St. Paul, MN 55101.	Chaska City Hall, 205 East 4th St., Chaska, MN 55318.	Do.
Do	Clay	Moorhead	T 27 027 4880 01	do	Office of the City Engineer, Box 779, Moorhead, MN 56560.	Do.
Do	Washington	Afton	T 27 163 0040 01	do	Afton Village Hall, Afton, Minn. 55001.	Do.
Do	do	Lake St. Croix Beach.				Do.
Do	do	St. Mary's Point				Do.
Do	Blue Earth	Unincorporated areas.				Do.
Missouri	Audrain	Mexico				Do.
New Jersey	Essex	Fairfield Borough	T 34 013 0038 01	New Jersey Department of Environmental Protection, Division of Water Policy and Supply, Box 1390, Trenton, NJ 08625. Department of Banking and Insurance, State House Annex, Trenton, NJ 08625.	Municipal Clerk's Office, Borough of Fairfield, Fairfield, NJ 07006.	Do.
Do	Monmouth	Manasquan Borough.	T 34 025 1800 01 T 34 025 1800 02	do	Office of the Borough Clerk, Borough Hall, 15 Taylor Ave., Manasquan, NJ 08736.	Do.
Do	do	Belmar Borough				Do.

State	County	Location	Map. No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
North Carolina	Brunswick	Holden Beach				Mar. 23, 1971.
Do	Forsyth	Unincorporated areas.				Do.
Do	do	Winston-Salem				Do.
North Dakota	Cass	Unincorporated areas.				Do.
Do	Grand Forks	Grand Forks				Do.
Do	Stutsman	Jamestown				Do.
Oklahoma	Oklahoma	Oklahoma City				Do.
Oregon	Curry	Unincorporated areas.				Do.
Do	Grand Forks	Grand Forks				Do.
Pennsylvania	Allegheny	Neville Township				Mar. 23, 1971.
South Carolina	Charleston	Edisto Beach				June 30, 1970.
Texas	Calhoun	Unincorporated areas.	H 48 057 0000 04 through H 48 057 0000 07	Texas Water Development Board, 301 West 2d St., Austin, TX 78711. Texas State Board of Insurance, 1110 San Jacinto St., Austin, TX 78701.	County Clerk of Calhoun County, Calhoun County Courthouse, 211 South Ann St., Port Lavaca, TX 77979.	June 16, 1970.
Do	Lavaca	Hallettsville				Mar. 23, 1971.
Wisconsin	Eau Clarire	Eau Claire	T 55 035 1470 01 through T 55 035 1470 04	Department of Natural Resources, Post Office Box 450, Madison, WI 53701. Wisconsin Insurance Department, 4802 Sheboygan Ave., Madison, WI 53081.	Office of the City Clerk, City Hall, Eau Claire, WI 54701.	Do.
Do	Buffalo	Buffalo				Do.
Do	do	Cochrane				Do.
Do	Crawford	Unincorporated areas.				Do.
Do	Richland	Richland Center				Do.

(National Flood Insurance Act of 1968 (title XIII of the Housing and Urban Development Act of 1968), effective Jan. 28, 1969 (33 F.R. 17804, Nov. 28, 1968), as amended (secs. 408–410, Public Law 91–152, Dec. 24, 1969), 42 U.S.C. 4001–4127; and Secretary's delegation of authority to Federal Insurance Administrator, 34 F.R. 2680, Feb. 27, 1969)

Issued: March 23, 1971.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.71–3885 Filed 3–23–71;8:45 am]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

INCOME TAX

Accounting for Long-Term Contracts

Notice is hereby given that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideraton will be given to any comments or suggestions pertaining thereto which are submitted in writing, preferably in quintuplicate, to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any written comments or suggestions not specifically designated as confidential in accordance with 26 CFR 601.601(b) may be inspected by any person upon written request. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

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

In order to clarify the Income Tax Regulations (26 CFR Part 1) under sections 451 and 471 of the Internal Revenue Code of 1954, such regulations are amended as follows:

PARAGRAPH 1. Section 1.451–3 is amended to read as follows:

§ 1.451–3 Long-term contracts.

(a) *In general.* (1) Income from long-term contracts (as defined in paragraph (b)(1) of this section) may be included in gross income in accordance with one of the two long-term contract methods, namely, the percentage of completion method (as prescribed in paragraph (c) of this section) or the completed contract method (as prescribed in paragraph (d) of this section), provided such method clearly reflects income and subject to the exceptions set forth in paragraph (e) of this section. Whichever method is chosen, it must be applied consistently to long-term contracts within the same trade or business except that a taxpayer who has long-term contracts of substantial duration and long-term contracts of less than substantial duration in the same trade or business may report the income from the contracts of substantial duration on the percentage of completion method or the completed contract method and report the income from the contracts of less than substantial duration pursuant to a proper method of accounting. For example, if a manufacturer of heavy machinery has contracts of a type that generally take 9 months to complete and also has contracts of a type that generally take 3 months to complete, the manufacturer may use the percentage of completion method for the 9-month contracts and use a proper inventory method pursuant to section 471 and the regulations thereunder for the 3-month contracts.

(2) When a taxpayer reports income under the percentage of completion method or the completed contract method, a statement to that effect shall be attached to his income tax return.

(3) The percentage of completion method and the completed contract method apply only to the accounting for income and expenses attributable to long-term contracts. Other income and expense items, such as investment income or expenses not attributable to such contracts, shall be accounted for under a proper method of accounting. See section 446(c) and paragraph (c) of § 1.446–1.

(b) *Definitions.* (1) The term "long-term contracts" means building, installation, construction or manufacturing contracts which are not completed within the taxable year in which they are entered into.

(2) For purposes of the completed contract method, the term "completed" means finished at least to the point where the remaining costs required to entirely finish the contract are insignificant in comparison with the amounts already expended with respect to such contract and no substantial dispute exists as to the acceptability of the work performed on the portion finished. Remaining costs will not be considered insignificant if they exceed a sum equal to 5 percent of the total costs already expended plus such remaining costs. Where the remaining costs are 5 percent or less, the determination of whether such costs are insignificant will depend on all the facts and circumstances, including whether the contract has been completed in all respects which are essential for the basic utility of the subject matter of the contract.

(c) *Percentage of completion method.* (1) Under the percentage of completion method, the portion of the gross contract price which corresponds to the percentage of the entire contract which has been completed during the taxable year must be included in gross income for such taxable year. There must then be deducted all expenditures made during the taxable year in connection with the contract, account being taken of the material and supplies on hand at the beginning and the end of the taxable year for use in such contract.

(2) The determination of the percentage of completion of a contract generally may be made on either of the following methods: (i) By comparing the costs incurred with respect to the contract prior to the end of the taxable year with the estimated total cost, or (ii) by comparing the work performed on the contract prior to the end of the taxable year with the estimated total work to be performed. However, if in the taxpayer's trade or business it is normal to incur a substantially greater percentage of total costs in the first stages of a contract than the work performed during such stages bears to the total work to be performed on the contract, the method described in subdivision (i) of this subparagraph of determining the percentage of completion will more clearly reflect income, and therefore must be used. If the method described in subdivision (i) of this subparagraph of determining the percentage of completion is used, the taxpayer must, in determining the costs incurred prior to the end of the taxable year and the estimated total costs, include in each of such figures all expenses which are properly allocable to the contract, whether direct or fixed or variable indirect expenses, including such items as depreciation, taxes, and pension and profit-sharing contributions. If the method described in subdivision (ii) of this subparagraph is used, certificates (if any) of architects or engineers showing the percentage of completion of each contract during the taxable year must be available at the principal place of business of the taxpayer for inspection in connection with an examination of the income tax return.

(3) Whichever method of determining the percentage of completion is chosen it must be used consistently.

(d) *Completed contract method.* Under the completed contract method gross income derived from long-term contracts must be reported by including the gross contract price in gross income for the taxable year in which the contract is completed (as defined in paragraph (b)(2) of this section). There must be deducted from gross income for such year (rather than in a prior year) all expenses which are properly allocable to the contract, whether direct or fixed or variable indirect expenses, including such items as depreciation, taxes, and pension and profit-sharing contributions. In addition, account must be taken of any

material and supplies charged to the contract but remaining on hand at the time of completion. The estimated expenses, if any, necessary to entirely finish the contract must also be deducted in such year. Such deduction, however, may not include the estimated expenses to be incurred with respect to any guaranty, warranty, maintenance, or other service agreement relating to the subject matter of the long-term contract. Any variance between the estimated and actual expenses should be taken into account, as an item of income or deduction, in the year such variance is determined.

(e) *Exceptions.* (1) Income from long-term contracts entered into in taxable years beginning after (insert the date these regulations are filed by the Office of the Federal Register) may be reported on the completed contract method only if the income reported from each such contract is reported on a completed contract method for purposes of all reports (including consolidated financial statements) to shareholders, partners, other proprietors, beneficiaries, and for credit purposes.

(2) Income from a cost-plus-fixed-fee contract or from any other type of cost-plus contract may not be reported on the completed contract method.

(f) *Severing and aggregating contracts.* (1) For the purpose of clearly reflecting income, it may be necessary in some instances either to treat one agreement as several contracts, or to treat several agreements as one contract. Whether an agreement should be so severed or several agreements so aggregated will depend on all the facts and circumstances.

(2) The application of this paragraph may be illustrated by the following examples:

Example (1). X, a calendar year taxpayer engaged in the construction business and using a long-term contract method, enters into one contract in 1970 with A, a real estate developer, to build three houses in a suburb. The houses are to be completed, accepted, and put into service in 1971, 1972, and 1973. The portion of the total contract price attributable to each house can reasonably be determined. In these circumstances, the contract should be severed and treated as if the agreement to build each house were a separate contract for purposes of applying X's long-term contract method.

Example (2). Y, a calendar year shipbuilder using a long-term contract method, enters into two contracts at about the same time during 1970 with M. These contracts are the product of a single negotiation. Under each contract, the taxpayer is to construct for M a submarine of the same class. Although the specifications for each submarine are similar, it is anticipated that, since the taxpayer has never constructed this class of submarine before, the costs incurred in constructing the first submarine (to be delivered in 1971) will be substantially greater than the costs incurred in constructing the second submarine (to be delivered in 1972). If the contracts are treated as separate contracts, it is estimated that the first contract would result in little or no gain, while the second contract would result in substantial profits. In these circumstances, the two contracts must be treated as one contract for purposes of applying Y's long-term contract method.

Example (3). Z, a calendar year manufacturer using the completed contract method for his long-term contracts, enters into a contract with N Company in June of 1973. This contract provides that Z will ship 1,000 folding chairs per month to N for 36 months beginning in July 1973 and ending in June 1976. Under these circumstances the contract should be severed and treated as at least four separate contracts—the first for the months July 1973 through December 1973, the second for the months January 1974 through December 1974, the third for the months January 1975 through December 1975, and the fourth for the months January 1976 through June 1976.

(g) *Changing to or from a long-term method of accounting.* (1) A taxpayer may change to or from the percentage of completion method or the completed contract method only with the consent of the Commissioner. See section 446(e) and paragraph (e) of § 1.446–1.

(2) If a taxpayer has used the completed contract method of accounting for long-term contracts entered into in taxable years ending on or before (the date of adoption of these regulations) and such taxpayer wishes to use the percentage of completion method for long-term contracts entered into in taxpayer's first taxable year beginning after (the date of adoption of these regulations), he may change to the percentage of completion method for all long-term contracts entered into in such taxable year and subsequent taxable years, and continue to use the completed contract method for long-term contracts entered into in prior taxable years. Because adoption of the percentage of completion method pursuant to this subparagraph will result in neither a duplication nor an omission of income or deductions, no section 481 adjustments shall be made. In the case of a taxpayer who wishes to change to the percentage of completion method pursuant to this subparagraph and during the year of the change proposes no other changes in his method of accounting, the Commissioner shall consent to the change if the taxpayer's application for such change is filed within the first 180 days of the taxpayer's first taxable year beginning after (the date of adoption of these regulations). In such a case, the Commissioner's consent will be evidenced by an acknowledgment of the application, which will be sent to the taxpayer.

PAR. 2. There is inserted immediately after § 1.471–9 the following new section:

§ 1.471–10 Applicability of long-term contract methods.

For optional rules providing for application of the long-term contract methods to certain manufacturing contracts, see § 1.451–3.

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DEPARTMENT OF THE INTERIOR

Geological Survey

[30 CFR Part 231]

OPERATING REGULATIONS FOR EXPLORATION, DEVELOPMENT AND PRODUCTION

Notice of Proposed Rule Making

Notice is hereby given that pursuant to the authority vested in the Secretary of the Interior under the Act of February 25, 1920, as amended (41 Stat. 437; 30 U.S.C. 181 et seq.), the Act of August 7, 1947 (61 Stat. 913; 30 U.S.C. 351–359), sec. 402, Reorganization Plan No. 3 of 1946 (60 Stat. 1099); 5 U.S.C. 301; and various statutes relating to mining on Indian lands, it is proposed to revise 30 CFR Part 231, as set forth below.

The primary purpose of the proposed revision is to up-date the regulations governing operations conducted under mineral permits and leases on public and acquired lands of the United States and on Indian lands administered by the Department of the Interior by deleting obsolete material and including new provisions and requirements consistent with modern mining practices. The revision would add provisions (1) relating to the protection and conservation of nonmineral resources during operations for the discovery, testing, development, mining, and processing of minerals and to the reclamation of lands affected by such operations; and (2) revising the procedure for appeals from decisions of the Regional Mining Supervisors.

This revision would also remove from 30 CFR Part 231 regulations pertaining to health and safety of miners since health and safety standards for metal and nonmetallic mines, including such mines on Federal and Indian lands, are now contained in 30 CFR Parts 55, 56, and 57.

It is the policy of the Department of the Interior, whenever practicable, to afford the public an opportunity to participate in the rule-making process. Accordingly, interested parties may submit written comments, suggestions, or objections with respect to the proposed revision of 30 CFR Part 231, to the Director, U.S. Geological Survey, Washington, D.C. 20242, within 60 days of the date of publication of this notice in the FEDERAL REGISTER

Part 231 of Title 30, Code of Federal Regulations, is revised to read as follows:

PART 231—OPERATING REGULATIONS FOR EXPLORATION, DEVELOPMENT AND PRODUCTION

ADMINISTRATION OF REGULATIONS AND DEFINITIONS

AUTHORITY: The provisions of this Part 231 issued under 35 Stat. 312; 35 Stat. 781, as amended; secs. 32, 6, 26, 41 Stat. 450, 753, 1248; secs. 1, 2, 3, 44 Stat. 301, as amended; secs. 6, 3, 44 Stat. 659, 710; secs. 1, 2, 3, 44 Stat. 1057; 47 Stat. 1487; 49 Stat. 1482, 1250, 1967, 2026; 52 Stat. 347; sec. 10, 53 Stat. 1196, as amended; 56 Stat. 273; sec. 10, 61 Stat. 915; sec. 3, 63 Stat. 683; 64 Stat. 311; 25 U.S.C. 396, 396 a–f, 30 U.S.C. 189, 271, 281, 293, 359. Interpret or apply secs. 5, 5, 44 Stat. 302, 1058, as amended; 58 Stat. 483–485; 5 U.S.C. 301, 16 U.S.C. 508b, 30 U.S.C. 189, 192c, 271, 281, 293, 359, 43 U.S.C. 387.

ADMINISTRATION OF REGULATIONS AND DEFINITIONS

§ 231.1 Scope and purpose.

(a) The regulations in this part shall govern operations for the discovery, testing, development, mining, and processing of potash, sodium, phosphate, sulphur, asphalt, and oil shale (except for operations for the extraction of oil shale by in situ retorting methods utilizing bore holes or wells) under leases or permits issued for public domain lands pursuant to the regulations in 43 CFR Group 3500. These regulations shall also apply to operations for the discovery, testing, development, mining and processing of minerals (except coal, oil, and gas) in acquired lands under leases or permits issued pursuant to the regulations in 43 CFR Group 3500 and minerals (except coal, oil, and gas) in tribal and allotted Indian lands leased under the regulations in 25 CFR Parts 171, 172, 173, 174, and 176.

(b) The purpose of the regulations in this part is to promote orderly and efficient prospecting, exploration, testing, development, mining and processing operations and production practices without waste or avoidable loss of minerals or damage to deposits; to promote the safety, health and welfare of workmen; to encourage maximum recovery and use of all known mineral resources; to promote operating practices which will avoid, minimize or correct damage to the environment—land, water, and air—and avoid, minimize or correct hazards to public health and safety; and to obtain a proper record and accounting of all minerals produced.

(c) When the regulations in this part relate to matters included in the regulations in 43 CFR Part 23—Surface Exploration, Mining and Reclamation of Lands—pertaining to public domain and acquired lands, or 25 CFF Part 177—Surface Exploration, Mining and Reclamation of Lands—pertaining to Indian lands, the regulations in this part shall be considered as supplemental to the regulations in those parts, and the regulations in those parts shall govern to the extent of any inconsistencies.

CROSS REFERENCE: See Part 211 of this chapter for regulations governing operations under coal permits and leases.

See Part 221 of this chapter for regulations governing operations under oil and gas leases and operations for the extraction of oil shale by in situ retorting or other methods utilizing bore holes or wells.

§ 231.2 Definitions.

The terms used in this part shall have the following meanings:

(a) *Secretary.* The Secretary of the Interior.

(b) *Director.* The Director of the Geological Survey, Washington, D.C.

(c) *Chief, Branch of Mining Operations.* A registered professional engineer under the administrative direction of the Director through the Chief, Conservation Division.

(d) *Mining supervisor.* The Regional Mining Supervisor (a registered professional engineer), the representative of the Secretary, under the administrative direction of the Director through the Chief, Conservation Division, and the Chief, Branch of Mining Operations, authorized and empowered to regulate operations and to perform other duties prescribed in the regulations in this part, or any subordinate of the Regional Mining Supervisor acting under his direction.

(e) *Lessee.* Any person or persons, partnership, association, corporation or municipality to whom a mineral lease is issued subject to the regulations in this part, or an assignee of such lease under an approved assignment.

(f) *Permittee.* Any person or persons, partnership, association, corporation or municipality to whom a mineral prospecting permit is issued subject to the regulations in this part, or an assignee of such permit under an approved assignment.

(g) *Leased lands, leased premises, or leased tract.* Any lands or deposits under a mineral lease and subject to the regulations in this part.

(h) *Permit lands.* Any lands or deposit under a mineral prospecting permit and subject to the regulations in this part.

(i) *Operator.* A lessee or permittee or one conducting operations on the leased or permit lands under the authority of the lessee or permittee.

(j) *Reclamation.* The measures undertaken to bring about the necessary reconditioning or restoration of land or water that has been affected by exploration, testing, mineral development, mining or onsite processing operations, or waste disposal, in ways which will prevent or control onsite and offsite damage to the environment.

§ 231.3 Responsibilities.

(a) Subject to the supervisory authority of the Secretary, the regulations in this part shall be administered by the Director through the Chief, Conservation Division, and the Chief, Branch of Mining Operations, of the Geological Survey.

(b) The responsibility for health and safety inspections of mines subject to the regulations in this part is vested in the Bureau of Mines in accordance with section 4 of the Federal Metal and Nonmetallic Mine Safety Act (80 Stat. 772, 773; 30 U.S.C. 723) and the Health and Safety Standards contained in Parts 55, 56, and 57 of this article.

(c) The mining supervisor, individually, or through his subordinates is empowered to regulate prospecting, exploration, testing, development, mining, and processing operations under the regulations in this part. The duties of the mining supervisor or his subordinates include the following:

(1) *Inspections; supervision of operations to prevent waste or damage.* Examine frequently leased or permit lands where operations for the discovery, testing, development, mining, or processing of minerals are conducted or are to be conducted; inspect and regulate such operations, including operations at accessory plants, for the purpose of preventing waste of mineral substances or damage to formations and deposits containing them, or damage to other formations, deposits, or nonmineral resources affected by the operations, and insuring that the terms and conditions of the permit or lease and the requirements of the exploration or mining plans are being complied with.

(2) *Compliance with regulations, lease or permit terms, and approved plans.* Require operators to conduct their operations in compliance with the provisions of applicable regulations, the terms and conditions of the leases or permits, and the requirements of approved exploration or mining plans.

(3) *Reports on condition of lands and manner of operations; recommendations for protection of property.* Make reports to the Chief, Branch of Mining Operations, as to the general condition of lands under permit or lease and the manner in which operations are being conducted and orders or instructions are being complied with, and to submit information and recommendations for protecting the minerals, the mineral-bearing formations and the nonmineral resources.

(4) *Manner and form of records, reports and notices.* Prescribe, subject to

the approval of the Chief, Branch of Mining Operations, the manner and form in which records of operations, reports and notices shall be made.

(5) *Records of production; rentals and royalties.* Obtain and check the records of production of minerals; determine rental and royalty liability of lessees and permittees; collect and deposit rental and royalty payments; and maintain rental and royalty accounts.

(6) *Suspension of operations and production.* Act on applications for suspension of operations or production or both filed pursuant to 43 CFR 3503.3–2(e), and terminate such suspensions which have been granted; and transmit to the Bureau of Indian Affairs for appropriate action applications for suspension of operations or production or both under leases on Indian lands.

(7) *Cessation and abandonment of operations.* Upon receipt of a report of cessation or abandonment of operations, inspect and determine whether the terms and conditions of the permit or lease and the exploration or mining plans have been complied with; and determine and report to the agency having administrative jurisdiction over the lands when the lands have been properly conditioned for abandonment. The mining supervisor, in accordance with applicable regulations, will consult with, or obtain the concurrence of, the authorized officer of the agency having administrative jurisdiction over the lands with respect to compliance by the operator with the surface protection and reclamation requirements of the lease or permit and the exploration or mining plan.

(8) *Trespass involving removal of mineral deposits.* Report to the agency having administrative jurisdiction over the lands any trespass that involves removal of mineral deposits.

(d) Prior to the approval of an exploration or mining plan, the mining supervisor shall consult with the authorized officer of the agency having administrative jurisdiction over the lands with respect to the surface protection and reclamation aspects of the plan, and shall receive and, when in his judgment it is necessary, consult with or solicit advice from the Environmental Protection Agency with respect to water pollution problems and the measures proposed to prevent and correct them.

(e) The inspection of exploratory and mining operations to determine the adequacy of water management and pollution control measures for the protection and control of the quality of surface and ground water resources is the responsibility of the mining supervisor in consultation with the authorized officer of the Environmental Protection Agency.

(f) The mining supervisor shall issue such orders and instructions not in conflict with the laws of the State in which the leased or permit lands are situated as necessary to assure compliance with the purposes of the regulations in this part.

§ 231.4 General obligations of lessees and permittees.

(a) Operations for the discovery, testing, development, mining, or processing of minerals shall conform to the provisions of applicable regulations, the terms and conditions of the lease or permit, the requirements of approved exploration or mining plans, and the orders and instructions issued by the mining supervisor or his subordinates under the regulations in this part. Lessees and permittees shall take precautions to prevent waste and damage to mineral-bearing formations, and shall take such steps as may be needed to prevent injury to life or health and to provide for the health and welfare of employees.

(b) Lessees and permittees shall take such action as may be needed to prevent or control soil erosion; pollution of air; pollution of surface or ground water; damage to vegetative growth, crops, including privately owned forage, or timber; injury or destruction of fish and wildlife and their habitat; the creation of unsafe or hazardous conditions; and damage to improvements, whether owned by the United States, its permittees, licensees or lessees, or by others; and they shall take such other steps as may be needed to protect and preserve the recreational, scenic, historical, and ecological values of the land. The surface of leased or permit lands shall be reclaimed in accordance with the terms and conditions prescribed in the lease or permit and the provisions of the approved exploration or mining plan. Where any question arises as to the necessity for or the adequacy of an action to meet the requirements of this paragraph, the determination of the mining supervisor shall be final.

(c) All operations conducted under the regulations in this part must be consistent with the objectives of the Federal Water Pollution Control Act, as amended (33 U.S.C. 466 et seq.) and Executive Order No. 11288 (31 F.R. 9261) and in compliance with the appropriate interstate water quality standards and implementation plans when such standards and plans have been adopted by the Secretary and with the appropriate intrastate water quality standards.

(d) When the mining supervisor determines, either with or without consultation with the Environmental Protection Agency, that a water pollution problem exists, the mining supervisor may require that a lessee or permittee maintain records of the use of water, quantity and quality of waste water produced, and the quantity and quality of waste water disposal, including mine drainage discharge, process wastes and associated wastes. In order to obtain this information, the lessee or permittee may be required to install a suitable monitoring system.

(e) Full reports of accidents, inundations, or fires shall be promptly mailed to the mining supervisor by the operator or his representative. Fatal accidents, accidents threatening damage to the mine, the lands, or the deposits, or accidents which could cause water pollution shall be reported promptly to the mining supervisor by telegram or telephone. The reports required by this section shall be in addition to those required by part 55, 56, or 57, Chapter I, of this title or other applicable regulations.

(f) Lessees and permittees shall submit the reports required by 25 CFR Part 177; Part 200 of this chapter; and 43 CFR Part 23.

§ 231.5 Public inspection of records.

Geological and geophysical interpretations, maps, and data and commercial and financial information required to be submitted under this part shall not be available for public inspection without the consent of the permittee or lessee so long as the permittee or lessee furnishing such data, or his successors or assignees, continues to hold a permit or lease of the lands involved.

Maps and Plans

§ 231.10 Operating plans.

(a) *General.* Before conducting any operations under a permit or lease, the operator shall submit, in triplicate, to the mining supervisor for approval an exploration or mining plan which shall show in detail the proposed exploration, prospecting, testing, development or mining operations to be conducted. Exploration and mining plans shall be consistent with and responsive to the requirements of the lease or permit for the protection of non-mineral resources and for the reclamation of the surface of the lands affected by the operations. The mining supervisor shall consult with the other agencies involved, and shall promptly approve the plans or indicate what modifications of the plans are necessary to conform to the provisions of the applicable regulations and the terms and conditions of the permit or lease. No operations shall be conducted except under an approved plan.

(b) *Permits.* Depending on the size and nature of the operation and the terms and conditions of the permit, the mining supervisor may require that an exploration plan include any or all of the following:

(1) A description of the area within which exploration is to be conducted;

(2) Two copies of a suitable map or aerial photograph showing topographic, cultural and drainage features;

(3) A statement of proposed exploration methods, i.e., drilling, trenching, etc., and the location of primary support roads and facilities;

(4) A description of measures to be taken to prevent or control fire, soil erosion, pollution of surface and ground water, pollution of air, damage to fish and wildlife or other natural resources, and hazards to public health and safety both during and upon abandonment of exploration activities.

(c) *Leases.* Depending on the size and nature of the operation and the terms and conditions of the lease the mining supervisor may require that a mining plan include any or all of the following:

(1) A description of the location and area to be affected by the operations;

(2) Two copies of a suitable map, or aerial photograph showing the topography, the area covered by the permit or lease, the name and location of major topographic and cultural features, and the drainage plan away from the area affected;

(3) A statement of proposed methods of operating, including a description of the surface or underground mining methods; the proposed roads or vehicular trails; the size and location of structures and facilities to be built;

(4) An estimate of the quantity of water to be used and pollutants that are expected to enter any receiving waters;

(5) A design for the necessary impoundment, treatment or control of all runoff water and drainage from workings so as to reduce soil erosion and sedimentation and to prevent the pollution of receiving waters;

(6) A description of measures to be taken to prevent or control fire, soil erosion, pollution of surface and ground water, pollution of air, damage to fish and wildlife or other natural resources, and hazards to public health and safety;

(7) A statement of the proposed manner and time of performance of work to reclaim areas disturbed by the operations.

(d) *Revegetation; regrading; backfilling.* In those instances in which the permit or lease requires the revegetation of an area to be affected by operations the exploration or mining plan shall show:

(1) Proposed methods of preparation and fertilizing the soil prior to replanting;

(2) Types and mixtures of shrubs, trees or tree seedlings, grasses or legumes to be planted; and

(3) Types and methods of planting, including the amount of grasses or legumes per acre, or the number and spacing of trees, or tree seedlings, or combinations of grasses and trees.

If the permit or lease requires regrading and backfilling, the exploration or mining plan shall show the proposed methods and the timing of grading and backfilling of areas of lands affected by the operations.

(e) *Changes in plans.* Exploration and mining plans may be changed by mutual consent of the mining supervisor and the operator at any time to adjust to changed conditions or to correct an oversight. To obtain approval of a changed or supplemental plan the operator shall submit a written statement of the proposed changes or supplement and the justification for the changes proposed.

(f) *Partial plan.* If circumstances warrant, or if development of an exploration or mining plan for the entire operation is dependent upon unknown factors which cannot or will not be determined except during the progress of the operations, a partial plan may be approved and supplemented from time to time. The operator shall not, however, perform any operation except under an approved plan.

§ 231.11 Maps of underground workings and surface operations and equipment.

Maps of underground workings and surface operations shall be drawn to a scale acceptable to the mining supervisor. All maps shall be appropriately marked with reference to Government land marks or lines and elevations with reference to sea level. When required by the mining supervisor vertical projections and cross sections shall accompany plan views. Maps shall be based on accurate surveys made at least annually and as may be necessary at other times. Accurate copies of such maps on tracing cloth or prints thereof shall be furnished the mining supervisor when and as required. The maps shall be posted to date and submitted to the mining supervisor at least once each year. The accuracy of maps furnished shall be certified by a professional engineer, professional land surveyor, or other qualified person.

§ 231.12 Other maps.

(a) The operator shall prepare such maps of the leased lands as in the judgment of the mining supervisor are necessary to show the surface boundaries, improvements, and topography, including subsidence resulting from mining, and the geological conditions so far as determined from outcrops, drill holes, exploration or mining. All excavations in each separate bed or deposit shall be shown in such manner that the production of minerals for any royalty period can be accurately ascertained.

(b) In the event of the failure of the operator to furnish the maps required, the mining supervisor shall employ a competent mine surveyor to make a survey and maps of the mine, and the cost thereof shall be charged to and promptly paid by the operator.

(c) If any map submitted by an operator is believed to be incorrect, the mining supervisor may cause a survey to be made, and if the survey shows the map submitted by the operator to be substantially incorrect in whole or in part, the cost of making the survey and preparing the map shall be charged to and promptly paid by the operator.

Bore Holes and Samples

§ 231.20 Core or test hole, cores, samples, cuttings, mill products.

(a) The operator shall submit promptly to the mining supervisor signed copies, in duplicate, of records of all core or test holes made on the leased or permit lands, the records to be in such form that the position and direction of the holes can be accurately located on a map. The records shall include a log of all strata penetrated and conditions encountered, such as water, quicksand, gas, or unusual conditions, and copies of analyses of all samples analyzed from strata penetrated shall be transmitted to the mining supervisor as soon as obtained or at such time as specified by the mining supervisor. All drill holes will be logged by competent geologists or engineers, and the lessees will furnish to the mining supervisor a detailed lithologic log of each drill hole and all other in-hole surveys, such as electric logs, gamma ray neutron logs, sonic logs or any other logs produced. The core from test holes shall be available for inspection at the convenience of the mining supervisor, and he shall be privileged to cut such cores and receive samples of such parts as he may deem advisable, or on request of the mining supervisor the operator shall furnish such samples of strata, drill cuttings, and mill products as may be required.

(b) Drill holes for development or holes for prospecting shall be cemented and/or cased to the satisfaction of the mining supervisor and in a manner to protect the surface and not to endanger any present or future underground operation or any deposit of oil, gas, other mineral substances, or water strata.

(c) At the option of the mining supervisor or the operator drill holes may be converted to surveillance wells for the purpose of determining the effect of subsequent operations upon the quantity, quality, or pressure of ground water or mine gases.

(d) In lands valuable or potentially valuable for geothermal resources drill holes shall be equipped with blowout control devices acceptable to the mining supervisor before they penetrate more than 100 feet of consolidated sediments unless a greater depth is approved in advance by the mining supervisor.

Welfare and Safety

§ 231.25 Sanitary, welfare, and safety arrangements.

The underground and surface sanitary, welfare, health and safety arrangements shall be in accordance with the recommendations of the United States Public Health Service and the applicable standards in Parts 55, 56, and 57, Chapter I, of this title.

Cross Reference: For regulations of the United States Public Health Service, Department of Health, Education and Welfare, see 42 CFR Chapter I.

Mining Methods

§ 231.30 Good practice to be observed.

The operator shall observe the highest standards in prospecting, exploration, testing, development and mining, sinking wells, shafts, and winzes, driving drifts and tunnels, stopping, blasting, transporting ore and materials, hoisting, the use of explosives, timbering, pumping, and other activities on the leased or permit lands.

§ 231.31 Ultimate maximum recovery; information regarding mineral deposits.

(a) Mining operations shall be conducted in a manner to yield the ultimate maximum recovery of the mineral deposits, consistent with the protection and use of other natural resources and the protection and preservation of the

environment—land, water, and air. All shafts, main exits, and passageways, as well as overlying beds or mineral deposits that at a future date may be of economic importance, shall be protected by adequate pillars in the deposit being worked.

(b) Information obtained regarding the mineral deposit being worked and other mineral deposits on the leased or permit lands shall be fully recorded and a copy of the record furnished to the mining supervisor.

§ 231.32 Pillars left for support.

Sufficient pillars shall be left in first mining to insure the ultimate maximum recovery of mineral deposits when the time arrives for the removal of pillars. Boundary pillars shall in no case be less than 50 feet thick unless otherwise specified in writing by the mining supervisor. Boundary and other main pillars shall be mined only with the written consent or by order of the mining supervisor or his authorized subordinates.

§ 231.33 Boundary pillars and isolated blocks.

(a) If the ore on adjacent lands subject to these regulations has been worked out beyond any boundary pillar, if the water level beyond the pillar is below the lessee's adjacent operations, and if no other hazards exists, the lessee shall, on the written demand of the mining supervisor, mine out and remove all available ore in such boundary pillar, both in the lands covered by the lease and in the adjoining premises, when the mining supervisor determines that it can be mined without undue hardship to the lessee.

(b) If the mining rights in adjoining premises are privately owned or controlled, an agreement may be made with such interests for the extraction of the ore in the boundary pillars.

(c) Narrow strips of ore between leased lands and the outcrop on other lands subject to these regulations and small blocks of ore adjacent to leased lands that would otherwise be isolated or lost may be mined under the provisions specified in paragraphs (a) and (b) of this section.

§ 231.34 Development on leased tract through adjoining mines as part of a mining unit.

A lessee may mine his leased tract from an adjoining mine on land privately owned or controlled or from adjacent leased lands, under the following conditions:

(a) A mine that is on the land privately owned or controlled shall conform to all sections in the regulations in this part.

(b) The only connections between the mine on land privately owned or controlled and the mine on leased land shall be the main haulageways, the ventilationways, and the escapeways. Substantial concrete frames and fireproof doors that may be closed in an emergency and opened from either side shall be installed in each such connection. Other connections through the boundary pillars shall not be made until both mines are about to be exhausted and abandoned. The mining supervisor may waive any of the requirements in this paragraph when, in his judgment, such a waiver would not conflict with the regulations in Part 57 of this title and would not entail substantial loss of ore.

(c) Free access for inspection of said connecting mine on land privately owned or controlled shall be given at all hours to the mining supervisor or other representative of the Secretary of the Interior.

(d) If a lessee operating on a lease through a mine on land privately owned or controlled does not maintain the mine in accordance with the operating regulations, operations on the leased land may be ordered stopped or Departmental seals applied by the mining supervisor, and the operations on leased lands shall be stopped.

§ 231.35 Minerals soluble in water; brines; mineral taken in solution.

In mining or prospecting deposits of potassium or other minerals soluble in water, all wells, shafts, prospect holes, and other openings shall be adequately protected with neat cement or other suitable materials against the coursing or entrance of water; and the operator shall, on orders of the mining supervisor, back fill with rock or other suitable material to protect the roof from breakage when there is a danger of the entrance of water. On leased or permit lands containing brines, due precaution shall be exercised to prevent the deposits becoming diluted or contaminated by the mixture of water or valueless solution. Where minerals are taken from the earth in solution, such extraction shall not be within 500 feet of the boundary line of the leased lands without the written permission of the mining supervisor.

PROTECTION AGAINST MINE HAZARDS

§ 231.40 Surface openings.

(a) The operator shall substantially fill in, fence, protect or close all surface openings, subsidence holes, surface excavations or workings which are a hazard to people or animals. Such protective measures shall be maintained in a secure condition during the term of the permit or lease. Before abandonment of operations all openings, including water discharge points, shall be closed to the satisfaction of the mining supervisor.

(b) Reclamation or protection of surface areas no longer needed for operations should commence without delay. The mining supervisor shall designate such areas where restoration or protective measures, or both, must be taken.

§ 231.41 Abandonment of underground workings.

No underground workings or part thereof shall be permanently abandoned and rendered inaccessible without the advance and written approval of the mining supervisor.

§ 231.42 Flammable gas and dust.

Mines in which flammable gas is found or explosive dust produced shall be subject to the coal-mining operating regulations in Part 211 of this chapter. An "explosive dust" is a combustible solid in airborne dispersion capable of propagating flame when ignited.

§ 231.43 Fire protection.

All structures within 100 feet of any mine opening shall be protected against fire. Flammable material shall not be stored within 100 feet of a mine exit. All shafts shall be fireproof, or adequate fire-control devices, satisfactory to the mining supervisor, shall be installed. All underground offices, stations, shops, magazines, and stores shall be so constructed, equipped, and maintained as to reduce the fire hazard to a minimum. Sufficient firefighting apparatus shall be maintained in working condition at the mine exits and at convenient points in the mine workings for fire emergencies. An adequate water supply shall be held in storage tanks or reservoirs for fire emergencies and shall be available for immediate use through connecting pipelines for either surface or underground fires.

MILLING; WASTE FROM MINING OR MILLING

§ 231.50 Milling.

It shall be the duty of the operator to conduct milling operations pursuant to the terms of the lease, the approved mining plan, and the regulations in this part and to use due diligence in the reduction, concentration, or separation of mineral substances by mechanical or chemical processes, by distillation, by evaporation, or other means so that the percentage of salts, concentrates, oil, or other mineral substances recovered shall be in accordance with approved practices.

§ 231.51 Disposal of waste.

The operator shall dispose of all wastes resulting from the mining, reduction, concentration, or separation of mineral substances in accordance with the terms of the lease, approved mining plan, the regulations in this part, and the directions of the mining supervisor.

PRODUCTION RECORDS AND AUDIT

§ 231.60 Books of account.

Operators shall maintain books in which will be kept a correct account of all ore and rock mined, of all ore put through the mill, of all mineral products produced, and of all ore and mineral products sold and to whom sold, the weight, assay value, moisture content, base price, dates, penalties, and price received, and the percentage of the mineral products recovered and lost shall be shown.

CROSS REFERENCE: See Part 200 of this chapter for reports required to be filed and the forms to be used.

§ 231.61 Royalty basis.

The sale price basis for the determination of the rates and amount of royalty shall not be less than the highest and best obtainable market price of the ore and mineral products, at the usual and customary place of disposing of them at the time of sale, and the right is reserved to the Secretary of the Interior to determine and declare such market price, if it is deemed necessary by him to do so for the protection of the interests of the lessor.

§ 231.62 Audits.

An audit of the lessee's accounts and books may be made annually or at such other times as may be directed by the mining supervisor, by certified public accountants, and at the expense of the lessee. The lessee shall furnish free of cost duplicate copies of such annual or other audits to the mining supervisor, within 30 days after the completion of each auditing.

INSPECTION, ISSUANCE OR ORDERS AND ENFORCEMENT OF ORDERS

§ 231.70 Inspection of underground and surface conditions; surveying, estimating, and study.

Operators shall provide means at all reasonable hours, either day or night, for the mining supervisor or his representative to inspect or investigate the underground and surface conditions; to conduct surveys; to estimate the amount of ore or mineral product mined; to study the methods of prospecting, exploration, testing, development, processing, and handling that are followed; to determine the volumes, types, and composition of wastes generated, the adequacy of measures for minimizing the amount of such wastes, and the measures for treatment and disposal of such wastes; and to determine whether the terms and conditions of the permit or lease and the requirements of the exploration or mining plan have been complied with.

§ 231.71 Issuance of orders.

Before beginning operations the operator shall inform the mining supervisor in writing of the designation and post office address of the exploration or mining operation, the operator's temporary and permanent post office address, and the name and post office address of the superintendent or other agent who will be in charge of the operations and who will act as the local representative of the operator. The mining supervisor shall also be informed of each change thereafter in the address of the mine office or in the name or address of the local representative.

§ 231.72 Service of notices, instructions, and orders.

The operator shall be considered to have received all notices, instructions, and orders that are mailed to or posted at the mine or mine office, or mailed or handed to the superintendent, the mine foreman, the mine clerk, or higher officials connected with the mine, for transmittal to the operator or his local representative.

§ 231.73 Enforcement of orders.

If an operator fails to comply with the regulations in this part, other applicable departmental regulations, the terms and conditions of the permit or lease, the requirements of an approved exploration or mining plan, or with the orders or instructions of the mining supervisor, the mining supervisor shall have authority to require him by written order to suspend any or all operations on the leased or permit lands. This suspension shall remain in force until the lessee or permittee complies with such regulations, terms and conditions, requirements, orders or instructions that have been violated or until such orders of suspension have been revoked. However, if the continuance of any such operation required to be suspended does not threaten immediate, serious, or irreparable damage to the environment, the mine or the deposit being mined, or other valuable mineral deposits or other resources, the mining supervisor, on petition in writing made by the operator within 10 days from the issuance of the order of suspension, may temporarily waive compliance with the order of suspension pending a decision on appeal to the Director, or from the Director's decision to the Director, Office of Hearings and Appeals, filed in accordance with § 231.74.

CROSS REFERENCE: See 25 CFR 177.10 and 43 CFR 23.11 for regulations governing the failure of operator to comply with requirements for surface exploration, mining, and reclamation of land.

§ 231.74 Appeals.

(a) A party adversely affected by an order of the mining supervisor may appeal to the Director and from the Director's decision to the Director, Office of Hearings and Appeals.

(b) An appeal to the Director may be taken by filing a notice of appeals with the mining supervisor within 30 days from service of the mining supervisor's order. The notice of appeal shall incorporate or be accompanied by such written showing and argument on the facts and laws as the appellant may deem adequate to justify reversal or modification of the order.

(c) The mining supervisor shall transmit the appeal and accompanying papers to the Director who will review the record and render such a decision in the case as he deems proper.

(d) An appeal from a decision of the Director may be taken to the Director, Office of Hearings and Appeals by filing a notice of appeal in the Office of the Director within 30 days after service of the Director's decision. The notice of appeal shall be accompanied by such written showing and argument on the facts and law as appellant may deem adequate to justify reversal or modification of the decision.

(e) Oral argument in any case pending before the Director or the Director, Office of Hearings and Appeals will be allowed on motion in the discretion of such officer and at a time to be fixed by him.

(f) The procedure for appeals under this part shall be followed for permits and leases on Indian land except that the Commissioner of Indian Affairs will exercise the functions vested in the Director.

(g) With the exception of the time fixed for filing a notice of appeal, the time for filing any document in connection with an appeal may be extended by the officer to whom the appeal is taken. A request for an extension of time must be filed within the time allowed for the filing of the document and must be filed in the same office in which the document in connection with which the extension is requested must be filed.

CROSS REFERENCE: See 43 CFR 23.12 for appeals under 43 CFR Part 23—Surface Exploration, Mining, and Reclamation of Lands.

Dated: March 18, 1971.

ROGERS C. B. MORTON,
Secretary of the Interior.

[FR Doc.71-3974 Filed 3-23-71;8:47 am]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 71-CE-50]

CONTROL ZONE AND TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations so as to alter the control zone and transition area at Missoula, Mont.

Interested persons may participate in the proposed rule making by submitting such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Director, Central Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, Federal Building, 601 East 12th Street, Kansas City, MO 64106. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendments. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposals contained in this notice may be changed in the light of comments received.

A public docket will be available for examination by interested persons in the Office of the Regional Counsel, Federal Aviation Administration, Federal Building, 601 East 12th Street, Kansas City, MO 64106.

Since designation of controlled airspace at Missoula, Mont., a new instrument approach procedure has been developed for the Johnson Bell Field Airport utilizing a new ILS. In addition, the criteria for the designation of control zones and transition areas have changed. Accordingly, it is necessary to alter the Missoula, Mont., control zone and transition area to adequately protect aircraft executing the new approach procedure and to comply with the new control zone and transition area criteria.

In consideration of the foregoing, the Federal Aviation Administration proposes to amend Part 71 of the Federal Aviation Regulations as hereinafter set forth:

(1) In § 71.171 (36 F.R. 2055), the following control zone is amended to read:

MISSOULA, MONT.

Within a 5-mile radius of Johnson Bell Airport (latitude 46°54'54" N., longitude 114°-05'14" W.); within 3 miles each side of the northwest localizer course extending from the 5-mile radius to 2 miles northwest of the Kona OM; and within 5 miles each side of the 302° radial of the Missoula VORTAC extending from the VORTAC to 11 miles northwest of the VORTAC.

(2) In § 71.181 (36 F.R. 2140), the following transition area is amended to read:

MISSOULA, MONT.

That airspace extending upward from 700 feet above the surface within a 35-mile radius of the Missoula VORTAC extending from a line 5 miles southwest of and parallel to the 298° radial of the VORTAC clockwise to a line 5 miles east of and parallel to the 354° radial of the VORTAC; and that airspace extending upward from 1,200 feet above the surface within 4½ miles northeast and 11 miles southwest of the 302° and 122° radials of the Missoula VORTAC extending from 6 miles southeast of the VORTAC to 26 miles northwest of the VORTAC; and within 7 miles east of the Missoula 354° radial extending from the VORTAC to the south edge of V–120; and within 9½ miles southwest and 4½ miles northeast of 311° bearing from the Kona OM extending from the OM to 18½ miles northwest of the OM.

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

Issued in Kansas City, Mo., on March 17, 1971.

EDWARD C. MARSH,
Director, Central Region.

[FR Doc.71–3979 Filed 3–23–71;8:47 am]

[14 CFR Part 71]

[Airspace Docket No. 71–WE–12]

TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the description of the Ellensburg, Wash., transition area.

Interested persons may participate in the proposed rulemaking by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Airspace and Procedures Branch, Federal Aviation Administration, 5651 West Manchester Avenue, Post Office Box 92007, Worldway Postal Center, Los Angeles, CA 90009. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

A public docket will be available for examination by interested persons in the office of the Regional Counsel, Federal Aviation Administration, 5651 West Manchester Avenue, Los Angeles, CA 90045.

A new VOR instrument approach is proposed for Bowers Field, Ellensburg, Wash. The new approach procedure will incorporate a 10 NM DME ARC transition clockwise from the 063° T (042° M) radial and counterclockwise from the 191° T (170° M) radial to the intermediate radial of 131° T (110° M). In addition, the procedure turn will be conducted on the 131° T (110° M) radial.

The airspace requirements have been reviewed in accordance with the criteria contained in the U.S. Standard for Terminal Instrument Procedures (TERPS) and it has been determined that an additional 700-foot and 1,200-foot transition area will be required. The additional 700-foot portion of the transition area will provide controlled airspace protection for the procedure turn area, the additional 1,200-foot portion will provide controlled airspace protection for aircraft executing the clockwise 10 NM DME ARC transition.

In consideration of the foregoing, the FAA proposes the following airspace action.

In § 71.181 (36 F.R. 2140) the description of the Ellensburg, Wash. transition area is amended to read as follows:

ELLENSBURG, WASH.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Bowers Field (latitude 47°02'10" N., longitude 120°31'50" W.) and within 5 miles northeast and 9.5 miles southwest of the Ellensburg VORTAC 131° radial, extending from the VORTAC to 18.5 miles southeast of the VORTAC; that airspace extending upward from 1,200 feet above the surface within 7 miles northwest and 10 miles southeast of the Ellensburg VORTAC 064° and 244° radials extending from 9 miles southwest to 20 miles northeast of the VORTAC, and that airspace southeast of Ellensburg within an ARC of 16.5-mile-radius circle extending clockwise from the south edge of V–2 to the Ellensburg VORTAC 114° radial; that airspace extending upward from 9,500 feet MSL bounded on the north by the south edge of V–25, on the east by the west edge of V–25 west and on the southwest by the northeast edge of V–4.

This amendment is proposed under the authority of section 307(a) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1348(a)), and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Los Angeles, Calif., on March 15, 1971.

LEE E. WARREN,
Acting Director, Western Region.

[FR Doc.71–3980 Filed 3–23–71;8:47 am]

National Highway Traffic Safety Administration

[49 CFR Part 571]

[Docket No. 1–3; Notice 2]

BRAKE SYSTEMS ON MOTORCYCLES

Proposed Motor Vehicle Safety Standard

The purpose of this notice is to propose a motor vehicle safety standard which would establish performance requirements for motorcycle brake systems. An advance notice of proposed rule making (32 F.R. 14270) established Docket No. 1–3 to receive comments on extending the applicability of Motor Vehicle Safety Standard No. 105, Hydraulic Service Brake, Emergency Brake and Parking Brake Systems—Passenger Cars, to motorcycles. Because motorcycles differ significantly in configuration from other motor vehicles it is more appropriate to issue a separate brake standard applicable only to this vehicle category; however, many of the test procedures are similar to those proposed for passenger cars in Docket No. 70–27 (35 F.R. 17345).

A motorcycle under the Safety Standards may be either a two-wheeled or three-wheeled vehicle (49 CFR 571.3 (b)). For purposes of this rule making action, however, a two-wheeled motorcycle with sidecar attached is considered a two-wheeled motorcycle. A motorcycle, under this proposal, would be equipped with either a split hydraulic service brake system or two independently actuated service brake systems. Motorcycles equipped with a split hydraulic service brake system would be required to have a brake failure indicator. Three-wheeled motorcycles, in addition, would have to be provided with a parking brake system, and a parking brake indicator. These requirements and applicable test procedures are also virtually identical to those proposed in Docket No. 70–27.

As this agency has previously noted, "The safety afforded by a vehicle's braking system is determined by several factors, including stopping distance, linear stability while stopping, fade resistance and fade recovery." Compliance with the requirements would be determined by subjecting a motorcycle to a series of road tests. Since "the most important indication of brake performance is the

distance in which a brake system can stop a vehicle from a given speed," requirements for stopping distances within given braking force ranges are proposed from speeds of 30 m.p.h., 60 m.p.h., 80 m.p.h., and a speed divisible by 5 m.p.h. that is 4 m.p.h. to 8 m.p.h. less than the maximum speed attainable in 5 miles (if such exceeds 95 m.p.h.). A second important characteristic is the stability of the vehicle while stopping. The proposed rule would require a two-wheeled motorcycle to stop on all stops without locking any wheel and to stay within 6-foot-wide lane. The roadway lane would be vehicle width plus 5 feet for three-wheeled motorcycles. Brake fade characteristics are critical from the standpoint of retaining adequate stopping power despite the high temperatures created by prolonged use. Motorcycles would initiate fade stops from 60 m.p.h. every 0.4 mile, as in the fade test procedures for passenger cars presently specified in Standard No. 105. Brakes would also have to demonstrate acceptable recovery when subjected to water.

Partial failure braking features are necessary in the event of hydraulic pressure loss in the normal service system. It is proposed that three-wheeled motorcycles with hydraulic brake systems have a split service brake system. Stopping distance requirements are proposed with either part of the system rendered inoperable. Failure indicators would indicate a brake system failure due to pressure loss or low brake fluid level. A parallel proposed requirement is that two-wheeled motorcycles demonstrate braking ability using each system, front and rear individually.

Also under the proposal, the parking brake system proposed for three-wheeled motorcycles would be required to hold these vehicles on a 30-percent grade, and a parking brake indicator lamp would also have to be provided.

The proposed standard would comprise, in addition, a durability test, since motorcycles would be required to be able to pass all specified tests performed in sequence, without structural deformation or detachment of brake linings at the end of the sequence.

Proposed effective date: September 1, 1972.

In consideration of the foregoing it is proposed that 49 CFR 571.21, Federal Motor Vehicle Safety Standards, be amended by adding a new Standard, Brake Systems—Motorcycles, as set forth below. Comments are invited on the proposal, particularly on the brake pedal and hand lever actuation forces, which are based on forces specified in SAE Recommended Practice J109, "Service Brake System Performance Requirements, Motorcycles and Motor-Driven Cycles," July 1969. While it is proposed that all stops be made with the clutch disengaged, it is recognized that engine retardation is advantageous in making a full stop of a two-wheeled motorcycle. Comments are therefore invited as to a suggested numerical gear which could be utilized down to a suggested specified speed to increase performance in both effectiveness and fade stops, as well as a method for determining that the specified gear is engaged. Comments should refer to the docket number and be submitted to: Docket Section, National Highway Traffic Safety Administration, Room 4223, 400 Seventh Street SW., Washington, DC 20591. It is requested, but not required, that 10 copies be submitted. All comments received before the close of business on June 22, 1971, will be considered, and will be available in the docket at the above address for examination before and after the closing date. To the extent possible, comments filed after the above date will also be considered. However, the rule making action may proceed at any time after that date, and comments received after the closing date and too late for consideration in regard to the action will be treated as suggestions for future rule making. Relevant material will continue to be filed, as it becomes available, in the docket after the closing date, and it is recommended that interested persons continue to examine the docket for new materials.

This notice of proposed rule making is issued under the authority of sections 103 and 119 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392, 1407), and the delegations of authority at 49 CFR 1.51 (35 F.R. 4955) and 49 CFR 501.8 (35 F.R. 11126).

Issued on March 8, 1971.

RODOLFO DIAZ,
Acting Associate Administrator,
Motor Vehicle Programs.

§ 571.21 Federal Motor Vehicle Safety Standards.

* * * * *

BRAKE SYSTEMS—MOTORCYCLES

S1. *Scope.* This standard specifies performance requirements for motorcycle brake systems.

S2. *Purpose.* The purpose of this standard is to insure safe motorcycle braking performance under normal and emergency conditions.

S3. *Application.* This standard applies to motorcycles.

S4. *Definitions.*

"Braking interval" means the distance measured from the start of one brake application to the start of the next brake application.

"Initial brake temperature" means the temperature of the hottest service brake of the vehicle 0.2 mile before any brake application.

"Skid number" means the frictional resistance of a pavement measured in accordance with American Society for Testing and Materials Method E–274–65T at 40 m.p.h. omitting water delivery as specified in paragraph 7.1 of that method.

"Speed attainable in 5 miles" means the speed attainable by accelerating at maximum rate from a standing start for 5 miles.

"Stopping distance" means the distance traveled by a vehicle from the start of the brake application to the point where the vehicle stops.

S5. *Requirements.* Each motorcycle shall meet the following requirements under the conditions specified in S6, when tested according to the procedures and in the sequence specified in S7. Corresponding test procedures of S7 are indicated in parentheses. Except as noted, stopping distance requirements shall be met with braking actuation forces within the limits of S6.10. If a motorcycle is incapable of attaining a specified speed, its service brakes shall be capable of stopping the vehicle, from the multiple of 5 m.p.h. that is 4 m.p.h. to 8 m.p.h. less than the speed attainable in 5 miles, within stopping distances that do not exceed the stopping distances specified in Table 1.

S5.1 *Required equipment-split service brake system.* Each motorcycle shall have either a split hydraulic service brake system or two independently actuated service brake systems.

S5.1.1 *Mechanical service brake system.* Failure of any component in a mechanical service brake system shall not result in a loss of braking ability in any other service brake system on the vehicle.

S5.1.2 *Hydraulic service brake system.* Each motorcycle equipped with a hydraulic brake system shall have the equipment specified in S5.1.2.1 through S5.1.2.3.

S5.1.2.1 *Master cylinder reservoirs.* Each master cylinder shall have a separate reservoir for each brake circuit, with each reservoir filler opening having its own cover, seal, and cover retention device. Each reservoir shall have a minimum capacity equivalent to one and one-half times the total fluid displacement resulting when all the wheel cylinder or caliper pistons serviced by the reservoir move from a new lining, fully retracted position to a fully worn, fully applied position. Where adjustment is a factor, the worst condition of adjustment shall be used for this measurement.

S5.1.2.2 *Master cylinder label.* Each motorcycle shall have the following information, located so as to be visible by direct view, permanently affixed, stamped or embossed, either on or within 4 inches of the brake fluid master cylinder filler plug or cap, in lettering at least one-eighth of an inch high on a contrasting background:

WARNING

Use only DOT _____ brake fluid from a sealed container

Clean filler cap before removing.

(Complete to indicate fluid used in complying with S5.1.2.3.)

S5.1.2.3 *Brake fluid.* Each motorcycle shall be equipped with brake fluid conforming to Motor Vehicle Safety Standard No. 116, as in effect on the date of manufacture of the motorcycle.

S5.1.3 *Split hydraulic service brake system.* In addition to the equipment required by S5.1.2, each motorcycle equipped with a split hydraulic service brake system shall have a failure indicator lamp as specified in S5.1.4 and shall meet the requirements of S5.1.7.

S5.1.4 *Failure indicator lamp.*

(a) One or more electrically operated service brake system failure indicator lamps that is mounted in front of and in clear view of the driver, and that is activated—

(1) In the event of pressure failure in any part of the service brake system, other than a structural failure of either a brake master cylinder body in a split integral body type master cylinder system or a service brake system failure indicator body, before or upon application of not more than 20 pounds of pedal force upon the service brake.

(2) Without the application of pedal force, when the level of brake fluid in a master cylinder reservoir drops to less than the recommended safe level specified by the manufacturer, or to less than one-half the fluid reservoir capacity, whichever is the greater.

(b) All failure indicator lamps shall be activated when the ignition switch is turned from the "off" to the "on" or to the "start" position.

(c) Except for the momentary activation required by S5.1.4(b), each indicator lamp, once activated, shall remain activated as long as the condition exists, whenever the ignition switch is in the "on" position. An indicator lamp activated when the ignition is turned to the "start" position shall be deactivated upon return of the switch to the "on" position unless a failure exists in the service brake system.

(d) Each indicator lamp shall have a red lens labeled "Brake Failure" in letters not less than one-eighth of an inch high that shall be legible to the driver in daylight when lighted.

S5.1.5 *Parking brake.* Each three-wheeled motorcycle shall be equipped with a parking brake of a friction type with a solely mechanical means to retain engagement, and a parking brake indicator lamp which meets the requirements of S5.1.6.

S5.1.6 *Parking brake indicator.*

(a) An electrically operated lamp that is mounted in front of and in clear view of the driver, and that is activated whenever—

(1) The parking brake is applied and the ignition switch is in the "on" position; or

(2) The ignition switch is in the "start" position.

(b) An indicator lamp, once activated, shall remain activated when the ignition switch is in the "on" position as long as the parking brake remains applied. It shall be deactivated when the parking brake is released and the ignition switch is in the "on" or "off" position.

(c) The indicator lamp shall have a red lens labeled "Parking Brake" in letters not less than one-eighth of an inch high, which shall be legible to the driver in daylight when lighted.

S5.1.7 *Other requirements.* Failure (other than failure of a master cylinder body or failure indicator body) of any pressure component in one part of the system shall not impair the operation of the other parts of the system. The system shall be installed so that the lining thickness of drum brake shoes may be visually inspected, either directly or by use of a mirror, without removing the drums, and so that disc brake friction pads may be visually inspected without removing the pads.

S5.2 *Service brake system—first (preburnished) effectiveness.*

S5.2.1 *Service brake system.* The service brakes shall be capable of stopping the motorcycle from 30 m.p.h. and 60 m.p.h. within stopping distances which do not exceed the stopping distances specified in Column I of Table I (S7.3.1).

S5.2.2 *Partial service brake system.* Each service brake system on each two-wheeled motorcycle shall be capable of stopping the motorcycle from 30 m.p.h. and 60 m.p.h within stopping distances which do not exceed the stopping distances specified in Column II of Table I (S7.3.2).

S5.3 *Parking brake system.* The parking brake system shall be capable of holding the motorcycle, for not less than 5 minutes, in both forward and reverse directions, on a 30 percent grade, with an applied force of not more than 75 pounds for a foot operated system, 50 pounds for a hand-pull operated system, or 35 pounds for a hand-squeeze operated system (S7.5).

S5.4 *Service brake system—second effectiveness.* The service brakes shall be capable of stopping the motorcycle from 30 m.p.h., 60 m.p.h., 80 m.p.h., and the multiple of 5 m.p.h. that is 4 m.p.h. to 8 m.p.h. less than the speed attainable in 5 miles if this speed is 95 m.p.h. or greater, within stopping distances that do not exceed the stopping distances specified in Column III of Table I (S7.6).

S5.5 *Service brake system—fade and recovery.*

S5.5.1 *Baseline check—minimum and maximum pedal forces.* The pedal and lever forces used in establishing the fade baseline check average shall be within the limits specified in S6.10 (S7.7.1).

S5.5.2 *Fade.* Each motorcycle shall be capable of making 10 fade stops from 60 m.p.h. at not less than 15 f.p.s.p.s. for each stop (S7.7.2).

S5.5.3 *Fade recovery.* Each motorcycle shall be capable of making five recovery stops with a pedal force that does not exceed 90 pounds, and a hand lever force that does not exceed 55 pounds, for any of the first four recovery stops, and that for the fifth recovery stop is within plus 10 pounds or plus 20 percent, whichever is less, and minus 20 percent, of the fade test baseline check average force (S7.7.3).

S5.6 *Service brake system—maximum speed fade and recovery.*

S5.6.1 *Baseline check.* The pedal and lever forces used in establishing the baseline check average for this test shall be within the limits specified in S6.10 (S7.9.1).

S5.6.2 *Maximum speed fade.* Each motorcycle shall be capable of making two fade stops from the multiple of 5 m.p.h. that is 4 m.p.h. to 8 m.p.h. less than the speed attainable in 5 miles, if this speed is 95 m.p.h. or greater, at not less than 15 f.p.s.p.s. for each stop (S7.9.2).

S5.6.3 *Maximum speed fade recovery.* Each motorcycle shall be capable of making five recovery stops with a pedal force that does not exceed 90 pounds, and a hand lever force that does not exceed 55 pounds, for any of the first four recovery stops, and that for the fifth recovery stop is within plus 10 pounds or plus 20 percent, whichever is less, and minus 20 percent, of the baseline check average force (S7.9.3).

S5.7 *Service brake system—final effectiveness.*

S5.7.1 *Service brake system.* The service brakes shall be capable of stopping the motorcycle in a manner that complies with S5.4 (S7.11.1).

S5.7.2 *Hydraulic service brake system—partial failure.* In the event of a pressure component leakage failure, other than a structural failure of either a brake master cylinder body in a split integral body type master cylinder system or a service brake system failure indicator body, the remaining portion of the service brake system shall continue to operate, and shall be capable of stopping the motorcycle from 30 m.p.h. and 60 m.p.h. within stopping distances that do not exceed the stopping distances specified in Column IV of Table I (S7.11.2).

S5.8 *Service brake system—water recovery.*

S5.8.1 *Baseline check.* The pedal and lever forces used in establishing the water recovery baseline check average shall be within the limits specified in S6.10 (S7.12.1).

S5.8.2 *Water recovery test.* Each motorcycle shall be capable of making five recovery stops with a pedal force that does not exceed 90 pounds, and a hand lever force that does not exceed 55 pounds, for any of the first four recovery stops, and that, for the fifth recovery stop, is within plus 10 pounds or plus 20 percent, whichever is less, and minus 20 percent, of the baseline check average force (S7.12.2).

S5.9 *Service brake system design durability.* Each motorcycle shall be capable of completing all braking requirements of S5 without detachment of brake linings from the shoes or pad, detachment or fracture of any brake system components, or leakage of fluid or lubricant at the wheel cylinder, and master cylinder reservoir cover, seal, or retention device (S7.13).

S.6 *Test conditions.* The requirements of S5 shall be met under the following conditions. Where a range of conditions is specified, the motorcycle shall be capable of meeting the requirements at all points within the range.

S6.1 *Vehicle weight.* Motorcycle weight is empty vehicle weight, plus maximum capacity of all fluids necessary for operation of the vehicle, plus 200 pounds

(including driver and instrumentation), with the added weight distributed in the saddle or carrier if so equipped.

S6.2 *Tire inflation pressure.* Tire inflation pressure is the pressure recommended by the manufacturer for the maximum recommended weight.

S6.3 *Transmission.* Unless otherwise specified, all stops are made with the clutch disengaged.

S6.4 *Engine.* Engine idle speed and ignition timing settings are according to the manufacturer's recommendations. If the vehicle is equipped with an adjustable engine speed governor, it is adjusted according to the manufacturer's recommendation.

S6.5 *Ambient temperature.* The ambient temperature is between 32° and 100° F.

S6.6 *Wind velocity.* The wind velocity is zero.

S6.7 *Road surface.* Road tests are conducted on level roadway having a skid number of 75. The roadway is 6 feet wide for two-wheeled motorcycles, and overall vehicle width plus 5 feet for three-wheeled motorcycles.

S6.8 *Vehicle position.* The motorcycle is aligned in the center of the roadway at the start of each brake application. Stops are made without any part of the motorcycle leaving the roadway and without lockup of any wheel.

S6.9 *Thermocouples.* The brake temperature is measured by plug-type thermocouples installed in the approximate center of the facing length and width of the most heavily loaded shoe or disc pad, one per brake, as shown in Figure 1. Thermocouples are installed on the outer disc pad of disc brakes.

S6.10 *Brake actuation forces.* Except for the requirements of the fifth recovery stop in S5.5.3, S5.6.3, and S5.8.2 (S7.7.3 and S7.12.2), the hand lever force is not less than five and not more than 55 pounds and the foot pedal force is not less than 10 and not more than 90 pounds. The point of application of the lever forces is 1.2 inches from the end of the brake lever grip. The direction of the force is perpendicular to the handle grip on the plane along which the brake lever rotates, and the point of application of the pedal force is the center of the foot contact pad of the brake pedal. The direction of the force is perpendicular to the foot contact pad on the plane along which the brake pedal rotates, as shown in Figure 2.

S7. *Test procedures and sequence.* Each motorcycle shall be capable of meeting all the requirements of this standard when tested according to the procedures, and in the sequence set forth below without replacing any brake system part, or making any adjustments to the brake system other than as permitted in S7.4. A motorcycle shall be deemed to comply with S5.2, S5.4, and S5.7 if at least one of the stops specified in S7.3, S7.6, and S7.11 is made within the stopping distances specified in Table I.

S7.1 *Braking warming.* If the initial brake temperature for the first stop in a test procedure (other than S7.12) has not been reached, heat the brakes to the initial brake temperature by making up to 10 stops from 30 m.p.h. at a deceleration of not more than 10 f.p.s.p.s. On independently operated brake systems, the coldest brake shall be within 10° F. of the hottest brake.

S7.2 *Pretest instrumentation check.* Conduct a general check of test instrumentation by making not more than 10 stops from a speed of not more than 30 m.p.h. at a deceleration of not more than 10 f.p.s.p.s. If test instrument repair, replacement, or adjustment is necessary, make not more than 10 additional stops after such repair, replacement or adjustment.

S7.3 *Service brake system—first (preburnished) effectiveness test.*

S7.3.1 *Service brake system.* Make six stops from 30 m.p.h. and then six stops from 60 m.p.h. with an initial brake temperature between 130° F. and 150° F.

S7.3.2 *Partial service brake system.* For two-wheeled motorcycles, repeat S7.3.1 using each service brake system individually.

S7.4 *Service brake system—burnish procedure.* Burnish the brakes by making 200 stops from 30 m.p.h. at 12 f.p.s.p.s. The braking interval shall be either the distance necessary to reduce the initial brake temperature to between 130° F. and 150° F. or 1 mile, whichever occurs first. Accelerate at maximum rate to 30 m.p.h. immediately after each stop and maintain that speed until making the next stop. After burnishing, adjust the brakes in accordance with the manufacturer's recommendation.

S7.5 *Parking brake test.* Use a roadway surface grade of 30 percent. Starting with an initial brake temperature of not more than 150° F., drive the motorcycle downhill on the roadway surface with the longitudinal axis of the motorcycle in the direction of the grade. Apply the service brakes with a force not exceeding 90 pounds to stop the motorcycle and place the transmission in neutral. Apply the parking brake by exerting a force not exceeding 75 pounds for a foot operated system, 50 pounds for a hand-pull operated system, or 35 pounds for a hand-squeeze operated system. Release the service brake and allow the motorcycle to remain at rest for at least 5 minutes. Repeat the test with the motorcycle parked in the reversed (uphill) position on the grade. Check parking brake indicator operation.

S7.6 *Service brake system—second effectiveness test.* Repeat S7.3.1. Then, make four stops from 80 m.p.h. and four stops from the multiple of 5 m.p.h. that is 4 m.p.h. to 8 m.p.h. less than the speed attainable in 5 miles if that speed is 95 m.p.h. or greater.

S7.7 *Service brake system—fade and recovery test.*

S7.7.1 *Baseline check stops.* Make three stops from 30 m.p.h. at 10 to 11 f.p.s.p.s. for each stop. Compute the average of the maximum brake pedal forces and of the maximum brake lever forces required for the three stops.

S7.7.2 *Fade stops.* Make 10 stops from 60 m.p.h. at not less than 15 f.p.s.p.s. for each stop. The initial brake temperature before the first brake application shall be between 130° F. and 150° F. Initial brake temperatures before brake applications for subsequent stops shall be those occurring at the distance intervals. Attain the required deceleration as quickly as possible and maintain at least this rate for not less than three-fourths of the total stopping distance for each stop. The interval between the starts of service brake applications shall be 0.4 mile. Drive 1 mile at 30 m.p.h. after the last fade stop and immediately conduct the recovery test specified in S7.7.3.

S7.7.3 *Recovery test.* Make five stops from 30 m.p.h. at 10 to 11 f.p.s.p.s. for each stop. The braking interval shall not be more than 1 mile. Immediately after each stop accelerate at maximum rate to 30 m.p.h. and maintain that speed until making the next stop.

S7.8 *Service brake system—first reburnish.* Repeat S7.4 except make 35 burnish stops instead of 200 stops. Do not adjust brakes after reburnish.

S7.9 *Service brake system—maximum speed fade and recovery test.* Perform this test only if the speed attainable in 5 miles is 95 m.p.h. or greater.

S7.9.1 *Baseline check stops.* Repeat S7.7.1.

S7.9.2 *Fade stops.* Make two stops from the multiple of 5 m.p.h. that is 4 m.p.h. to 8 m.p.h. less than the speed attainable in 5 miles at not less than 15 f.p.s.p.s. for each stop. Attain the required deceleration as quickly as possible and maintain at least this rate for not less than three-fourths of the total stopping distance for each stop. The initial brake temperature before the first brake application shall be between 130° F. and 150° F. The initial brake temperature before brake application for the second stop shall be that occurring in the braking interval. The braking interval between the first and second stops shall be the minimum distance as determined by the vehicle's acceleration ability. Between the first and second stop, accelerate at maximum rate to the test speed, then stop. After the second stop, accelerate to 30 m.p.h., maintain that speed for 1 mile, then immediately conduct recovery test specified in S7.9.3.

S7.9.3 *Recovery test.* Repeat S7.7.3.

S7.10 *Final reburnish.* Repeat S7.8 if S7.9 has been run.

S7.11 *Service brake system—final effectiveness test.*

S7.11.1 *Service brake system.* Repeat S7.6, including S7.3.1.

S7.11.2 *Partial service brake system test.* Alter the service brake system on three-wheeled motorcycles to induce a complete loss of braking in any one subsystem. Determine the line pressure or pedal force necessary to cause the brake system failure indicator to operate. Make six stops from 30 m.p.h. and then six stops from 60 m.p.h. with an initial brake temperature between 130° F. and 150° F. Repeat for each subsystem. Determine that the brake failure indicator is operating when the master cylinder fluid level is less than the level specified in S5.1.4.1(a)(2), and that it complies with S5.1.4.1(c). Check for proper operation with each reservoir in turn at a low level. Restore the service brake system to normal at completion of this test.

S7.12 *Service brake system—water recovery test.*

S7.12.1 *Baseline check stops.* Make three stops from 30 m.p.h. at 10 to 11 f.p.s.p.s. for each stop. Complete the average of the maximum brake pedal forces, and of the maximum brake lever forces required for the three stops.

S7.12.2 *Wet brake recovery stops.* Completely immerse the brake assemblies of the mortorcycle in water for 5 minutes with the brakes fully released. Immediately after removal from the water accelerate at a maximum rate to 30 m.p.h. without a brake application. Immediately upon reaching that speed make five stops, each from 30 m.p.h. at 10 to 11 f.p.s.p.s. for each stop. After each stop (except the last) accelerate the vehicle immediately at a maximum rate to 30 m.p.h. and begin the next stop.

S7.13 *Final inspection.* Upon completion requirements. Disassemble all brakes system, in an assembled condition, for compliance with the brake lining inspection requirements. Disassemble all brakes and inspect:

(a) The entire brake system for detachment or fracture of any component.

(b) Brake linings for detachment from the shoe or pad.

(c) Wheel cylinder, master cylinder, and axle seals for fluid or lubricant leakage.

(d) Master cylinder for reservoir capacity and retention device.

(e) Master cylinder label for compliance with S5.1.2.2.

TABLE I

STOPPING DISTANCES FOR EFFECTIVENESS, FADE AND PARTIAL SYSTEM TESTS

Vehicle test speed, m.p.h.	Stopping distance, feet			
	Effectiveness tests			
	Preburnish effectiveness total system (S5.2.1)	Preburnish effectiveness partial mechanical systems (S5.2.2)	Effectiveness total system (S5.4) (S5.7.1)	Effectiveness partial hydraulic systems (S5.7.2)
	I	II	III	IV
30	54	121	43	97
35	74	165	58	132
40	96	216	75	173
45	121	273	95	218
50	150	337	128	264
55	181	407	155	326
60	216	484	185	388
65	----------	----------	217	455
70	----------	----------	264	527
75	----------	----------	303	605
80	----------	----------	345	689
85	----------	----------	389	778
90	----------	----------	484	872
95	----------	----------	540	971
100	----------	----------	598	1076
105	----------	----------	659	1186
110	----------	----------	723	1302
115	----------	----------	791	1423
120	----------	----------	861	1549

TABLE II

BRAKE TEST SEQUENCE AND REQUIREMENTS

Sequence	Test procedure	Requirements
1. Instrumentation check	S7.2	
2. First (Preburnished) effectiveness test:		
(a) Service brake system	S7.3.1	S5.2.1
(b) Partial service brake system (two-wheeled motorcycles only)	S7.3.2	S5.2.2
3. Burnish procedure	S7.4	
4. Parking brake test (three-wheeled motorcycles only)	S7.5	S5.3
5. Second effectiveness test	S7.6	S5.4
6. First fade and recovery test	S7.7	S5.5

TABLE II—Continued

BRAKE TEST SEQUENCE AND REQUIREMENTS

Sequence	Test procedure	Requirements
7. First reburnish	S7.8	
8. Maximum speed fade and recovery test	S7.9	S5.6
9. Final reburnish	S7.10	
10. Final effectiveness test:		
(a) Service brake system	S7.11.1	S5.7.1
(b) Partial service brake system (three-wheeled motorcycles only)	S7.11.2	S5.7.2
11. Water recovery test	S7.12	S5.8
12. Design durability	S7.13	S5.9

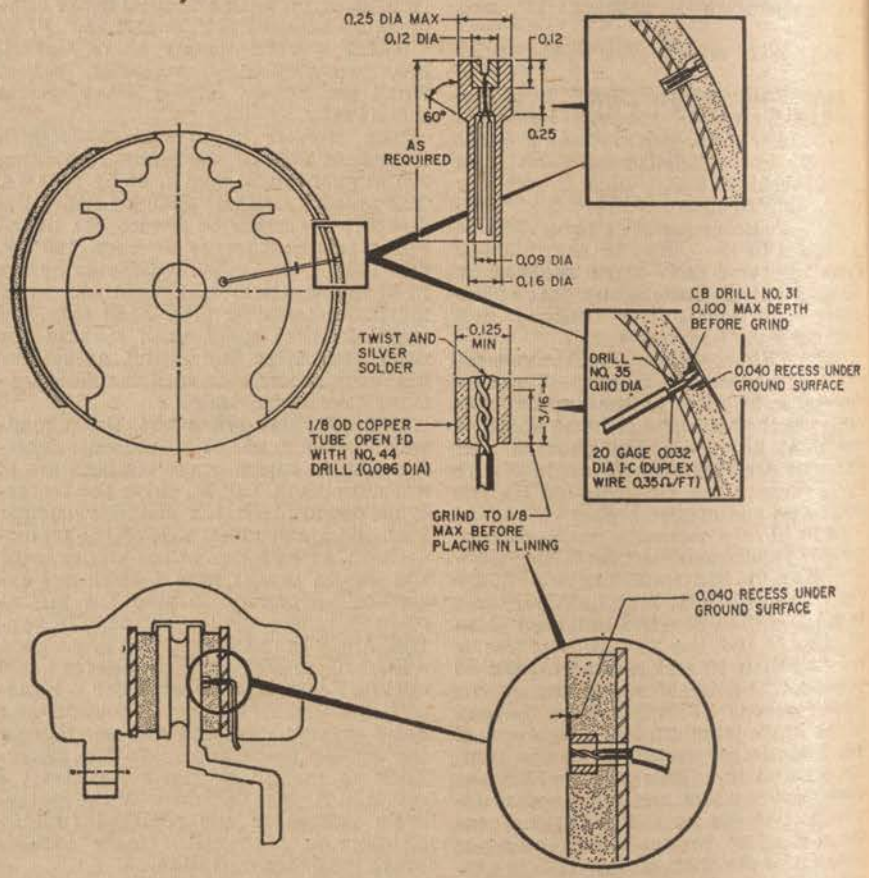
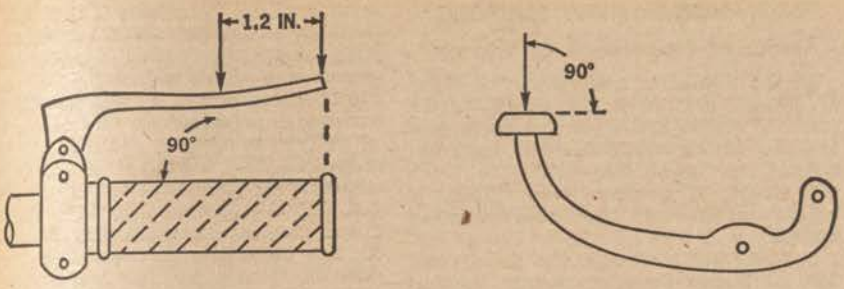


FIGURE 1 - TYPICAL PLUG TYPE THERMOCOUPLE INSTALLATIONS

FIG. 2 DIRECTION OF FORCE



(BRAKE LEVER) (BRAKE PEDAL)

[FR Doc.71-3583 Filed 3-23-71;8:45 am]

ENVIRONMENTAL PROTECTION AGENCY

[21 CFR Part 420]

HYDROGEN CYANIDE

Proposed Reduction of Tolerances in or on Raw Agricultural Commodities

As a result of petitions filed pursuant to section 408 of the Federal Food, Drug, and Cosmetic Act, tolerances were established for residues of the insecticide hydrogen cyanide from postharvest fumigation in or on various commodities, including 100 parts per million in or on barley, buckwheat, corn (including popcorn), milo (grain sorghum), oats, rice, rye, and wheat.

It is the policy of the Environmental Protection Agency to review its pesticide tolerances with respect to new scientific data and to reduce existing tolerances to levels no higher than those found to be necessary to accomplish their intended effect. A review of the hydrogen cyanide tolerances has been made and it has been found that a reduction to the level of the Codex Alimentarius recommended international tolerance for residues of hydrogen cyanide in raw cereals is appropriate.

Part 120, Chapter I, Title 21, was redesignated Part 420 and transferred to Chapter III (36 F.R. 424).

The U.S. Department of Agriculture concurs in the proposed reductions of tolerances for residues of hydrogen cyanide.

Based on consideration given available data and other relevant material, it is concluded that the proposed reductions of tolerances for residues of hydrogen cyanide will protect the public health.

Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(e), 68 Stat. 514; 21 U.S.C. 346a(e)), the authority transferred to the Administrator (35 F.R. 15623), and the authority delegated by the Administrator to the Commissioner or Acting Commissioner of the Pesticides Office of the Environmental Protection Agency (36 F.R. 1228), it is proposed that § 420.130 be amended by revising the item "100 parts per million * * *" to read "75 parts per million in or on barley, buckwheat, corn (including popcorn), milo (grain sorghum), oats, rice, rye, wheat".

Any person who has registered or submitted an application for the registration of an economic poison under the Federal Insecticide, Fungicide, and Rodenticide Act containing any of the ingredients listed herein may request, within 30 days after publication hereof in the FEDERAL REGISTER, that this proposal be referred to an advisory committee in accordance with section 408(e) of the act.

Interested persons may, within 30 days after publication hereof in the FEDERAL REGISTER, file with the Objections Clerk, Environmental Protection Agency, 1626 K Street NW., Washington, DC 20460, written comments (preferably in quintuplicate) regarding this proposal. Comments may be accompanied by a memorandum or brief in support thereof.

Dated: March 18, 1971.

R. E. JOHNSON,
Acting Commissioner,
Pesticides Office.

[FR Doc.71-3990 Filed 3-23-71;8:48 am]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 73]

[Docket No. 18425; FCC 71-286]

REMOTE CONTROL OF TELEVISION BROADCAST STATIONS

Further Notice of Proposed Rule Making

In the matter of amendment of Part 73, Subpart E, of the Commission's rules and regulations governing television broadcast stations concerning the operation of VHF and UHF television broadcast stations by remote control; Docket No. 18425, RM-1340.

1. The Commission has today adopted a First Report and Order in this proceeding (Docket No. 18425), promulgating amendments to its rules governing the remote control of television broadcast stations. Pursuant to the amended rules, VHF television broadcast stations may for the first time operate by remote control. These rules will also apply to the remote control operation of UHF television broadcast stations, which have heretofore conducted such operation under rules which were less definitive, and lacked some of the requirements of the new rules.

2. Paragraph (f) of § 73.676 of the amended rules reads as follows:

> Suitable test signals generated at the remote control point shall be transmitted in the vertical interval pursuant to § 73.682 (a)(21). These signals shall be received and observed at the remote control point for the purpose of verifying that the entire system is so adjusted and operated that the visual modulation envelope meets the requirements of the Commission's rules.

A note appended to this paragraph suspends its effectiveness pending a determination of the characteristics and manner of use of such signals pending the outcome of this proceeding.

3. Apparatus is available, of course, for generating a rather large variety of test signals for the evaluation of the quality of transmission in television broadcast systems, and most television stations regularly employ such signals intermittently for testing and maintaining their transmitters and other equipment. However, these signals are usually used during maintenance periods in lieu of other modulation of the visual carrier, and observed in full-field displays on the waveform monitor and vectorscope.

4. The rule cited above contemplates the transmission of test signals on lines in the vertical interval, simultaneously with program material. Subparagraph (4) of § 73.677 requires that off-the-air monitoring equipment be capable of monitoring these transmissions, thus making possible a continuous check on the performance of the transmitter and other station equipment. However, it appears if the maximum benefit is to be obtained from such transmissions, the manner of their use and the particular characteristics of these signals should be set, to a large extent, by rule. It is the purpose of the instant proceeding to examine this question, and to obtain comments and information on which appropriate rules may be based.

5. While it is, of course, possible to provide automatic switching so that a number of separate test signals can be consecutively transmitted and displayed, each for an appreciable period of time, it would seem to be more efficient and effective to employ a composite signal, consisting of selected standard test signals displayed on a single line. Such a composite signal might be produced by a single generator. Since the levels of certain kinds of distortion under actual operating conditions depend on the average picture level (APL) of the program material, it may be desirable to set, by rule, the level or levels at which the test signals are transmitted, or to exercise continuous control of such levels by the APL.

6. The most useful of presently employed test signals would appear to be

the multiburst with flag, sine squared 2T with window, and the stairstep. For color testing, the stairstep is modulated coherent with the color burst, and color bars are employed. The Vertical Interval Reference Signal (VIR), presently under development, holds particular promise for color testing in the future.

7. We desire comment on the following:

(1) Which of the generally employed test signals should be used for vertical interval transmission, and what are the advantages or disadvantages in using particular signals or combinations of signals?

(2) Should the rules require that each of the selected signals be transmitted for a fixed period of time for individual display, or require that a composite of the selected signals be generated for display on a single line? Should the manner of use be left to the individual licensee?

(3) Should the rules specify the levels at which particular test signals are transmitted?

(4) During what periods of station operation should the test signals be transmitted?

(5) Should different test signals, or a modified composite signal be transmitted during periods when picture transmissions are in color, than when they are in monochrome?

(6) Should the rules specify which line, or lines shall be occupied by the test signals?

8. Comments need not be limited to the particular questions presented above. Rather, we desire the fullest discussion of all aspects of this matter, with documentation of any proposals for the use of particular vertical interval test signals.

9. Authority for adoption of rule amendments of the nature proposed herein is found in sections 4 (i) and (j) and 303 of the Communications Act of 1934, as amended.

10. Pursuant to applicable procedures set forth in § 1.415 of the Commission's rules, interested parties may file comments on or before April 30, 1971, and reply comments on or before May 10, 1971. All relevant and timely comments and reply comments will be considered by the Commission before final action is taken in this proceeding. In reaching a decision herein, the Commission may also take into account other relevant information before it, in addition to the specific comments invited by this notice.

11. In accordance with the provisions of § 1.419 of the rules, an original and 14 copies of all comments, reply comments, pleadings, briefs, and other documents shall be furnished the Commission.

Adopted: March 17, 1971.

Released: March 22, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-4000 Filed 3-23-71;8:48 am]

[1] Commissioner Johnson concurring in the result.

[47 CFR Parts 87, 89, 91, 93]

[Docket No. 19174; FCC 71-273]

RECIPROCAL SHARING OF OPERATIONAL FIXED STATIONS

Notice of Proposed Rule Making

In the matter of amendment of Parts 87, 89, 91, and 93 of the Commission's rules to make provision for reciprocal sharing of operational fixed stations; Docket No. 19174, RM-1681.

1. Notice of proposed rule making is hereby given in the above-entitled matter.

2. The rules governing the Safety and Special Radio Services permit sharing of private microwave (and other fixed) systems among persons eligible in the same radio service and to a limited extent among persons eligible in different radio services. See, for example, § 91.9 (a) and (b) of the Commission's rules. Sharing is permitted on two bases: (a) Without charge to the participants [see § 91.9(d)(1)], and (b) on a nonprofit, cost-sharing basis [see § 91.9(d)(2)]. Under § 91.9(d)(2) and other comparable sections in other parts of the rules,[1] a licensee of a system may accept from persons sharing his system a pro rata contribution to his capital and operating costs. The rules further require, among other things, the filings of an annual report showing the cost of operating the shared system and the breakdown of the pro rata contribution of each participant in its use. See § 91.9(h).

3. Since the adoption of the current rules,[2] licensees of private microwave systems have found it advantageous to enter into agreements under which one permits the use of communications channels in his system in exchange for the use of comparable communications channels in the microwave system of the other. These mutual sharing arrangements have obvious merits, both in terms of spectrum economy and fuller utilization of private systems and in terms of economy and convenience on the part of the parties. However, there are no provisions in the existing rules specifically permitting such mutual sharing of microwave systems. Thus, if these arrangements are permissible, they come under the cost-sharing provisions of the rules, because under them sharing is not without charge in that each participant is under a contractual obligation to give the other valuable consideration; namely, the use of communications channels in its own system. Therefore, to comply with these cost-sharing provisions of the rules, a licensee proposing to enter into a mutual sharing arrangement with others will have to show initially [see, for example § 91.9(f)] and each year thereafter [§ 91.9(h)] that the monetary worth of the use of microwave channels it would receive does not exceed that of the microwave channels it would furnish. But such showing is inherently difficult, if not impossible to make and, in view of the nature of these arrangements, it appears that no useful purpose would be served by requiring strict compliance with the cost-sharing provision of our rules. In fact, in the past, the Commission has considered a limited number of proposals for mutual sharing of private microwave systems and has waived its rules to exempt them from the cost-sharing provisions of the rules.

4. In this connection, the Central Committee on Communication Facilities of the American Petroleum Institute (Central Committee) has filed a petition (RM-1681) asking for amendments of the rules governing the Industrial Radio Services to make specific provisions for mutual (reciprocal) sharing of microwave systems on a regular basis. As we have indicated, these arrangements are desirable, and, although the most immediate need for them has been manifested in the petroleum industry, we believe that they should be permitted in all of the private services. Accordingly, we propose to grant the Central Committee's petition, but we proposed to include the same provisions in Parts 87, 89, 91, and 93 of the rules, so as to maintain uniformity in the provisions governing cooperative sharing of fixed systems in the private radio services.

5. It should be emphasized that the proposed amendments would apply only when the consideration given a licensee of a microwave (or other fixed system) by a prospective share user is the reciprocal use of the latter's facilities by the licensee. If additional consideration is involved, such as contributions to a licensee's capital and operating costs, the provisions of the existing rules relating to the sharing of costs would apply. However, where the prospective sharing user is to supply, at its own expense, the equipment necessary to implement the sharing arrangement, such as multiplexing, receiving equipment, connecting lines, etc., this would not be considered as additional consideration and the cost-sharing provision would not apply.

6. The proposed amendment to § 91.9 of the rules is set forth below. Identical rules will be included in Parts 87, 89 and 93.

7. Authority for the amendments is contained in sections (4) (i) and 303 of the Communications Act of 1934, as amended.

8. Pursuant to procedures set out in § 1.415 of the Commission's rules, interested parties may file comments on or before April 30, 1971, and reply comments on or before May 10, 1971. All relevant and timely comments and reply comments will be considered by the Commission before final action is taken in this proceeding. In reaching its decision, the Commission may also take into account other relevant information before it, in addition to the specific comments invited by this notice.

9. In accordance with the provisions of § 1.419 of the Commission's rules, an

[1] The same basic provisions are included in the Aviation Services (§ 87.467); the Public Safety Radio Services (§ 89.14); and the Land Transportation Radio Services (§ 93.4).

[2] Cooperative Sharing of Operational Fixed Stations, 4 FCC 2d 406 (1966).

original and 14 copies of all statements, briefs, or comments shall be furnished the Commission.

Adopted: March 17, 1971.

Released: March 19, 1971.

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

Parts 87, 89, 91 and 93 of the Commission's rules are amended in substantial accord with the amendment of § 91.9 of the rules as set forth below.

In § 91.9 paragraphs (d) and (i) are amended to read as follows:

§ 91.9 Cooperative use of operational fixed radio stations.

* * * * *

(d) Licensed facilities may be cooperatively used under this section only (1) without charge to any of the participants in its use, or (2) on a nonprofit, cost sharing basis pursuant to a written contract between the parties involved which provides that the licensee shall have control of the licensed facilities and that contributions to capital and operating expenses are accepted only on a cost sharing nonprofit basis, prorated equitably, among all participants using the facilities, or (3) on a reciprocal basis without charge for either capital or operating expense, pursuant to a written contract between the licensees involved.

* * * * *

(i) When radio facilities are shared under the provisions of this section without charge and without any other consideration from any other participants, or on a reciprocal basis, or when the facilities are shared solely by governmental entities, in lieu of the statements required to be filed by paragraph (h) of this section, the licensee shall file with the Commission within 90 days after the close of his fiscal year a statement advising the Commission of that fact.

* * * * *

[FR Doc.71-4001 Filed 3-23-71;8:48 am]

Notices

DEPARTMENT OF THE TREASURY

Fiscal Service

[Dept. Circ. 570, 1970 Rev., Supp. No. 9]

WESTFIELD INSURANCE COMPANY

Change of Name

Superior Risk Insurance Company, LeRoy, Ohio, an Ohio corporation, has formally changed its name to Westfield Insurance Company, effective December 15, 1970. Documents evidencing the change of name are on file in the Treasury.

A new Certificate of Authority as an acceptable surety on Federal bonds, dated December 15, 1970, has been issued by the Secretary of the Treasury to the Westfield Insurance Company, LeRoy, Ohio, under sections 6 to 13 of title 6 of the United States Code, to replace the Certificate issued July 1, 1970 to the Company under its former name, Superior Risk Insurance Company. The underwriting limitation of $1,068,000 previously established for the Company remains unchanged.

The change in name of Superior Risk Insurance Company does not affect its status or liability with respect to any obligation in favor of the United States or in which the United States has an interest, which it may have undertaken pursuant to the Certificate of Authority issued by the Secretary of the Treasury.

Certificates of Authority expire on June 30 each year, unless sonner revoked, and new Certificates are issued on July 1, so long as the companies remain qualified (31 CFR Part 223). A list of qualified companies is published annually as of July 1, in Department Circular 570, with details as to underwriting limitations, areas in which licensed to transact fidelity and surety business and other information. Copies of the Circular, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Audit Staff, Washington, D.C. 20226.

Dated: March 18, 1971.

[SEAL] JOHN K. CARLOCK,
Fiscal Assistant Secretary.

[FR Doc.71-3972 Filed 3-23-71;8:46 am]

Office of Foreign Assets Control

PAINT BRUSHES

Importations Directly From Singapore; Available Certifications

Notice is hereby given that certificates of origin issued by the Trade Division, Ministry of Finance of the Government of Singapore under procedures agreed upon between that government and the Office of Foreign Assets Control in connection with the Foreign Assets Control Regulations are now available with respect to the importation into the United States directly, or on a through bill of lading, from Singapore of the following additional commodity:

Paint brushes made with hog bristles.

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

[FR Doc.71-4105 Filed 3-23-71;8:51 am]

DEPARTMENT OF AGRICULTURE

Office of the Secretary

MINNEAPOLIS GRAIN EXCHANGE

Designation as Contract Market for Frozen Pork Bellies

Pursuant to the authorization and direction contained in the Commodity Exchange Act as amended (7 U.S.C. 1 et seq., Supp. IV, 1969), I hereby designate the Minneapolis Grain Exchange of Minneapolis, Minn., as a contract market for frozen pork bellies effective on this date, as shown below. The said exchange has applied for and has otherwise complied with the requirements imposed by the said Act as a condition precedent to such designation.

The designation is subject to suspension or revocation in accordance with the provisions of the said Act. For the purpose of any such suspension or revocation this designation and the orders issued by the Secretary of Agriculture on May 21, 1923, and September 11, 1950, designating the said exchange as a contract market for the commodities specified in such orders, may constitute either a single designation or several designations.

Issued this 19th day of March 1971.

RICHARD E. LYNG,
Assistant Secretary.

[FR Doc.71-3963 Filed 3-23-71;8:46 am]

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[Docket No. S-550]

FRED BAUMGARTNER

Notice of Loan Application

MARCH 18, 1971.

Fred Baumgartner, Post Office Box 2432, Harbor, OR 97415, has applied for a loan from the Fisheries Loan Fund to aid in financing the purchase of a used 42-foot, length overall wood vessel to engage in the fishery for salmon, albacore, Dungeness crab, sablefish, lingcod, and rockfish.

Notice is hereby given, pursuant to the provisions of 16 U.S.C. 742c, Fisheries Loan Fund Procedures (50 CFR Part 250, as revised), and Reorganization Plan No. 4 of 1970, that the above entitled application is being considered by the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, Interior Building, Washington, D.C. 20235. Any person desiring to submit evidence that the contemplated operation of such vessel will cause economic hardship or injury to efficient vessel operators already operating in that fishery must submit such evidence in writing to the Director, National Marine Fisheries Service, within 30 days from the date of publication of this notice. If such evidence is received it will be evaluated along with such other evidence as may be available before making a determination that the contemplated operation of the vessel will or will not cause such economic hardship or injury.

JAMES F. MURDOCK,
Chief,
Division of Financial Assistance.

[FR Doc.71-4006 Filed 3-23-71;8:49 am]

[Docket No. G-492]

WARREN G. McQUAGGE

Notice of Loan Application

MARCH 18, 1971.

Warren G. McQuagge, 415 57th Street, West Palm Beach, FL 33407, has applied for a loan from the Fisheries Loan Fund to aid in financing the purchase of a new 26-foot length overall fiber glass vessel to engage in the fishery for king mackerel, snappers, and pompano.

Notice is hereby given, pursuant to the provisions of 16 U.S.C. 742c, Fisheries Loan Fund Procedures (50 CFR Part 250, as revised), and Reorganization Plan No. 4 of 1970, that the above entitled application is being considered by the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, Interior Building, Washington, D.C. 20235. Any person desiring to submit evidence that the contemplated operation of such vessel will cause economic hardship or injury to efficient vessel operators already operating in that fishery must submit such evidence in writing to the Director, National Marine Fisheries Service, within 30 days from the date of publication of this notice. If such evidence is received it will be evaluated along with such other evidence as may be available before making a determination that the contemplated operation of the vessel will or will not cause such economic hardship or injury.

JAMES F. MURDOCK,
Chief,
Division of Financial Assistance.

[FR Doc.71-4007 Filed 3-23-71;8:49 am]

[Docket No. S-551]

LEE DEAN MYERS

Notice of Loan Application

MARCH 17, 1971.

Lee Dean Myers, Box 631, Forks, WA 98331, has applied for a loan from the Fisheries Loan Fund to aid in financing the purchase of a used, 34.5-foot registered length wood vessel, to engage in the fishery for salmon and albacore in the Washington and Oregon area.

Notice is hereby given, pursuant to the provisions of 16 U.S.C. 742c, Fisheries Loan Fund Procedures (50 CFR Part 250, as revised), and Reorganization Plant No. 4 of 1970, that the above entitled application is being considered by the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, Interior Building, Washington, D.C. 20235. Any person desiring to submit evidence that the contemplated operation of such vessel will cause economic hardship or injury to efficient vessel operators already operating in that fishery must submit such evidence in writing to the Director, National Marine Fisheries Service, within 30 days from the date of publication of this notice. If such evidence is received it will be evaluated along with such other evidence as may be available before making a determination that the contemplated operation of the vessel will or will not cause such economic hardship or injury.

JAMES F. MURDOCK,
Chief,
Division of Financial Assistance.

[FR Doc.71-3975 Filed 3-23-71;8:47 am]

[Docket No. B-509]

HOWARD J. URQUHART

Notice of Loan Application

MARCH 17, 1971.

Howard J. Urquhart, Corea, Maine 04624, has applied for a loan from the Fisheries Loan Fund to aid in financing the purchase of a new 30-foot length overall fiber glass vessel to engage in the fishery for lobsters.

Notice is hereby given, pursuant to the provisions of 16 U.S.C. 742c, Fisheries Loan Fund Procedures (50 CFR Part 250, as revised), and Reorganization Plan No. 4 of 1970, that the above entitled application is being considered by the National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, Interior Building, Washington, D.C. 20235. Any person desiring to submit evidence that the contemplated operation of such vessel will cause economic hardship or injury to efficient vessel operators already operating in that fishery must submit such evidence in writing to the Director, National Marine Fisheries Service, within 30 days from the date of publication of this notice. If such evidence is received it will be evaluated along with such other evidence as may be available before making a determination that the contemplated operation of the vessel will or will not cause such economic hardship or injury.

JAMES F. MURDOCK,
Chief,
Division of Financial Assistance.

[FR Doc.71-3976 Filed 3-23-71;8:47 am]

ATOMIC ENERGY COMMISSION

[Docket No. 50-297]

NORTH CAROLINA STATE UNIVERSITY

Order Extending Construction Permit Completion Date

North Carolina State University having filed a request dated January 27, 1971, for an extension of the latest completion date specified in Construction Permit No. CPRR-106 which authorizes construction of the PULSTAR nuclear research reactor facility on the University's campus at Raleigh, N.C., and good cause having been shown for this extension pursuant to section 185 of the Atomic Energy Act of 1954, as amended, and 10 CFR 50.55(b) of the Commission's regulations: *It is hereby ordered,* That the latest completion date of Construction Permit No. CPRR-106 is extended from April 1, 1971, to November 1, 1971.

Dated at Bethesda, Md., this 12th day of March 1971.

For the Atomic Energy Commission.

FRANK SCHROEDER,
Acting Director,
Division of Reactor Licensing.

[FR Doc.71-3950 Filed 3-23-71;8:45 am]

CIVIL AERONAUTICS BOARD

[Docket No. 23213; Order 71-3-114]

ABC AIR FREIGHT

Order of Investigation and Suspension

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 19th day of March 1971.

Reduced time limit for reporting concealed loss or damage claims proposed by Midland Forwarding Corporation doing business as ABC Air Freight.

By tariff revision[1] filed February 17 and marked to become effective March 21, 1971, Midland Forwarding Corp. doing business as ABC Air Freight (Midland) proposes to reduce from 12 days to 72 hours the time limit for reporting, in writing, concealed loss or damage claims. Midland does not support its proposal in any way and no complaints have been filed.

Upon consideration of all relevant factors, the Board finds that Midland's proposal may be unjust, unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial or otherwise unlawful, and should be suspended pending investigation.

Numerous instances may occur where a consignee would not have an opportunity to examine or open a shipment, much less submit a written report to the forwarder of forthcoming claims on concealed loss or damage. For example, a shipment could be delivered on the Friday afternoon of a 3-day weekned, and the 72d hour would fall in the afternoon of the Monday holiday.

Furthermore, Midland's proposed time limit is excessively stringent as compared to the time limits currently in effect for the direct carriers or other forwarders.[2] Direct carriers provide a 15-day time limit for reporting concealed loss and damage claims and the shortest time limit provided by forwarders is generally 7 days.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 1002 thereof:

It is ordered, That:

1. An investigation is instituted to determine whether the provisions in Rule No. 120(b) on 8th Revised Page 11 of Midland Forwarding Corp. doing business as ABC Air Freight's CAB No. 8 (ABC Air Freight Co., Inc. Series), and rules, regulations, or practices affecting such provisions, are or will be unjust, unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful, and if found to be unlawful to determine and prescribe the lawful provisions, and rules, regulations, and practices affecting such provisions;

2. Pending hearing and decision by the Board, the provisions in Rule No. 120(b) on 8th Revised Page 11 of Midland Forwarding Corp. doing business as ABC Air Freight's CAB No. 8 (ABC Air Freight Co., Inc. Series), are suspended and their use deferred to and including June 18, 1971, unless otherwise ordered by the Board, and that no changes be made therein during the period of suspension except by order or special permission of the Board;

3. The proceeding herein be assigned for hearing before an examiner of the Board at a time and place hereafter to be designated; and

4. Copies of this order shall be filed with the tariff and served upon Midland Forwarding Corp. doing business as ABC Air Freight, who is hereby made a party to this proceeding.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.71-4023 Filed 3-23-71;8:50 am]

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[1] Revision to Midland Forwarding Corporation doing business as ABC Air Freight's CAB No. 8 (ABC Air Freight Co., Inc. Series).

[2] The Board by Order 70-10-92 dated Oct. 19, 1970, suspended a proposal by Satellite Air Freight (an air freight forwarder) to reduce the time limit to 2 days for reporting claims on concealed loss or damage.

[Docket No. 22435]

ALOHA-HAWAIIAN MERGER CASE

Notice of Oral Argument

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that oral argument in the above-entitled matter is assigned to be held on April 14, 1971, at 10 a.m., e.s.t., in Room 1027, Universal Building, 1825 Connecticut Ave. NW., Washington, D.C., before the Board.

Dated at Washington, DC, March 19, 1971.

[SEAL] RALPH L. WISER,
Associate Chief Examiner.

[FR Doc.71-4020 Filed 3-23-71;8:50 am]

[Dockets Nos. 23209, 19923; Order 71-3-108]

AMERICAN AIRLINES, INC., AND EASTERN AIR LINES, INC.

Order of Suspension and Investigation

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of March 1971.

Increased excess valuation charges proposed by American Airlines, Inc., and Eastern Air Lines, Inc., Docket 23209; liability and claim rules and practices investigation, Docket 19923.

By tariff revisions[1] bearing a posted date of February 1 by American Airlines, Inc. (American), and an issue date of February 12 by Easter Air Lines, Inc. (Eastern), both marked to become effective April 1, 1971, American proposes to increase its charge from 10 to 15 cents per $100 (or fraction thereof) of excess declared value and Eastern proposes to increase its charge from 10 to 20 cents.

Complaints requesting suspension and investigation of American's proposal have been filed jointly by the Society of American Florists and National Fisheries Institute, Inc. and by the Raytheon Co. No complaints have been filed against Eastern's proposal. The complaints assert, inter alia, that American did not sufficiently justify its proposal; that it made no showing determining whether its overall claims experience has been extraordinary due to the increased amount of theft and pilferage being experienced by carriers generally, or due to other causes; that shippers should not be expected to pay for claims costs that result from lack of protection or planning by the carriers; that the carriers are proposing to increase charges but not liability, and that excess value charges are currently under investigation in Docket 19923.

In justification of its proposal, American points out that higher excess valuation charges are assessed by the carrier members of the International Air Transport Association and by other forms of transportation. American further provides various data consisting of a 10-percent sample of claims paid during a 6-month period for shipments having excess declared value, from which it deducted the amount of claims paid under its basic tariff liability of 50 cents per pound but not less than $50, leaving the net amount paid out stemming solely from the excess valuation declarations. The revenue from excess valuation declarations were compared to the net payout. This comparison indicated that the excess valuation revenues would have to be increased by approximately 50 percent to equal the net payout. Eastern's justification used essentially the same methodology, however, the sample contained the data for only the month of November, 1970, and reflected insurance premiums and recoveries.

American's and Eastern's proposals to increase their excess declared value charges come within the scope of the Liability and Claim Rules and Practices Investigation in Docket 19923 and the lawfulness of these charges will be determined in that proceeding. The issue now before us is whether to permit to become effective or suspend the proposed charges pending a final determination of their lawfulness in that investigation.

The Board concludes that American's justification, based upon a 6-month sample, makes a prima facie showing that its excess valuation revenues are not meeting its net payouts. The complaints have not set forth facts or other bases to persuade the Board that increase of 5 cents per $100 of excess valuation should not be permitted to become effective pending investigation and accordingly the Board will deny the complainant's request for suspension. This action, of course, is without prejudice to the opportunity of the complainants or other parties to Docket 19923 to test the validity of any data submitted therein in support of the increased charges, or to present any relevant considerations upon this issue.

The Board finds, however, that the very limited data submitted by Eastern are not adequate to permit an increase of 100 percent in the excess valuation charges to become effective pending the investigation in Docket 19923. While the matter of carrier liability and excess valuation charges have been under question for a long time,[2] Eastern's justification is limited to data reflecting payouts for only 1 month and there is no showing to indicate whether this is representative of Eastern's experience over a longer period. While not accepting the limited sample as representative, the Board further notes that the higher payout ratio indicated underscores the issue as to adequate protection of traffic by the carrier.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 1002 thereof:

It is ordered, That:

1. An investigation be instituted to determine whether the charges and provisions in Rule No. 52(A)(3) and Rule No. 52(D)(2)(c) and the addition of "EA" in Rule No. 52(A)(1) and Rule No. 52(D)(2)(a) on 32d Revised Page 19 of Airline Tariff Publishers, Inc., Agent's CAB No. 96, and rules, regulations or practices affecting such charges and provisions are, or will be, unjust, unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful, and if found to be unlawful, to determine and prescribe the lawful charges and provisions, and rules, regulations, or practices affecting such charges and provisions;

2. Pending hearing and decision by the Board, the charges and provisions in Rule No. 52(A)(3) and Rule No. 52(D)(2)(c) and the addition of "EA" in Rule No. 52(A)(1) and Rule No. 52(D)(2)(a) on 32d Revised Page 19 of Airline Tariff Publishers, Inc., Agent's CAB No. 96 are suspended and their use deferred to and including June 29, 1971, unless otherwise ordered by the Board, and that no changes be made therein during the period of suspension, except by order or special permission of the Board;

3. Except to the extent granted herein, the complaints by the Society of American Florists and the National Fisheries Institute, Inc., in Docket 23113 and the Raytheon Co. in Docket 23124 are dismissed;

4. The proceeding herein designated as Docket 23209 be assigned to hearing before an examiner of the Board at a time and place hereafter to be designated;

5. The Society of American Florists, National Fisheries Institute, Inc. and Raytheon Co. are made parties to Docket 19923 and Eastern Air Lines, Inc. is hereby made a party to Docket 23209 and

6. Copies of this order shall be filed with the appropriate tariff and served upon the parties set forth in paragraph 5 above.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.[3]

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.71-4021 Filed 3-23-71;8:50 am]

[Docket No. 23156; Order 71-3-109]

BRANIFF AIRWAYS, INC.

Order Dismissing Complaint

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of March 1971.

Fare revisions proposed by Braniff Airways, Inc.; Docket 23156.

By tariff revisions[1] marked to become effective March 21, 1971, Braniff Airways,

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[1] Revisions to Airline Tariff Publishers, Inc., Agent, Tariff CAB No. 96.

[2] The inquiry into carrier liability and claim rules and practices was initiated as an informal matter by a letter to the industry dated Aug. 3, 1967. Carrier discussions were authorized by Order 68-8-18, dated Aug. 6, 1968, and formal investigation was instituted by Order 70-7-121, dated July 24, 1970.

[3] Joint partial dissent of Members Minetti and Murphy filed as part of original document.

[1] Revisions to Airline Tariff Publishers, Inc., Agent, Tariff CAB Nos. 136 and 142.

Inc. (Braniff, proposes to eliminate most restrictions now applicable to certain of its GIT fares [2] and to add Discover America fares between Hawaii and selected points in the continental U.S. Braniff also proposes to establish proportional fares between Dallas and various points to be used in combination with existing Dallas-Hawaii group fares, effective April 1, 1971.

The present GIT fares to Hawaii require, in addition to a minimum group size, a prepaid tour add-on of at least $175, and that return travel be undertaken between 13 and 21 days after departure. Braniff's new group fares contain no such requirements. In addition, reservations must now be confirmed and tickets paid for at least 30 days prior to departure for the GIT fares. These requirements would be lowered to 7 and 5 days, respectively, for Braniff's new group fares. The same fare levels would prevail, and depending on the market and size of the group the discounts range from 12.5 to 42.5 percent.

The proportional fares Braniff is proposing between Dallas and eight interior U.S. points would be used in conjunction with group fares between Dallas and Honolulu, and would permit individual travel to Dallas for consolidation into groups of sufficient size to qualify for the fares. In the 10 markets where Braniff is proposing offpeak Discover America fares for midweek application, it presently publishes peak Discover America fares which apply on weekends only.

Northwest Airlines, Inc. (Northwest), has filed a complaint requesting suspension and investigation of the group-fare revisions and Discover America additions. Northwest alleges that the group-fare proposal should be rejected because it is totally devoid of justification; and that the changes proposed are extreme and will cause further revenue dilution in the Hawaiian market. With regard for the Discover America revisions, Northwest alleges that Braniff does not show the competitive fares they are purportedly meeting and that Braniff was never intended to be a major factor in some of the markets.

Braniff has answered Northwest's complaint alleging that the revised group fares apply only between cities where Braniff is the only carrier authorized to provide direct service to Hawaii; that the fares are comparable to those widely available in the contiguous 48 States; that its Hawaiian services must compete with the attraction of Caribbean destinations which are closer and less expensive to reach; that many vacationers visit the Caribbean for relatively short periods of time and if Braniff charges substantially higher transportation charges and requires a longer minimum stay to Hawaii it prices itself out of the group-travel market. Braniff also alleges that the existing fares are nonproductive, that it vigorously promoted them for more than a year and only one group utilized the fares from the points here involved.

On the basis of the facts and information before us, the Board finds that Northwest's complaint does not set forth sufficient facts to warrant investigation, and the request therefore and, accordingly, the request for suspension will be denied and the complaint dismissed.

While the proposed revisions will most likely result in some additional diversion from higher-fare services, the less restrictive fares should also prove to be more attractive and thus be more generative. Braniff asserts that despite a vigorous promotional campaign it has not been able to develop GIT traffic from the points involved to Hawaii. Moreover, despite the fact that Braniff now operates a minimum pattern of service to Hawaii, it has substantial unused space available. The carrier clearly needs to stimulate traffic in these markets, even if its present minimum service pattern is to be profitable. We note that Braniff is not proposing these revisions in the more competitive markets where it has less direct service authority and in which it has a very limited share of market such as Chicago and New York.

We recognize that by Order 70-5-139, the Board suspended a proposal by Braniff to reduce the minimum-stay requirements of its GIT fares from 13 to 7 days, concluding that the change might result in significant diversion from higher-fared services of Braniff and other carriers, since a considerable amount of additional traffic would qualify for GIT travel. However, that proposal applied to all GIT fares, whereas the instant proposal is limited to fares in selected markets in which Braniff has had no success in developing GIT-type traffic, and in which substantial unused capacity exists.

Since the proposed proportional fares between Dallas and selected points are similar to those the Board has permitted other carriers to use for consolidating groups at Chicago, and the proposed new offpeak Discover America fares match existing fares of other carriers, we will dismiss the complaint against these proposals.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 1002 thereof:

It is ordered, That:

1. The complaint of Northwest Airlines, Inc., in Docket 23156 is dismissed; and

2. A copy of this order be served upon Braniff Airways, Inc., and Northwest Airlines, Inc.

This order shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.71-4022 Filed 3-23-71;8:50 am]

[2] Amarillo, Atlanta, Austin, Houston, Lubbock, Miami, New Orleans, San Antonio, and Tampa.

[Docket No. 22628; Order 71-3-87]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Fares Over North Atlantic Ocean

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 16th day of March 1971.

Agreements adopted by Joint Conferences 1-2 and 1-2-3 of the International Air Transport Association relating to fares to apply over the North Atlantic, Docket 22628; Agreement CAB 22036,[1] Agreement CAB 22068,[2] Agreement CAB 22095,[3] Agreement CAB 22122.[4]

Agreements have been filed with the Board, pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations, between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of Joint Conferences 1-2 and 1-2-3 of the International Air Transport Association (IATA). The agreements, which have been assigned the above-designated CAB agreement numbers, were adopted at meetings held in Honolulu in September and October of 1970.

The agreements embrace fare resolutions to apply via the North Atlantic routes from April 1, 1971, through March 31, 1972. By Order 70-12-62, dated December 11, 1970, the Board established procedural dates for the receipt of documentation, comments, and answers, relating to these agreements.[5]

The most significant changes proposed for the North Atlantic fare structure provide for a general increase in fares; an elimination of the contract bulk inclusive tour and certain affinity group fares; an increase from 14 to 17 days in the minimum-stay requirements attached to the use of the existing 14-28-day excursion fare; a restructuring of the seasonal periods so as to generally eliminate shoulder-season periods and to standardize for all fare categories the peak-travel season; the establishment of individual fares for U.S. military personnel and dependents; and the imposition of a $15 one-way weekend surcharge for all promotional fare travel.[6] Part of the increase in fares includes a charge of $1 for one-way trips ($2 for round trip) to cover passenger service charges, presently collected separately at the airport of departure. Effective April 1, 1971, passenger service charges will no longer

[1] R-65.

[2] R-13, R-14, R-19, R-20, and R-24 through R-26.

[3] R-3 through R-6, R-8, R-10, R-12 through R-14, and R-16 through R-29.

[4] R-2, R-3, and R-6 through R-18.

[5] Comments to be received Jan. 15, 1971, replies to comments on Jan. 25, 1971.

[6] The present surcharge, applicable only to the 14-28-day excursion fare, is $30 each way.

be collected at various European airports [7] directly from the individual passengers—the airlines will be billed directly. As such, these increases are not fare increases but reflect amounts that individual passengers would otherwise have to remit directly to foreign authorities. The overall effect of the agreement, as indicated in the comparison of present vs. proposed fares set forth in Appendix A,[7a] is to reduce from 24 to 14 the number of fare levels available for transatlantic travel.

In support of the fare package presented, the U.S. carrier members of IATA serving the North Atlantic indicate that it comports with the Board's policy statement issued prior to the Honolulu Conference, in that it reduces the number of fare categories and provides for upward adjustment of those fares which remain. The carriers cite the decline in yields associated with a reduced percentage of traffic moving at normal fares. They also cite poor earnings associated with increasing costs and a bleak outlook if the requested relief is not forthcoming.[8] Pan American projects revenue increases of $16 million or 6.4 percent, while TWA indicates that the proposed fare package will provide a revenue improvement of 9.1 percent, representing $22.3 million.

Comments on the proposed fare structure have been received from a number of interested persons. On the whole, comments from individuals indicate opposition to the fare package as it reflects increases during the summer months. The Department of Transportation recommends approval of the agreement, although it has some problems with the economics of the fare structure, since it represents a step in the right direction. The American Society of Travel Agents (ASTA), cites the insufficient time for effective marketing action which stems from a 1-year agreement and the fact that the April 1 effectiveness date provides too short a leadtime. American Express Co. (AMEXCO), suggests the Board condition its approval of the GIT fares to permit the same promotional peak period as presently exists. By so doing, AMEXCO indicates an additional 38 summer days would be available to travelers who would each pay approximately $65 less for this transportation than would otherwise be the case. The National Air Carrier Association (NACA) suggests approval of the fare package subject to the condition that the Board withdraw approval of affinity, incentive, and group fare agreements between the United States and any government which denies landing and uplift rights and that the Board undertake an expedited evidentiary investigation. NACA has also made more detailed allegations which we relate below.

A year ago, in Orders 70–2–123, 70–2–124, and 70–2–125, we approved, with some conditions, IATA fare resolutions establishing passenger fares across the North Atlantic which are currently in effect. The fares had been established at IATA conferences in Dallas, and after the Dallas fares terminated, by fares agreed to at Caracas. We held evidentiary hearings on a number of the Dallas fares and issues and we received written statements and heard oral arguments on the Caracas fares. The Caracas resolutions embodied many of the Dallas fares and the hearing record on the Dallas fares was available and used in connection with our Caracas determinations.

In the orders referred to above we reviewed in detail the issues raised by NACA which, in substance, are again being raised by NACA here. All of the significant issues were determined against NACA. We found that the promotional fares were not unreasonably low, that although not meeting fully allocated costs they met the profit impact test and, considering the relationship of the various fares to each other and the relative value of the services provided as well as the percentage of traffic moving at each of the fares, that all the fares were reasonable. We found further that the increase in the regular fares occasioned by the elimination of the round-trip discount was justified by the average returns of the U.S. carriers, declining fare yields, spiraling costs, and offsetting decreases provided by individual promotional fares. We rejected the contention that the increases in normal fares and decreases in promotional fares were designed to drive the supplemental carriers off the North Atlantic. Rather, we concluded that the supplementals had no significant volume of inclusive tours that were in jeopardy and that their charter rates provided a sufficient margin of lower prices and other conveniences to prevent any disastrous diversion of traffic. It was our view that the supplemental carriers would maintain or improve their position as North Atlantic competitors. NACA's attacks on other fares as unjustly discriminatory, either because of the affinity requirement or the requirement to purchase land accommodations, as well as its challenge to the California promotional fares as unduly prejudicial or preferential, were all rejected on the basis of our findings that the fares were justified, at least by competition.

We have set forth above an analysis of the changes in the current fares, which we approved last year, reflected in the Honolulu fares now presented for our approval. It is readily apparent that, based on our past observations, and the present factual situation, the Honolulu fares should be approved.[9] The structure of the transatlantic fares is improved, particularly from the viewpoint of the ability of the supplemental carriers to compete and grow. The U.S.-flag carriers have demonstrated a need for the additional revenues which it is estimated this agreement would produce. Under these circumstances, a repetition of our elaborate analysis of last year is not required. Nor is an in-depth investigation of the transatlantic market fare structure called for at this time. We held a hearing only last year, and within a space of less than 2 years we have received comments on three occasions and heard three oral arguments. The issues remain repetitive. The Honolulu fares expire on March 31, 1972. The time for hearing complex issues is short. Other pressing tasks of significance confront us. We therefore conclude that a further investigation is not warranted. Suffice it to say here that the standards applied in our decisions of last year, when applied here, clearly require approval of the agreements before us, and we shall grant such approval. Notwithstanding our reliance on the standards and our analysis in our earlier orders, there are additional comments which it is appropriate to make here and now.[10]

The profit position of the U.S. transatlantic carriers declined quite sharply in the second half of 1970 despite relatively strong traffic growth. As shown in Appendix B,[10a] Pan American and TWA reported a combined operating profit of about $13 million for transatlantic services in the 12 months ended June 1970, but this declined to $9 million by September and became a loss of nearly $13 million by yearend. The carriers' rate of return on investment [11] similarly dropped from 4.85 percent in the 12 months ended June 1970 to 2.62 percent for calendar year 1970.

Traffic growth was relatively favorable in 1970, with passenger-miles showing an increase of 23 percent over 1969. Although strong traffic growth would often be expected to produce higher earnings, this did not occur in transatlantic services last year. Traffic growth was not translated into higher load factors due to a comparable increase in seat-miles. Passenger load factors remained in the 52–53-percent range for the two carriers combined. It may be noted that the domestic trunklines' load factor in 1970 was 49.3 percent. Considering the number of carriers providing transatlantic services and the characteristics of this market, we do not find such load factors unreasonable at this time.

The carriers' strong traffic growth was not reflected in lower unit costs of operations either. Operating expenses per revenue ton-mile showed only a small decline in the September period followed by a slight increase for the calendar year. Moreover, the most recent IATA Cost

[7] All points west and north of Switzerland and Austria (including Finland but excluding Italy, Greece, Turkey, Middle East etc.)

[7a] Appendix A filed as part of original document.

[8] TWA indicates that in the absence of a fare increase, in 1971 it would have its first unprofitable transatlantic operation in 10 years.

[9] ASTA's objections with respect to the effective date and 1 year duration of the agreement do not afford a basis for disapproval of the agreement.

[10] The Board's determination in these respects was affirmed by the U.S. Court of Appeals for the District of Columbia Circuit on Mar. 9, 1971. National Air Carrier Association v. Civil Aeronautics Board, No. 23,988 ------ F. 2d ------) (1917).

[10a] Appendix B filed as part of original document.

[11] Before interest and inclusive of investment tax credits.

Committee report states that unit cost benefits heretofore expected from capacity increases and the introduction of high-capacity aircraft are largely being offset by inflationary pressures and wage increases. Revenue yields also declined, but to a slightly greater degree, reflecting the fare structure which became effective April 1, 1970. Pan American and TWA showed a combined passenger yield of 5.1 cents in the 12 months ended June 30, 1970, which declined 4 percent to 4.9 cents in the 1970 calendar year. A further drop could be anticipated since the 1970 figure does not reflect the current fare structure on a full annual basis.

The proposed fare increases and other changes are estimated by Pan American and TWA to increase transatlantic revenues by about $38 million. A revenue increase of this magnitude would convert the $13 million 1970 operating loss reported by the two carriers to a profit of $25 million before interest and taxes. It is apparent that a profit of that magnitude is not excessive since it would amount to only 7.4 percent of investment, and that the fare and revenue increases inherent in the agreed fare structure are justified.[12]

From a fare-structure standpoint, the normal economy fares are modified by the imposition of add-ons which represent increases of peak-season fares between New York and London of 8.2 percent (7.6 percent in the basic season) while fares between New York and Athens are increased by 2.5 percent (1.5 percent during the basic season). As such, these fare increases tend to reduce the severe upward taper which presently exists beyond European gateways and result in a step in the right direction to a more logical fare structure based on distance.

The proposed restructuring of the promotional fares would eliminate substantial discounts in the heart of the peak season which are a contributing factor to the economic problems of the carriers. The promotional-fare structure we are approving eliminates some of the low-yield fares and simplifies the entire structure by creating uniform basic and peak periods. The proposed fare structure should also help to mitigate traffic peaking through the weekend surcharge and the application of peak-season fares throughout the summer. Further, the new fare structure narrows the discounts to some extent. Based on New York-London, discounts from normal economy fares would range from 29 to 56 percent, compared with the present structure which provides discounts from 29 to 60 percent. On the basis of weekend travel when surcharges would apply, the discounts from normal economy fares would range from 22 to 50 percent compared with 14 to 60 percent presently in effect. In addition, the change in the minimum-stay requirement in the 14–28-day excursion fare to 17 days will help counter diversion of normal-fare passengers. We will not condition the agreement as urged by AMEXCO since such action would merely perpetuate the diseconomies inherent in offering sharp discounts in the peak travel season.

NACA again contends the promotional fares are unreasonably low, citing the differentials between normal and promotional fares which are claimed to place an excessive burden on normal-fare passengers. NACA indicates that the proposed promotional-fare structure will perpetuate self-diversion by the scheduled carriers and that these fares are likely adversely to effect the charter traffic of the supplementals. NACA reiterates its earlier contention that GIT, incentive, and affinity fares are discriminatory, and that the proportional fares added to New York fares for the purpose of establishing through fares from California are unduly preferential since they are lower than proportional fares applicable to cities closer to New York. Finally, NACA takes the position that if promotional fares are designed to compete with the supplementals' charter services, then steps should be taken, by conditioning the IATA resolutions, to assure that the supplementals' ability to compete is not hampered by unilateral action on the part of foreign governments denying landing and uplift rights.

The instant fare agreement would not only eliminate certain of the low-yield fares, including the CBIT fares previously opposed by NACA, but should assist in reducing the self-diversion from normal economy fares. As a result of the elimination of these low-yield fares, and the restructuring of the promotional fares, we believe that the fares we are approving should reduce self-diversion and enhance the competitive posture of the NACA carriers. NACA suggests that the spread between its estimated charter prices for 1971, which reflect a 5-percent increase, and fares on scheduled services would be too narrow. However, this spread represents differentials of from 10 to 28 percent from offpeak scheduled fares which, considering the nature of the market, should be quite attractive to the price-conscious passenger. Further, the differences increase substantially when comparing scheduled service fares during the peak season and for weekend travel. As regards the new military fares for individual travel, the fares are 40 percent higher than the charter prices estimated by NACA for 1971. For weekend travel at the IATA fare, the differential would be even greater. On this basis, we conclude no undue or unreasonable impact would be sustained by the supplemental carriers from the establishment of these fares.

The Board has found in the past that differentiated pricing is fully justified where the total market is composed of several segments with different travel characteristics and elasticities of demand (Order 70–2–123). The North Atlantic market has been found to require a highly differentiated fare structure responsive to the substantial proportion of discretionary travel, variations in elasticity of demand, and extremes of directional and seasonal peaking. As regards NACA's contentions concerning the discriminatory aspects of the promotional fare structure, we have previously considered similar contentions and found such discrimination not to be unjust and unlawful.[13] The alleged discriminatory nature of the GIT fare because of its tour-basing feature is not substantially different from the CBIT fare. In Order 70–2–123, the Board found that the inclusive-tour requirement of the CBIT fare does not constitute an unjust discrimination and that this applies equally with respect to GIT fares. After formal investigation, (Order 70–2–124, Feb. 27, 1970), we found that the California proportional fares were not unjustly discriminatory. Nothing has been presented here to require different conclusions.

Regarding NACA's request that the Board condition its approval of certain resolutions to help guard against unilateral actions by foreign governments denying landing and uplift rights to supplemental carriers, the Board on December 15, 1970, by Order 70–12–84, dealt with a similar request by NACA. In that order the Board denied the request, stating that the conditioning or withdrawal of approval of certain group fares would not necessarily insure advancement of the interests of the supplemental carriers. We continue to believe that such actions on the part of the Board could generate a fare dispute, heighten international differences, and impair efforts to resolve the present difficulties.

Finally, we are not persuaded of the usefulness of developing detailed ratemaking criteria through formal investigation, to be applied in this complex area which involves more than 20 carriers and governments reflecting widely differing economic structures and interests. The Board normally expresses policy guidelines prior to each IATA traffic conference after review of the existing fare structure, proposed changes, and the views of the U.S.-flag carriers and other interested parties. We believe these procedures and the general policies emerging therefrom provide an adequate basis upon which to review IATA agreements subsequently filed, particularly in light of the degree of flexibility which should properly be maintained to accommodate differing views of other governments and their carriers.[14]

[12] It may be noted by way of comparison that domestic air fares have increased in excess of 10 percent during the past 2 years whereas the level of North Atlantic fares has been relatively constant during this period.

[13] Consistent with Order 71–2–59, we are disapproving Resolutions 077i and 077j which would establish special fares for the transportation of ships' crews since no justification has been advanced for the discrimination inherent in so limiting the availability of the fares.

[14] In Order 70–2–124 we noted that we had recently ordered an investigation to determine the standards that should be employed with respect to the costing methodology for domestic discount fares (Order 70–1–147), and suggested that "the criteria developed in that proceeding may prove useful in our consideration of discount fares in international air transportation as well." The hearing has been concluded and the initial decision rendered in the domestic case (Domestic Passenger-Fare Investigation (Discount Phase)) but, although we have taken review of that decision, we have not yet had an opportunity to consider it.

For the reasons heretofore set forth we find that the complaint of the National Air Carrier Association does not state facts which warrant an investigation and should therefore be dismissed.

The Board, acting pursuant to sections 102, 204(a), and 412 of the Act, makes the following findings:

1. The following resolutions, which are incorporated in the agreement indicated, are not adverse to the public interest or in violation of the Act, subject to conditions which have been applied in the past:

Agreement CAB	IATA No.	Title	Application
22122: R-2	002e	Standard Revalidation Resolution	1/2/3 North Atlantic.
22095: R-3	002e	Standard Revalidation Resolution	1/2 North Atlantic.
22122: R-3	002f	Special Adoption Resolution	1/2/3 North Atlantic.
R-6	015	North Atlantic Proportional Fares—North American (NEW)	1/2/3.
22095: R-4	015	North Atlantic Proportional Fares—North American (NEW)	1/2.
R-5	050	First Class Conditions of Service (Revalidating and Amending).	1/2 North Atlantic.
22068: R-13	050	First Class Conditions of Service (Revalidating and Amending).	1/2 Except North Atlantic, 1/2/3.
22095: R-6	054a	North Atlantic First Class Fares (Revalidating)	1/2.
22122: R-7	057a	North and Mid Atlantic First Class Fares—JT 123 (Revalidating and Amending).	1/2/3.
R-8	060	Economy Class Conditions of Service (Revalidating and Amending).	1/2/3 North Atlantic.
22095: R-8	060	Economy Class Conditions of Service (Revalidating and Amending).	1/2 North Atlantic.
22068: R-14	060a	Mixed Class Aircraft (Revalidating and Amending)	1/2 North Atlantic, 1/2/3 North Atlantic.
22095: R-10	064a	North Atlantic Economy Class Fares (Revalidating and Amending).	1/2.
22122: R-9	067a	North Atlantic Economy Class Fares—JT 123 (Revalidating and Amending).	1/2/3.
22095: R-12	070d	North Atlantic 28 and 45 Day Excursion Fares (Revalidating and Amending).	1/2.
22122: R-10	070e	North Atlantic 35 Day Excursion Fares to India/Pakistan Ceylon/Afghanistan/Nepal (Revalidating and Amending).	1/2/3.
22095: R-13	070t	North Atlantic 28 Day $515/$575 Excursion Fares—Amman, Baghdad, Beirut, Cairo, Damascus, Jerusalem, Kuwait, Nicosia, Teheran (Revalidating and Amending).	1/2.
R-14	070x	North Atlantic 28 Day $535/$595 Excursion Fares to Amman, Baghdad, Beirut, Cairo, Damascus, Jerusalem, Kuwait, Nicosia, Teheran (Revalidating and Amending).	1/2.
R-16	071d	North Atlantic 45 Day Excursion Fares (Revalidating and Amending).	1/2.
22122: R-11	071d	North Atlantic 45 Day Excursion Fares (Revalidating and Amending).	1/2/3.
R-12	071i	JT 123 60 Day Excursion Fares to India/Pakistan/Ceylon/Afghanistan/Nepal (NEW)	1/2/3.
22095: R-17	075h	North Atlantic 30 Day Winter Group Fares—Israel (Revalidating and Amending).	1/2.
R-18	075hh	North Atlantic 30 Day Winter Group Fares—Middle East (Revalidating and Amending).	1/2.
22095: R-19	075i	North Atlantic Group Fares—Israel (Revalidating and Amending).	1/2.
R-20	075r	North Atlantic 21 Day Group Fares—Israel (Revalidating and Amending).	1/2.
R-21	075r	North Atlantic 21 Day Group Fares—Amman, Beirut, Cairo, Damascus, Jerusalem, Nicosia (Revalidating and Amending).	1/2.
R-22	076e	North Atlantic Affinity Group Fares (Revalidating and Amending).	1/2.
22122: R-13	076i	JT 123 Affinity Group Fares (Revalidating and Amending)	1/2/3.
22095: R-23	076m	North Atlantic Bulk Affinity and Incentive Group Prices—Portugal/Spain (Revalidating and Amending).	1/2.
22095: R-24	076p	North Atlantic 14 Day Incentive Group Fares (Revalidating and Amending).	1/2.
22122: R-14	076p	North Atlantic 14 Day Incentive Group Fares (Revalidating and Amending).	1/2/3.
R-16	084a	North Atlantic 21 and 28 Day Group Inclusive Tour Fares (Revalidating and Amending).	1/2/3.
22095: R-26	084a	North Atlantic 21 and 28 Day Group Inclusive Tour Fares (Revalidating and Amending).	1/2.
R-27	084c	North Atlantic Winter Group Inclusive Tour Fares to Israel (Revalidating and Amending).	1/2.
22095: R-28	084cc	North Atlantic Winter Group Inclusive Tour Fares to Middle East (Revalidating and Amending).	1/2
22122: R-17	084b	North Atlantic 21 Day Group Inclusive Tour Fares to India/Pakistan (Revalidating and Amending).	1/2/3
R-18	095a	45 Day Excursion Fares for U.S. Military Personnel—North Atlantic (Revalidating and Amending).	1/2/3
22095: R-29	095b	North Atlantic Fares for U.S. and Canadian Military Personnel and Dependents (NEW).	1/2

2. The following resolutions, which are incorporated in the agreement indicated, are found to be adverse to the public interest or in violation of the Act insofar as air transportation is concerned:

Agreement CAB	IATA No.	Title	Application
22068: R-19	150a	Fares for Round Trip (Revalidating)	1/2; 1/2/3
R-20	151a	Circle Trip Discount (Revalidating and Amending)	1/2; 1/2/3
R-24	310	Free Baggage Allowance (Revalidating and Amending)	1/2 North and Mid Atlantic 1/2/3 North and Mid Atlantic.
R-25	311	Baggage Excess Weight Charges (Revalidating and Amending).	1/2; 1/2/3.
R-26	311b	Charges for Snow Skiing Equipment (Revalidating and Amending).	1/2; 1/2/3.
22036: R-65	314	Special Rates for Personal Effects (Revalidating and Amending).	1/2/3.
22095: R-25	077i	North Atlantic Individual Fares for Ships' Crews (NEW)	1/2.
22122: R-15	077j	JT 123 Individual Fares for Ships' Crews (NEW)	1/2/3.

Accordingly, it is ordered, That:

1. Those portions of Agreements CAB 22036, CAB 22068, CAB 22095, and CAB 22122 described in finding paragraph 1 are approved, subject to conditions which have applied in the past;

2. Those portions of Agreements CAB 22095 and CAB 22122 as described in finding paragraph 2 are disapproved insofar as air transportation is concerned;

3. The complaint of the National Air Carrier Association, expressed as part

of its comments in Docket 22628 concerning the transatlantic fare agreements here at issue, is hereby dismissed; and

4. Insofar as air transportation as defined by the Act is concerned, tariff filings shall be marked to become effective on not less than 30 days' notice from the date of filing.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.[15]

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.71-4019 Filed 3-23-71;8:50 am]

ENVIRONMENTAL PROTECTION AGENCY

BENOMYL

Notice of Establishment of Temporary Tolerances

E. I. du Pont de Nemours & Co., Wilmington, Del. 19898, submitted a petition requesting temporary tolerances for residues of the fungicide benomyl (methyl - 1-(butylcarbamoyl)-2-benzimidazole-carbamate) in or on the raw agricultural commodities apples, apricots, cherries, crabapples, grapes, nectarines, peaches, pears, plums, prunes, and quinces.

The Fish and Wildlife Service, U.S. Department of Interior, advised that it has no objection to these temporary tolerances.

It has been determined that these temporary tolerances for apricots, cherries, nectarines, peaches, plums and prunes at 15 parts per million; (from preharvest or postharvest uses or combinations of such uses); grapes at 10 parts per million; and apples, crabapples, pears, and quinces at 7 parts per million (from preharvest or post-harvest uses or combinations of such uses) are safe and will protect the public health. They are therefore established as requested on condition that the fungicide is used in accordance with the temporary permit which is being issued concurrently and which provides for distribution under E. I. du Pont de Nemours & Co. name. These temporary tolerances will expire February 26, 1972.

This action is taken pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(j), 68 Stat. 516; 21 U.S.C. 346a(j)) and pursuant to Reorganization Plan No. 3 of 1970 (35 F.R. 15623) and under authority delegated to the Commissioner or Acting Commissioner, Pesticides Office of the Environmental Protection Agency (36 F.R. 1228).

Dated: March 18, 1971.

R. E. JOHNSON,
Acting Commissioner,
Pesticides Office.

[FR Doc.71-3987 Filed 3-23-71;8:48 am]

[15] Partial dissent of Members Murphy and Minetti filed as part of original document.

2,4-DICHLOROPHENYL *p*-NITROPHENYL ETHER

Notice of Reextension of Temporary Tolerances

The Rohm & Haas Co., Independence Mall West, Philadelphia, PA 19105, was granted temporary tolerances for residues of the herbicide 2,4-dichlorophenyl *p*-nitrophenyl ether in or on rice straw at 0.5 part per million and rice at 0.1 part per million on May 20, 1968, and a 1-year extension of these temporary tolerances. The firm has requested a 1-year reextension to obtain additional experimental data.

It has been determined that such reextension will protect the public health. These tolerances are therefore reextended as requested on condition that the herbicide will be used in accordance with the temporary permit which is being issued concurrently and which provides for distribution under the Rohm & Haas Co. name. These temporary tolerances will expire March 18, 1972.

This action is taken pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(j), 68 Stat. 516; 21 U.S.C. 346a(j)), the authority transferred to the Administrator (35 F.R. 15623), and the authority delegated by the Administrator to the Commissioner or Acting Commissioner of the Pesticides Office of the Environmental Protection Agency (36 F.R. 1228).

Dated: March 18, 1971.

R. E. JOHNSON,
Acting Commissioner,
Pesticides Office.

[FR Doc.71-3988 Filed 3-23-71;8:48 am]

GIBBERELLIC ACID

Notice of Extension of Temporary Tolerance

Amdal Co., Division of Abbott Laboratories, North Chicago, Ill. 60064, was granted a temporary tolerance of 0.15 part per million for negligible residues of the plant regulator gibberellic acid in or on the raw agricultural commodity sugarcane on October 31, 1969. The firm has requested extension of this temporary tolerance to obtain additional experimental data.

It has been determined that extension of the temporary tolerance of 0.15 part per million for negligible residues of gibberellic acid in or on sugarcane is safe and will protect the public health. It is therefore extended to October 31, 1971, on condition that the plant regulator is used in accordance with the temporary permit which is being issued concurrently and which provides for distribution under the Amdal Company name.

This action is taken pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(j), 68 Stat. 516; 21 U.S.C. 346a(j)), and pursuant to Reorganization Plan No. 3 of 1970 (35 F.R. 15623), and under authority delegated to the Commissioner or Acting Commissioner, Pesticides Office of the Environmental Protection Agency (36 F.R. 1228).

Dated: March 18, 1971.

R. E. JOHNSON,
Acting Commissioner,
Pesticides Office.

[FR Doc.71-3989 Filed 3-23-71;8:48 am]

McLAUGHLIN GORMLEY KING CO.

Notice of Filing of Petition Regarding Pesticide Chemicals

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a(d)(1)), notice is given that a petition (PP 1F1112) has been filed by the McLaughlin Gormley King Co., 1715 Southeast Fifth Street, Minneapolis, MN 55414, proposing the establishment of tolerances (21 CFR Part 420) for negligible residues of the insecticide di-*n*-propyl isocinchomeronate in the raw agricultural commodities milk fat and the meat, fat and meat byproducts of cattle, goats, hogs, horses and sheep at 0.1 part per million.

The analytical method proposed in the petition for determining residues of the insecticide is a gas chromatographic procedure using an electron capture detector.

Dated: March 18, 1971.

R. E. JOHNSON,
Acting Commissioner,
Pesticides Office.

[FR Doc.71-3991 Filed 3-23-71;8:48 am]

FEDERAL COMMUNICATIONS COMMISSION

[FCC 71-253]

AMERICAN BROADCASTING CO., INC.

Memorandum Opinion and Order Regarding Partial Waiver of Prime Time Access Rules for ABC Affiliates

1. The American Broadcasting Companies, Inc. has petitioned the Commission for waiver of § 73.658(k)(1) of the Commission's rules to the extent necessary to permit affiliates of ABC television network to exhibit on Tuesday evenings each week during the first year of operation of the rule (October 1, 1971 to September 30, 1972) 3½ hours of network programing between 7 p.m. and 11 p.m. (6 p.m. to 10 p.m in the central time zone) with a corresponding reduction to 2½ hours per evening on another day of the same week Section 73.658(k)(1) provides generally that after October 1, 1971, no television station in the top 50 markets may broadcast more than 3 hours of network programing during prime time.

2. ABC states that its most successful program evening is Tuesday, when it offers 7:30–8:30 p.m. Mod Squad; 8:30–10 p.m. Movie of the Week; and 10–11 p.m. Marcus Welby, M.D. This schedule

"builds from a younger audience to a mature audience, with programs dealing with contemporary themes in a constructive manner."

3. ABC says that because these programs are an hour or longer in length and because they have developed a continuity of interest and audience flow, ABC could not come into precise compliance with the rule without dropping entirely from that evening one of these popular programs and substituting for it a shorter program—thereby disrupting audience interest and audience flow.

4. ABC further says that because of the soft economy and the loss of cigarette advertising it may well suffer losses in its network operations even greater than the substantial losses amounting to more than $75 million it sustained between 1963 and 1969.[1] If not "otherwise essential to the public interest" ABC is "extremely reluctant" to disrupt its Tuesday night schedule "during a year of severe economic stress." Also, ABC asserts the Commission's grant of waiver for NBC with regard to Sunday night shows a "wise flexibility" in the administration of the rule during the transitional period.

5. We do not favor waiver of these rules as a general matter. Their applicability and the results in terms of opportunity for diverse program sources has been carefully considered. But as ABC quite correctly points out, during the first year of the Prime Time Access Rule (October 1971 through September 1972) the top 50 markets may fill the nonnetwork prime time periods made available under the rule with off-network and feature film programs. Beginning in the 1972–73 season, the prime time freed under the rule will be more readily available to new program sources. We assume that in the interim there will be a transitional period while new program sources are getting under way. During this period the grant of the waiver which ABC states to be of serious consequence to it from a financial and economic point of view will not interfere unduly with the objectives of the rules. The waiver granted herein and that granted to NBC's affiliates in our order of February 18, 1971, are limited to October 1, 1972. We will not look with favor on similar waivers extending beyond that date. We suggest that networks and their affiliates so arrange their schedules and affairs as to conform to the exact provisions of the rule as of October 1, 1972.

6. Therefore, for the reasons stated herein: *It is ordered*, That § 73.658(k)(1) be and is hereby waived to the extent necessary to permit ABC's television affiliates in the top 50 markets as defined in the rule to broadcast 3½ hours of network programing between 7 and 11 p.m. (6 and 10 p.m., c.s.t.) on Tuesday each week provided that each such affiliate shall broadcast not more than 2½ hours of network programs as defined by the rule between such hours on another day of the same week. *It is further ordered*, That this waiver shall terminate on September 30, 1972.

Adopted: March 10, 1971.

Released: March 15, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[2a]

[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-4002 Filed 3-23-71;8:48 am]

[Docket No. 18528; FCC 71R-85]

DEWITT RADIO

Memorandum Opinion and Order Enlarging Issues

In regard application of Don Renault and Edwin Zaiontz, doing business as DeWitt Radio, Yorktown, Tex., for construction permit, File No. BP-17138.

1. The application of Don Renault and Edwin Zaiontz, doing business as DeWitt Radio (DeWitt) for authority to construct and operate a new standard broadcast station at Yorktown, Tex., was designated for hearing by Commission Memorandum Opinion and Order, FCC 69-423, 17 FCC 2d 385, 34 F.R. 7189, published, May 1, 1969. Presently before the Review Board is a petition to enlarge issues, filed November 27, 1970, by the Broadcast Bureau, requesting the addition of a character qualifications issue against the applicant.[1]

2. The Broadcast Bureau contends that Don Renault, the majority (75 percent) partner in DeWitt, has held himself out as qualified legal counsel in applications filed with the Commission and that these representations by an individual who, admittedly is not a member of the bar,[2] contravene § 1.23 of the Commission's rules which, in pertinent part, provides:

(a) Any person who is a member in good standing of the bar of the Supreme Court of the United States or of the highest court of any state, territory or of the District of Columbia * * * may represent others before the Commission.

(b) When such member of the bar acting in a representative capacity appears in person or signs a paper in practice before the Commission, his personal appearance or signature shall constitute a representation to the Commission that * * * he is authorized and qualified to represent the particular party in whose behalf he acts.

In support of its request, the Broadcast Bureau points out that, as indicated from the attachments submitted with its petition, "D. Gardner Renault" with an address of Box 1084, Del Rio, Tex., is listed as "Legal Counsel" for the Maverick Radio partnership, the applicant for a new FM station at Eagle Pass, Tex.,[3] and that the letter, which accompanied the required filing fee for the Maverick application, is signed by Don Renault of the same address.[4] The bureau further notes that in an application for a new standard broadcast station at Las Cruces, Tex., "D G Renault" of the above address is identified as legal counsel for the partnership applicant, Desert Broadcasting Co.[5] In the Bureau's view, the representations set forth above warrant the addition of the requested character issue.

3. It is the judgment of the Review Board that a serious question has been raised concerning Don Renault's compliance with Rule 1.23. While Don Renault has not personally appeared before the Commission on behalf of a partnership in which he was not a member, he apparently signed the letter transmitting to the Commission the required filing fee for the Maverick application. This fact, coupled with the specification of Don Renault as legal counsel in both the Maverick and Desert Broadcasting applications, raises a substantial question—to which Don Renault has chosen not to respond—as to whether Renault directly or indirectly has erroneously represented himself before the Commission as a legal counsel, qualified under the rules to act in a legal capacity on behalf of others. An appropriate issue will, therefore, be added by the Board to explore this matter at the hearing.

4. *Accordingly, it is ordered*, That the petition to enlarge issues, filed November 27, 1970, by the Broadcast Bureau is granted; and that the issues in this proceeding are enlarged to include the following: To determine if Don Renault, a partner in DeWitt Radio, has violated § 1.23 of the Commission's rules and, if so, the effect thereof upon the qualifications of DeWitt Radio to be a Commission licensee.

5. *It is further ordered*, That, under the above-added issue, the burden of proceeding with the introduction of evidence shall be on the Broadcast Bureau, and the burden of proof shall be on Don Renault and Edwin Zaiontz doing business as DeWitt Radio.

Adopted: March 12, 1971.

Released: March 17, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[6]

[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-4003 Filed 3-23-71;8:48 am]

[1] These losses are attributed to network operations alone. Each year ABC's overall operations including O&O stations have been profitable.

[2a] Commissioners Bartley, Johnson, and H. Rex Lee dissenting.

[1] No opposition to the instant petition has been submitted by DeWitt. Notwithstanding the conceded untimeliness of the petition, the Board believes that serious public interest questions are therein raised and, therefore, the late-filed petition has been considered on the merits. See Athens Broadcasting Company, Inc., 27 FCC 2d 7, 20 RR 2d 1115 (1971).

[2] At the Jan. 27, 1970, hearing session in this proceeding, Don Renault disclosed that, while he had received a law degree from a Texas law school, he is not a member of the bar. (Tr. 73-74)

[3] The application of this partnership, in which Don Renault had no disclosed ownership interest, was dismissed by the Commission on Sept. 8, 1970.

[4] The letterhead of this communication describes Don Renault as a "Broadcast Consultant" with "Complete Engineering & Legal Service for AM, FM and TV Stations."

[5] The DeWitt application reveals that Don Renault holds a 40 percent partnership interest in Desert Broadcasting Co.

[6] Review Board Member Slone absent.

[Docket Nos. 18782, 18783; FCC 71R-86]

MARTIN LAKE BROADCASTING CO. AND CLANTON BROADCASTING CORP.

Memorandum Opinion and Order Enlarging Issues

In regard applications of Martin Lake Broadcasting Co., Alexander City, Ala., File No. BP-17280; and Clanton Broadcasting Corp., Clanton, Ala., File No. BP-17687; for construction permits.

1. The mutually exclusive applications of Martin Lake Broadcasting Co. (Martin Lake) and Clanton Broadcasting Corp. (Clanton) were designated for hearing by Order, FCC 70-54, released January 26, 1970, under issues which include, inter alia, a financial qualifications issue directed against Clanton. On January 11, 1971, Martin Lake filed a motion to enlarge issues,[1] seeking the addition of misrepresentation and legal qualifications issues against Clanton.[2]

2. Section III of Clanton's application, filed March 31, 1967, reflects that the applicant had $5,000 in existing capital deposited in the Talladega National Bank; this sum was similarly reflected in the corporate balance sheet filed with the Commission. According to Clanton's Articles of Incorporation and the attached Agent's statement, signed by W. Royce Faulkner on March 21, 1967, three subscribers, W. Royce Faulkner, George L. Faulkner and Henry D. Waites, had purchased the stock of the corporation, thereby accounting for the $5,000 of paid-in subscribed stock. Additionally, the three stockholders agreed, in the aggregate, to lend the applicant $30,000,[3] and accordingly each submitted a bank letter giving assurance that a bank would lend the respective stockholder the agreed-upon amount, a written promise to lend, dated March 21, 1967, and a current balance sheet.

3. George L. Faulkner was questioned about his March 21, 1967, balance sheet at a deposition hearing held on August 19, 1970. At this session, according to both Martin Lake and the Broadcast Bureau, it developed that George Faulkner was unable to give clear and concise responses to questions concerning his assets and liabilities as represented on the balance sheet,[4] and Clanton offered to submit a corrected balance sheet as of the date of the original.[5] Martin Lake alleges that George L. Faulkner admitted that his balance sheet contained incorrect information only after the testimony of bankers revealed the discrepancies. Further, Martin Lake continues, upon disclosure of the fact that George Faulkner did not have $2,500 deposited in the bank on March 21, 1967, he attempted to conceal his misstatement by claiming that he had this money "on hand" in an envelope. W. Royce Faulkner was questioned at a deposition session held on August 17, 1970, at which time, both Martin Lake and the Bureau note, he admitted that Clanton did not actually have $5,000 on deposit at the time its application was filed, and that the Agent's Statement (made before a county judge) and the corporate balance sheet, which were submitted to the Commission, were accordingly incorrect. W. Royce Faulkner, moreover, failed to give any satisfactory explanation for the discrepancies, the Bureau alleges.[6] Both Martin Lake and the Bureau note that at the deposition held on August 17, 1970, Henry Waites revealed that he owed $2,134.95 on a bank loan as of the date of his balance sheet (March 18, 1967), at which time he had represented that he had only one liability, namely a mortgage on real property in the amount of $11,580. Mr. Waites also represented, petitioner continues, that he owned real estate holdings valued at $63,000; however, his deposition reveals that over $28,000 worth of this property is owned by his mother, rather than by him.

Entry	Balance sheet submitted to commission in BP-17687	Actual balance sheet as of Mar. 21, 1967
Assets		
Cash in banks	$2,500.00	$333.37
Cash value of life insurance	4,000.00	2,396.50
Retirement fund	7,500.00	5,554.83
Liabilities		
Loans payable	4,100.00	5,579.00
Notes payable secured by real estate		4,031.00

4. In opposition, Clanton contends that since the depositions relied upon by Martin Lake have neither been offered nor received in evidence, they should not provide the sole basis for enlargement of issues. With respect to the substantive allegations, Clanton offers several explanations. At the time George L. Faulkner was deposed, he was under great emotional stress (due to illness in the immediate family), Clanton explains, and consequently was unable to understand the questions as posed to him; thus, in order to cooperate with counsel for Martin Lake, Clanton agreed to submit the reconstituted balance sheet. In any event, the inaccuracies contained in the balance sheet were not the product of intentional misrepresentation, Clanton continues, but were approximate figures obtained during a telephone conversation. Furthermore, Clanton notes, during the entire time period involved, George Faulkner's net worth was greater than he originally approximated. With respect to the allegations concerning W. Royce Faulkner, Clanton contends that "for all practical purposes" the corporation did have $5,000 at the time this sum was represented to the Commission to be on deposit. However, Clanton explains, W. Royce Faulkner had not deposited $4,000 of this sum; rather, this $4,000 constituted his obligation which was readily available at all times to the corporation. Moreover, Clanton continues, W. Royce Faulkner acted without benefit of counsel and without any motivation to deceive.[7]

With respect to Henry Waites, Clanton states that he has a remainder interest in the property which Martin Lake alleges belongs to his mother; and that, in any event, a statement from Mr. Waites' mother was submitted with his deposition in which she states that she would be willing to join with her son in order to mortgage their joint property if necessary.

5. The Review Board is persuaded that serious and substantial questions have been raised as to whether Clanton fulfilled its obligation to insure that its application was subtsantially accurate and complete.[8] Martin Lake alleges, and Clanton concedes, that, at the time Clanton's application was filed, it did not have $5,000 in existing corporate capital deposited, as it had represented; consequently, its application, the corporate balance sheet, and the Agent's Statement attested to by W. Royce Faulkner were erroneous. W. Royce Faulkner's explanation that $4,000 of this amount was his obligation which he was able and willing to deposit at any time is clearly unsatisfactory, since, in actual fact, the corporation had only $1,000 in existing corporate capital at that time. Serious questions have also been raised about the accuracy of the representations made by George L. Faulkner and Henry Waites concerning their respective balance sheets. Examination of the reconstituted

[1] Other related pleadings before the Board for consideration are: (a) Opposition, filed Jan. 25, 1971, by Clanton; and (b) Broadcast Bureau's comments, filed Jan. 25, 1971.

[2] Specifically, Martin Lake requests an issue inquiring into whether or not Clanton filed false and fraudulent statements with the State of Alabama, its counties or officials, and if so, the effect of such statements on the existence of the corporation.

[3] According to the Certificate of Incorporation, Clanton has $5,000 worth of capital stock, divided into 5,000 shares which is subscribed for in the following amounts: W. Royce Faulkner—4,000 shares, George L. Faulkner—500 shares, and Henry D. Waites—500 shares. Each agreed to lend the applicant the following amounts: W. Royce Faulkner—$10,000, George L. Faulkner—$8,000, Henry D. Waites—$12,000.

[4] Clanton admits this fact in a motion in opposition to notice to take depositions, filed Oct. 2, 1970.

[5] The following is a comparison of the original and reconstituted balance sheets of George Faulkner:

[6] The Bureau directs the Board's attention to the Aug. 17, 1970, deposition of Winston Legge, President and Chairman of the Board of the Talladega National Bank. Martin Lake alleges that W. Royce Faulkner corrected the errors in the application only after the depositions of two bankers, including Winston Legge, were taken.

[7] Clanton contends that W. Royce Faulkner was not deposed subsequent to the bankers, as alleged by Martin Lake.

[8] Petitioner has adequately demonstrated good cause for the late filing of the instant request.

balance sheet of George Faulkner reveals that there were several material discrepancies contained in his original balance sheet, which served to place the Commission under a misapprehension as to his actual financial posture. See note 5, supra. Henry Waites failed, inter alia, to report an outstanding liability; additionally, he represented that he owned considerably more land than he actually possessed and which could be used as collateral for purposes of financing the instant proposal. In the Board's view, therefore, a substantial question has been raised concerning whether Clanton and its principals have filed false information in its application herein. An evidentiary inquiry is therefore clearly warranted, and an issue regarding this matter will be specified.[9]

6. *Accordingly, it is ordered,* That the motion to enlarge issues, filed January 11, 1971, by Martin Lake Broadcasting Co., is granted to the extent indicated herein, and is denied in all other respects; and

7. *It is further ordered,* That the issues in this proceeding are enlarged by the addition of the following issues: To determine whether Clanton Broadcasting Corporation and/or its principals have submitted complete and accurate information in response to the Commission's application form, Form 301, as required by § 1.514 of the Commission's rules, and, if not, to determine whether Clanton Broadcasting Corp., and/or its principals possess the requisite or comparative qualifications to be a Commission licensee.

8. *It is further ordered,* That the burden of proceeding under the issue added herein shall be on Martin Lake Broadcasting Co., and the burden of proof shall be on Clanton Broadcasting Corp.

Adopted: March 12, 1971.

Released: March 17, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[10]
[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-4004 Filed 3-23-71;8:48 am]

[Dockets Nos. 18975, 18976; FCC 71R-83]

WNER RADIO, INC., AND LIVE OAK BROADCASTING CO.

Memorandum Opinion and Order Enlarging Issues

In regard applications of WNER Radio, Inc., Live Oak, Fla., File No. BPH-6858; and Live Oak Broadcasting Co., Live Oak, Fla., File No. BPH-6941; for construction permits.

1. This proceeding, designated for hearing by Commission Order, FCC 70-932, 35 F.R. 14351, published September 11, 1970, involves the mutually exclusive applications of WNER Radio, Inc. (WNER) and Live Oak Broadcasting Co. (Live Oak), for authority to construct a new FM broadcast station to operate on Channel 251 at Live Oak, Fla. Presently before the Review Board is a motion to enlarge issues, filed September 28, 1970, by WNER, seeking the addition of various issues relating to the financial and character qualifications of Live Oak.[1]

Financial issue. 2. To meet an estimated cash requirement of $53,095 for construction and first-year operation of the proposed station, the Live Oak application reflects that the applicant will principally rely upon a $50,000 bank loan, which is to be secured by, inter alia, a first mortgage on a 637-acre tract identified as the "Curtis Harrell farm".[2] WNER questions the availability of the $50,000 bank loan, alleging that various sections of the "Curtis Harrell farm" are encumbered by several existing mortgages. In support of its contention, movant submits copies of these mortgages, indicating that Curtis L. Harrell and his wife, LaNettye, mortgaged parts of their property for $2,500 on May 19, 1967 and for $16,000 on December 1, 1969. Live Oak's apparent inability to satisfy the security requirements of the lending bank warrants, in WNER's view, the addition of the requested financial issue.[3]

3. In opposition, Live Oak argues that the outstanding mortgages have not impaired its ability to make the "Curtis Harrell farm" available to the bank on a first mortgage basis. Disclosing that the "Curtis Harrell farm" is owned not by Robert Harrell and his wife, but by Robert Harrell's parents, Curtis L. and LaNettye Harrell,[4] Live Oak contends that as evidenced by a verified letter of October 15, 1970, and a September 30, 1970, financial statement, which reflects a net worth of nearly $242,000, Curtis L. Harrell is willing and able both to satisfy the existing mortgage indebtedness and to permit the property to be used as collateral for the applicant's $50,000 bank loan. Also submitted with Live Oak's opposition pleading is a 2-year extension of the bank's commitment, wherein the bank's executive vice president states that at the time the bank agreed to lend $50,000 to the applicant, it was aware of the outstanding $2,500 encumbrance on the proposed collateral since it was the mortgagee in that earlier transaction.

4. Subsequent to the filing of WNER's reply pleading, Live Oak petitioned the Hearing Examiner for leave to amend the financial portion of its application. The amendment, which was accepted by the Hearing Examiner, FCC 70M-1753, released December 23, 1970, provides for an additional $75,000 line of credit from Robert Harrell's uncle, C. B. Warner, whose financial statement reflects as of November 27, 1970, net current assets of nearly $110,000. The terms of repayment and the security required by Mr. Warner, i.e., the personal endorsements of the Live Oak principals, are also set forth in the amendment and are assented to by the applicant's principals. Since WNER's request to add a financial qualifications issue is predicated upon Live Oak's original financial showing, which has been substantially changed by its recent amendment, no useful purpose would be served by a further consideration of this aspect of the instant motion, and the Review Board will, therefore, dismiss the motion in this regard.[5] See WRBN, Inc., 10 FCC 2d 488, 11 RR 2d 427 (1967). We will, however, permit on our own motion an inquiry concerning Robert Harrell's unequivocal representations that he and his wife owned, without encumbrances, the property securing the applicant's proposed bank loan. See note 2, supra. It appears that at the time the Live Oak application was filed with the Commission, Robert Harrell was not the owner of record of the "Curtis Harrell farm" and that said property was subject to a $2,500 mortgage debt. These facts raise a serious question as to the accuracy and completeness of the representations in question and, together with Robert Harrell's reticence in this regard,[6] warrant a full exploration of the matter at the hearing. See Martin Lake Broadcasting Co., 23

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[9] The Board finds no adequate basis, however, for the addition of an issue inquiring into Clanton's existence as a corporation. It is not disputed that Clanton had $1,000 of paid-in capital at the time of incorporation or that that amount is the minimum required by Alabama law.

[10] Review Board Member Slone absent.

[1] Other related pleadings before the Board for consideration are: (a) Opposition, filed Oct. 27, 1970, by Live Oak; (b) comments, filed Oct. 27, 1970, by the Broadcast Bureau; and (c) reply, filed Nov. 20, 1970, by WNER.

[2] In exhibit number 2 to the Live Oak application, which was filed with the Commission on Nov. 13, 1969, Curtis W. Robert Harrell (hereinafter Robert Harrell), the applicant's secretary-treasurer, director and 33⅓ percent stockholder, stated that he and his wife, Alice, own the aforementioned property; that the property is free of any restrictions which would affect their ability to make it available on a first mortgage basis; and that the property is not encumbered.

[3] While the requested issue also seeks to determine Live Oak's total construction and first-year operating expenses, no allegations concerning the sufficiency or reasonableness of the applicant's cost estimates are set forth in the instant motion. Accordingly, we will limit our consideration herein to the matters properly raised in the manner prescribed by § 1.229(c).

[4] It appears that sometime after July of 1967, Curtis L. Harrell placed his real estate holdings at the disposal of his son "with the understanding that [Robert] would not sell this land but, with my full cooperation, [Robert] could use any of these assets to assist him in any business venture he might decide to undertake".

[5] Of course, if the financial amendments do not establish, in WNER's judgment, that Live Oak is financially qualified, our action herein would not foreclose WNER from seeking the addition of appropriate financial qualifications issues.

[6] No adequate explanation of his representations concerning the "Curtis Harrell farm" has been proffered by Robert Harrell, who merely affirms the accuracy of the factual allegations set forth in the applicant's opposition pleading.

FCC 2d 721, 19 RR 2d 277 (1970); Orange County Broadcasting Company, 15 FCC 2d 991, 15 RR 2d 306 (1969).

Character issues. 5. The character issues requested by WNER primarily stem from the alleged misconduct of Robert Harrell, the aforementioned Live Oak principal who is the corporate applicant's secretary-treasurer. WNER contends that Robert Harrell, while employed as a licensed insurance agent in the State of Florida, was charged by that state's Treasurer and Insurance Commissioner with multiple violations of state law for executing and delivering insurance bonds without the authorization, knowledge or consent of the insurer, for charging premiums therefor in excess of the authorized rate and for withholding from the insurer the premiums derived from his unauthorized actions; that Robert Harrell admitted his guilt to these charges; and that on August 9, 1967, the insurance licenses of Robert Harrell were revoked by the above State official.[7] WNER submits that the gravity of the charges directed against Harrell and his admitted guilt thereto, raise a serious question concerning this individual's fitness to be a Commission licensee and that the matter should be made the subject of an appropriate hearing issue. Alleging that legal proceedings based upon Robert Harrell's misconduct have been instituted,[8] WNER posits that Live Oak's negative responses to paragraph 10 of section II, FCC Form 301,[9] may be incorrect and that the applicant may have been remiss in reporting, as required by § 1.65, all substantial and significant changes affecting the information set forth in its application. In WNER's view, the addition of issues herein to permit the resolution of these questions is warranted.

6. Live Oak opposes the addition of the requested character issues, contending that the Insurance Commission's action arose out of charges stemming from "an unfortunate family situation" and that the violations in question did not involve fraud, but rather were only "technical" in nature. The applicant also submits that there is no reason to question the character of its principal, since Robert Harrell is presently in good standing with the Florida Insurance Department and, as indicated by the attached letter from two local citizens, enjoys a favorable reputation in his community. With respect to the $7,300 judgment in favor of Robert Harrell's former employee,[10] which admittedly was not actually satisfied until April 4, 1970, Live Oak maintains that its response to paragraph 10 (g) of section II (see note 9, supra) was correct because funds sufficient to satisfy the outstanding judgment had already been deposited with the court pending Robert Harrell's appeal from the adverse decision. Live Oak claims that the judgment so secured was, in effect, satisfied prior to the filing of its application and, thus, not reportable pursuant to paragraph 10(g).[11]

7. Where an applicant has been involved in unlawful practices, be they civil or criminal in nature, finally adjudicated or otherwise, an examination of the substance of these practices may be required in order to assess their relevance and weight with respect to the applicant's ability to be a responsible Commission licensee. See Report on Uniform Policy as to Violations by Applicants of Laws of the United States, 16 F.R. 3187, 1 RR (Part 3) 91:495, published April 11, 1951; Rockland Broadcasting Company, FCC 62R-152, 24 RR 739 (1962) and the cases cited therein. This is especially so where, as here, the unlawful practices involve misappropriation of funds received by one acting in a fiduciary capacity. See Fidelity Radio, Inc., 1 FCC 2d 1145, 6 RR 2d 271 (1965). Admittedly, Robert Harrell unlawfully withheld moneys belonging to others which he had received in a fiduciary capacity in the conduct of his insurance business,[12] and these violations of the Florida Insurance Code (Sections 626.611(10) and 626.561) constituted, in part, the grounds upon which the Florida State Treasurer and Insurance Commissioner predicated his order revoking Robert Harrell's insurance licenses.[13] While the applicant labels these violations of State law as "technical" in nature, no explanation of its cryptic characterization is advanced before the Board. Compare Kittyhawk Broadcasting Corporation, 8 FCC 2d 342, 10 RR 2d 189 (1967). Nor have we the benefit of an affidavit from Robert Harrell, explaining in full the circumstances surrounding the loss of his State insurance licenses in August of 1967. The present standing of Robert Harrell, both in his community and before the Florida State Insurance Department, is not particularly illuminative of Harrell's prior conduct, which occasioned the revocation of his insurance licenses. In view of the foregoing, the Review Board can only conclude that an inquiry concerning this matter is warranted and an appropriate issue will, therefore, be added to this proceeding. See Fidelity Radio, Inc., supra; cf. Indianapolis Broadcasting, Inc., 22 FCC 421, 512–13, 12 RR 883, 946–47 (1957); Page Boy, Inc., 8 RR 1108 (1954).

8. With respect to the other character issues requested by WNER, the Review Board is of the opinion that the allegations concerning a possible violation of § 1.65 are speculative and conjectural and, thus, do not comport with the requirements of § 1.229(c). This request will, therefore, be denied. See North American Broadcasting Co., Inc., 15 FCC 2d 979, 15 RR 2d 311 (1969). We do believe, however, that an inquiry pertaining to the accuracy and completeness of Live Oak's response to paragraph 10(g), section II, of its application is warranted. The Board is not persuaded that the outstanding civil judgment was "satisfied" prior to the filing of the Live Oak application. See Fidelity Radio, Inc., supra. Also see Fred Kaysbier, 19 FCC 2d 636, 17 RR 2d 389 (1969). The scope of paragraph 10(g) is not limited to those outstanding judgments or decrees, whose satisfaction would impair the applicant's financial qualifications (see 1400 Corp. (KBMI), 14 FCC 2d 281, 13 RR 2d 1178 (1968)); it also includes outstanding judgments and decrees involving serious misconduct by the applicant or its principals, which may bear upon the applicant's character qualifications.[14] See Azalea Corporation, 10 FCC 2d 364, 11 RR 2d 541 (1967); Fidelity Radio, Inc., supra.

[7] On June 28, 1968, the Florida State Treasurer and Insurance Commissioner vacated the revocation order, reinstated the insurance licenses of Robert Harrell and placed that individual on probation for 2 years. As indicated from the certified copy of the order of vacation attached to the instant motion, Robert Harrell was directed to fully comply with the state laws and regulations governing the sale of insurance and to report and render monthly accounts of his business activities to the local representative of the Florida State Insurance Department lest his reinstated insurance licenses be suspended forthwith for a period of 1 year.

[8] On Jan. 9, 1969, final judgment in a civil action commenced by the insurance corporation that formerly employed Robert Harrell was entered in favor of the plaintiff for the sum of $7,300. A certified copy of the final judgment is tendered with WNER's motion.

[9] Specifically, subsections (d)(1), (e) and (g) of paragraph 10, respectively, seek to ascertain whether the applicant or any party to the application has been found guilty by any court of a crime, not a felony, involving moral turpitude; whether in any court or administrative body there is pending against the applicant or any party to the application any action involving the matters referred to in subsections (b) to (d) of paragraph 10; and whether there are outstanding any unsatisfied judgments or decrees against the applicant or any party to the application.

[10] Noting that Robert Harrell's ex-wife was an officer-director of the plaintiff insurance corporation, Live Oak asserts that the $7,300 award "consisted almost entirely of attorney fees arising out of a contested divorce".

[11] In reply, WNER again maintains that the outstanding judgment should have been disclosed in paragraph 10, sec. II, of the Live Oak application, and argues that the proceeding involving Robert Harrell, which was conducted by the Florida State Treasurer and Insurance Commissioner, should have been reported by Live Oak in response to either subsection (d) or subsection (e) of paragraph 10. See note 9, supra.

[12] It is noteworthy that as secretary-treasurer of the Live Oak corporation, Robert Harrell is the corporate official responsible for the custody of the corporate funds and entrusted to maintain the corporate records and to keep full and accurate accounts of receipts and disbursements, rendering account thereof as required by the corporation's bylaws.

[13] Among the other grounds cited by the Insurance Commissioner as support for his action were Harrell's "demonstrated lack of fitness or trustworthiness to engage in the business of insurance" (§ 626.611(7)) and his "fraudulent or dishonest practices in the conduct of business under the license or permit" (§ 626.611(9)).

[14] The Board regards as implausible Live Oak's implication that the insurance corporation had sued, in its own name, to recover legal fees stemming from a divorce proceeding, which involved one of its directors. See note 10, supra.

In this latter regard, the Board also notes that a question exists as to whether, at the time Live Oak filed its application, the Florida State Treasurer and Insurance Commissioner's decree placing Robert Harrell on probation was outstanding and, thus, also reportable pursuant to paragraph 10(g). See note 7, supra.

9. *Accordingly, it is ordered,* That the Motion to Enlarge Issues, filed September 28, 1970, by WNER Radio, Inc., is granted to the extent indicated below, is dismissed to the extent indicated in paragraph 4 herein, and is denied in all other respects; and

10. *It is further ordered,* That the issues in this proceeding are enlarged by the addition of the following issues:

(a) To determine all of the facts and circumstances surrounding the insurance license revocation of Curtis W. Robert Harrell, a principal of the applicant, and whether he misappropriated funds and failed to properly discharge the fiduciary duties required of him as a licensed insurance agent.

(b) To determine whether Live Oak Broadcasting Co. submitted complete and accurate information in response to paragraph 10(g), section II, of the Commission's application form, FCC Form 301.

(c) To determine whether Curtis W. Robert Harrell, a principal of the applicant, has misrepresented to or concealed facts from the Commission in the Live Oak Broadcasting Co. application.

(d) To determine whether, in light of the evidence adduced with respect to the foregoing issue, Live Oak Broadcasting Co. possesses the requisite and/or comparative qualifications to be a Commission licensee.

11. *It is further ordered,* That the burden of proceeding with the introduction of evidence on issues (a) and (b) shall be on WNER Radio, Inc., the burden of proceeding with the evidence on issue (c) shall be on Live Oak Broadcasting Co., and the burden of proof under all of the issues added herein shall be on Live Oak Broadcasting Co.

Adopted: March 11, 1971.

Released: March 12, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[15]
[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-4005 Filed 3-23-71;8:48 am]

FEDERAL MARITIME COMMISSION

[Docket No. 71-23]

PACIFIC HAWAIIAN TERMINALS, INC.

Order of Investigation and Suspension

Pacific Hawaiian Terminals, Inc., has filed with the Federal Maritime Commission 7th Revised Page No. 39 to its Tariff FMC-F No. 2 to become effective March 22, 1971. This page increases the rate and minimum charges on Freight, all kinds, between U.S. Pacific Coast ports and ports in the Hawaiian Islands.

Upon consideration of said tariff page, the Commission is of the opinion that the above designated tariff matter should be made the subject of a public investigation and hearing to determine whether it is unjust, unreasonable, or otherwise unlawful under section 18(a) of the Shipping Act, 1916, and/or sections 3 and 4 of the Intercoastal Shipping Act, 1933, and good cause appearing therefore:

It is ordered, That pursuant to the authority of section 22 of the Shipping Act, 1916, and sections 3 and 4 of the Intercoastal Shipping Act, 1933, an investigation is hereby instituted into the lawfulness of said increased rates and charges with a view to making such findings and orders in the premises as the facts and circumstances warrant. In the event the matter hereby placed under investigation is further changed, amended or reissued, such matter will be included in this investigation;

It is further ordered, That pursuant to section 3, Intercoastal Shipping Act, 1933, 7th Revised Page 39 to Tariff FMC-F No. 2 is suspended and the use thereof deferred to and including July 21, 1971, unless otherwise ordered by this Commission;

It is further ordered, That there shall be filed immediately with the Commission by Pacific Hawaiian Terminals, Inc., a consecutively numbered supplement to the aforesaid tariff which supplement shall bear no effective date, shall reproduce the portion of this order wherein the suspended matter is described and shall state that the aforesaid matter is suspended and may not be used until July 22, 1971, unless otherwise authorized by the Commission; and the rates and charges heretofore in effect, and which were to be changed by the suspended matter shall remain in effect during the period of suspension, and neither the matter suspended, nor the matter which is continued in effect as a result of such suspension, may be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission;

It is further ordered, That copies of this order shall be filed with the said tariff schedules in the Bureau of Compliance of the Federal Maritime Commission;

It is further ordered, That the provisions of Rule 12 of the Commission's rules of practice and procedure which require leave of the Commission to take testimony by deposition or by written interrogatory if notice thereof is served within 20 days of the commencement of the proceeding, are hereby waived for this proceeding inasmuch as the expeditious conduct of business so requires. The provision of Rule 12(h) which requires leave of the Commission to request admissions of fact and genuineness of documents if notice thereof is served within 10 days of commencement of the proceeding, is similarly waived;

It is further ordered, That Pacific Hawaiian Terminals, Inc. be named as respondent in this proceeding;

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

It is further ordered, That (I) a copy of this order shall forthwith be served on the respondent herein and published in the FEDERAL REGISTER; and (II) the said respondent be duly served with notice of time and place of the hearing.

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

By the Commission.

[SEAL] FRANCIS C. HURNEY,
Secretary.

[FR Doc.71-4026 Filed 3-23-71;8:50 am]

INGE & CO., INC., ET AL.

Notice of Agreement Filed

Notice is hereby given that the following Agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1202; or may inspect the agreement at the Field Offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed for approval by:

[15] Review Board Member Slone absent.

Gerald H. Ullman, Esq., 120 Broadway, New York, NY 10005.

Agreement No. FF 71–1 between Inge & Co. Inc. (Inge), Alfred Schechter and Erskine Freight Forwarding Co., Inc. (Erskine) is intended to secure Federal Maritime Commission approval for an agreement whereby Inge and its President Alfred Schechter will transfer Inge's ocean freight forwarder customer accounts and the goodwill pertaining thereto to Erskine. Erskine will seek the association of certain officers and employees of Inge who will then be absorbed into the Erskine organization. Erskine agrees to pay Mr. Schechter 18 percent of the net profits accruing to Erskine from the accounts assigned by Inge to Erskine and any other new business accounts acquired by Erskine which are acquired through the efforts of Inge, for a period of 5 years from the effective date of the agreement.

Inge and Schechter agree that they will not, during the term of the agreement, engage in the business of ocean freight forwarding, however, Inge will continue in its business of air freight forwarding and acting as an I.A.T.A. agent. Upon approval by the Commission of the agreement Inge will surrender its independent ocean freight forwarder license and will not apply for a new license for at least 7 years from the effective date of the agreement. The effective date of the agreement shall be 21 days after approval thereof.

Dated: March 18, 1971.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.71–4027 Filed 3–23–71;8:51 am]

THAILAND PACIFIC FREIGHT CONFERENCE

Notice of Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1202; or may inspect the agreement at the Field Offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

Mr. S. S. Marr, Secretary, Thailand Pacific Freight Conference, c/o The Borneo Co., Ltd., 1/1041, Silom Road, Bangkok, Thailand.

Agreement No. 9474–1 is a modification of the Thailand Pacific Freight Conference's basic agreement which has been filed in an effort to comply with the Federal Maritime Commission's requirements concerning Self-Policing Systems, General Order 7 (Revised) as published in the FEDERAL REGISTER of October 28, 1970 (35 F.R. 16679).

Dated: March 19, 1971.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.71–4028 Filed 3–23–71;8:51 am]

FEDERAL POWER COMMISSION

[Docket No. RP71–16]

MIDWESTERN GAS TRANSMISSION CO.

Notice of Proposed Change in Rate Filing

MARCH 19, 1971.

Take notice that on March 16, 1971, Midwestern Gas Transmission Co. (Midwestern) filed a stipulation and agreement proposing a settlement of this proceeding which relates to proposed increased rates and charges for its Northern System. Such rates were contained in Midwestern's filing of September 30, 1970, which by order issued herein on November 13, 1970, were suspended until April 15, 1971. Those rates reflect an increase in the rates on the Northern System of approximately $2,600,000 per annum, of which approximately $1,300,000 represents the increased cost of gas purchased from Trans-Canada Pipe Lines Limited. By order issued December 22, 1970, the Commission authorized Midwestern to track, as of January 1, 1971, the Trans-Canada increase subject to orders issued in this proceeding.

Midwestern states that it has conferred with the intervenors to this proceeding, and as a result of such conference has filed this stipulation and agreement. Midwestern proposes therein (1) to withdraw its aforementioned filing of September 30, 1970; (2) to file substitute sheets therefore which contain rates at levels set out in the tariff sheets made effective as of January 1, 1971; (3) that such substitute filed sheets be effective as of April 15, 1971, without suspension; (4) that Midwestern be entitled to retain all revenues at the increased rates which became effective as of January 1, 1971, without refund; and (5) that Midwestern be authorized to use liberalized depreciation with normalization for accounting and rate making purposes.

Copies of the tendered stipulation and agreement were served on all parties to this proceeding. Answers and comments relating to the stipulation and Agreement may be filed with the Federal Power Commission, Washington, D.C. 20426, on or before April 8, 1971.

KENNETH F. PLUMB,
Acting Secretary.

[FR Doc.71–4043 Filed 3–23–71;8:51 am]

FEDERAL RESERVE SYSTEM

TEXAS COMMERCE BANCSHARES, INC.

Notice of Application for Approval of Acquisition of Shares of Bank

Notice is hereby given that application has been made, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)), by Texas Commerce Bancshares, Inc., Houston, Tex., which presently owns 100 percent (less directors' qualifying shares) of the voting shares of Commerce Bank National Association, Houston, Tex., a nonoperating national bank, for prior approval by the Board of Governors of action whereby applicant would become a bank holding company through the merger of Texas Commerce Bank National Association, Houston, Tex., with applicant's nonoperating bank. As an incident to the merger, applicant would also acquire the beneficial interest in all of the voting shares of Texas Commerce Shareholders Co., Houston, Tex., which owns more than 5 percent of the voting shares of the following seven banks, all located in Texas:

Bank	*Percentage of voting shares owned*
Texas Commerce Bank National Association, Houston	5.2
Airline Bank, Houston	24.9
North Freeway Bank, Houston	24.9
Reagan State Bank of Houston	24.9
First National Bank of Stafford	24.7
Chemical Bank and Trust Co., Houston	21.1
Lockwood National Bank of Houston	20.4

Section 3(c) of the Act provides that the Board shall not approve:

(1) Any acquisition or merger or consolidation under section 3 which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or

(2) Any other proposed acquisition or merger or consolidation under section 3 whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly,

or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

Section 3(c) further provides that, in every case, the Board shall take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served.

Not later than thirty (30) days after the publication of this notice in the FEDERAL REGISTER comments and views regarding the proposed acquisition may be filed with the Board. Communications should be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The application may be inspected at the office of the Board of Governors or the Federal Reserve Bank of Dallas.

By order of the Board of Governors, March 18, 1971.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.

[FR Doc.71-3977 Filed 3-23-71;8:47 am]

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[Notice 71-4]

DENVER RESEARCH INSTITUTE

Notice of Intent To Grant Exclusive Patent License

Notice is hereby given of intent to grant to the Denver Research Institute of the University of Denver an exclusive commercial license to practice the invention described in U.S. Patent No. 3,143,321 for "Frangible Tube Energy Dissipation," issued August 4, 1964, in the three fields of use (1) as an energy absorber for a trailer support wheel, (2) as an energy absorber for bumpers for passenger automobiles, and (3) as an energy absorber for elevators. The proposed license will be exclusive, revocable, and royalty-free for a term of 7 years in accordance with the NASA Patent Licensing Regulations, 14 CFR 1245.205(c). Interested parties should submit written inquiries or comments within 30 days to the Assistant General Counsel for Patent Matters (Code GP) National Aeronautics and Space Administration, Washington, D.C. 20546.

SPENCER M. BERESFORD,
Acting Administrator.

[FR Doc.71-3997 Filed 3-23-71;8:48 am]

SECURITIES AND EXCHANGE COMMISSION

[812-2898]

NUVEEN TAX-EXEMPT BOND FUND

Notice of Filing of Application for Order Granting Confidential Treatment

MARCH 18, 1971.

Notice is hereby given that Nuveen Tax-Exempt Bond Fund (Applicant), c/o John Nuveen & Co. (Inc.), Attention James T. Stewart, 209 South La Salle Street, Chicago, IL 60604, which consists of a series of 35 investment companies each registered as a unit investment trust under the Investment Company Act of 1940 (Act), has filed an application pursuant to section 45(a) of the Act for an order granting confidential treatment to the profit and loss statements of John Nuveen & Co., Inc. (Nuveen), the sponsor of each series, which statements are submitted with registration statements filed under the Securities Act of 1933 (1933 Act). All interested persons are referred to the application on file with the Commission for a statement of the representation contained therein which are summarized below.

Applicant states that each existing series, which is governed by the provision of a trust indenture and agreement (Indenture) entered into by Nuveen and the United States Trust Company of New York as Trustee (Trustee), consists of a diversified portfolio of interest bearing obligations issued by or on behalf of states, counties, municipalities, and territories of the United States, and authorities and political subdivision thereof, the interest from which is exempt, in the opinion of counsel, under existing law from all Federal income taxes.

When an Indenture is entered into between Nuveen and the Trustee, tax-exempt bonds in the amount subsequently described in the prospectus are deposited with the Trustee by Nuveen and the Trustee simultaneously issues certificates in the name of Nuveen evidencing ownership of all the undivided interests in the series of Applicant. After the registration statement filed under the 1933 Act becomes effective, units are offered for sale to the public by Nuveen.

Applicant states that on the date of deposit the maximum number of units of a particular series and the bonds which comprise its portfolio are determined. No additional units can be issued although the number of units outstanding may be reduced by redemptions. No additional bonds can be deposited during the life of the trust except that under certain circumstances refunding bonds issued in exchange and substituted for outstanding bonds can be deposited with the Trustee. The Trustee may dispose of bonds when events occur which may affect their investment stability and distribute the proceeds thereof in partial liquidation to unit holders, and the Trustee must sell bonds if necessary for the payment of the redemption price. The Trustee is responsible for keeping the bonds in its custody and for making collections and disbursements in respect thereof. Applicant states that at no time after the deposit is made can Nuveen obtain possession of the bonds or any other assets or propery belonging to the Applicant.

Applicant states that Nuveen will submit its financial data in connection with future filings. Applicant further states that Nuveen will include in the 1933 Act prospectus its balance sheet prepared in compliance with the requirements of Form S-6. Applicant requests, however, confidential treatment for its income statement or the statement of profit and loss which Nuveen will file with the Commission as required from time to time on the ground that public disclosure thereof is neither necessary nor appropriate in the public interest or for the protection of investors.

Section 45(a) of the Act provides, in pertinent part, that information filed with the Commission "shall be made available to the public, unless and except insofar as the Commission * * * by order upon application, finds that public disclosure is neither necessary nor appropriate in the public interest or for the protection of investors."

Applicant states that investors in any of its series are not offered any opportunity to acquire any interest in Nuveen and that although Nuveen has certain limited functions under the Indenture, it serves basically as a distributor of securities representing undivided interests in a series of Applicant. Applicant states that Nuveen's financial statements in no way enhance or diminish the investment value of any series and have no bearing upon Nuveen's maintenance of a secondary market in the publicly distributed units as Nuveen is not required to maintain such a market and may discontinue any such activities at any time. Applicant further states that in such event, unit holders will not be harmed but are protected by their rights under the Indenture to redeem their units upon presentation of such units properly endorsed to the trustee, and to receive the redemption value of the units computed on the basis of the underlying assets to which the particular units relate.

Notice is further given that any interested person may, not later than April 8, 1971, at 5:30 p.m. submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he

may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personnally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the Applicant at the address set forth above. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0–5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered, will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] ROSALIE F. SCHNEIDER,
Recording Secretary.

[FR Doc.71-3957 Filed 3-23-71;8:45 am]

[812-2903]

SCRIPPS-HOWARD INVESTMENT CO. ET AL.

Notice of Filing of Application for Order Permitting Proposed Transaction

MARCH 18, 1971.

Notice is hereby given that Scripps-Howard Investment Co. (Fund), E. W. Scripps Co. (Scripps-Howard), 1100 Central Trust Tower, Cincinnati, OH 45202, and Jack R. Howard (Howard), 200 Park Avenue, New York, NY 10017 (collectively hereinafter referred to as "Applicants"), have filed an application pursuant to section 17(d) of the Investment Company Act of 1940, as amended (Act), and Rule 17d–1 thereunder for an order permitting joint participation by Fund, Scripps-Howard, and Howard, individually, in the sale of an aggregate of 501,986 common shares of the Cincinnati Enquirer, Inc. (the "Enquirer") to American Financial Corp. (American). All interested persons are referred to the application on file with the Commission for a statement of the representations contained therein, which are summarized below.

Fund, organized under Ohio law in 1941, is a closed-end nondiversified management investment company registered under the Act. Fund's current investment policy is to invest at least 80 percent of its assets in companies publishing Scripps-Howard newspapers, former Scripps-Howard newspapers, and in companies which are allied enterprises of Scripps-Howard.

Scripps-Howard, an Ohio corporation, owns 8.68 percent of Fund's voting shares, Howard is the president and a director of Scripps-Howard. It appears, therefore, that Scripps-Howard and Fund are affiliated persons of each other under section 2(a)(3)(A) of the Act and Howard, an affiliated person of Scripps-Howard under section 2(a)(3)(D) of the Act, is, therefore, an affiliated person of an affiliated person of the Fund.

Fund owns Voting Trust Certificates for 9,500 common shares of the Enquirer, whose principal business is to publish a daily and Sunday morning newspaper in Cincinnati, Ohio. Scripps-Howard also holds Voting Trust Certificates for 491,436 common shares of the Enquirer, these shares constituting about 58.87 percent of the Enquirer's total outstanding shares. Howard owns 1,050 shares of the Enquirer which are not subject to the Voting Trust.

As a consequence of civil antitrust litigation filed against Scripps-Howard on May 27, 1964, by the United States of America, Scripps-Howard consented to the entry of a Final Judgment (Consent Decree) which was entered by the U.S. District Court for the Southern District of Ohio, Western Division, on November 12, 1968. The Consent Decree, as amended, requires divestiture by Scripps-Howard, its subsidiaries and affiliates and their respective directors, officers, and employees of their respective equity interests in the Enquirer. Although the term "affiliate" as used in the Consent Decree is not defined therein, Fund's board of directors have concluded that since at the time of entry of the Consent Decree Scripps-Howard owned more than 10 percent of the outstanding stock of Fund and since they have actual knowledge of the Consent Decree, Fund could be construed to be an "affiliate" of Scripps-Howard and therefore bound by the Consent Decree. Accordingly, they have recommended that Fund dispose of its interest in the Enquirer in collaboration with Scripps-Howard and Howard.

On February 18, 1971, Applicants entered into an Agreement with American (the "Agreement"), under which Applicants agreed to sell American 501,986 common shares of the Enquirer for a total cash consideration of $20,079,440. The closing date of the transaction is May 7, 1971, subject to certain conditions precedent. The terms of the Agreement provide that Applicants will receive $40 in cash for each Enquirer share sold by them to American. The following table sets forth for each Applicant the number of shares of the Enquirer to be disposed of, the cash to be received, and each Applicant's percentage of both the total number of shares to be sold and the total cash consideration to be received.

Applicants	Number of Enquirer shares	Cash	Percentage
1. Scripps-Howard	491,436	$19,657,440	97.898348
2. Fund	9,500	380,000	1.892483
3. Howard	1,050	42,000	.209169
Total	501,986	20,079,440	100.000000

None of the Applicants will pay a finder's fee or broker's commission in connection with the sale of shares. Fund and Howard will pay selling expenses attributable to their stock not in excess of the aggregate expenses estimated to be payable by each in separate sales of such stock made without regard to the Consent Decree, but such selling expenses payable by the Fund and by Howard will not exceed their respective pro rata shares of the total selling expenses. Scripps-Howard will pay the remainder of the Applicants' selling expenses. American will pay all stock transfers taxes attributable to the transfer of the Enquirer shares.

The parties to the Agreement may refuse to perform if on the Closing Date the proposed transaction has not been approved by the Federal Reserve Board, and by the United States of America or by the Court, or if litigation is threatened or pending which seeks to prevent the consummation of the Agreement. If, by the Closing Date, an order has not been issued by the Securities and Exchange Commission allowing Scripps-Howard and Howard to participate with Fund in the transaction, the 9,500 common shares of the Enquirer to be sold by the Fund pursuant to the Agreement will not be sold and purchased at such time but will be sold and purchased thereafter if such an order is forthcoming within 60 days after the closing.

Section 17(d) of the Act and Rule 17d–1 thereunder provides, among other things, that it shall be unlawful for an affiliated person of a registered investment company or an affiliated person of such a person, acting as principal, to effect any transactions in which such registered company or a company controlled by such registered company is a joint and several participant with such person unless an application regarding such transaction pursuant to Rule 17d–1 has been granted by the Commission. In passing upon such application, the Commission will consider whether the participation of such registered or controlled company in such joint enterprise, joint arrangement or profit-sharing plan on the basis proposed is consistent with the provisions, policies and purposes of the Act and the extent to which such participation is on a basis different from or less advantageous than that of other participants.

Applicants asserts that the purchase price of $40 per share to be received by

Fund is reasonable and fair since it represents the highest "Asked" price for Enquirer common shares in the over-the-counter market for the period from January 1970 through late February in 1971. Applicants also claim that the proposed transaction involves no over-reaching by Scripps-Howard and Howard since all three Applicants will receive the same purchase price per share. Further, Applicants state that the proposed transaction is consistent with Fund's investment policy because Fund's sale of its 9,500 Enquirer shares would not cause it to fall below the 80 percent level of concentration in Scripps-Howard related enterprises required by its statement of investment policy.

Notice is further given that any interested person may, not later than April 9, 1971, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon Applicants at the addresses set forth above. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0–5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] ROSALIE F. SCHNEIDER,
Recording Secretary.

[FR Doc.71–3958 Filed 3–23–71;8:45 am]

[70–5001]

WESTERN MASSACHUSETTS ELECTRIC CO. AND HUNTINGTON ELECTRIC LIGHT CO.

Notice of Proposed Transactions Related to Merger of Subsidiary Companies and Order Authorizing Solicitation of Proxies

MARCH 18, 1971.

Notice is hereby given that Western Massachusetts Electric Co. (WMECO) and Huntington Electric Light Co. (Huntington), 174 Brush Hill Avenue, West Springfield, MA 01089, both electric utility subsidiary companies of Northeast Utilities (Northeast), a registered holding company, have filed a declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating sections 11(g), 12(g), and 12(e) of the Act and Rule 65 promulgated thereunder as applicable to the proposed transactions. All interested persons are referred to the declaration, which is summarized below, for a complete statement of the proposed transactions.

It is proposed that Huntington be merged into WMECO. Northeast owns all of the common stock of WMECO and all of the outstanding securities of Huntington, consisting of common stock and $312,000 of notes. It is stated that the proposed merger will lead to the simplification of the Northeast holding-company system. Huntington sells electricity at retail in Massachusetts to approximately 1,150 customers in the towns of Huntington, Chester, Montgomery, and Russell. Its distribution system is interconnected with and entirely surrounded by that of WMECO which operates solely in Massachusetts, and WMECO supplies to Huntington, at wholesale, its entire requirements of electricity. In addition, WMECO and Huntington are parties to an agreement dated December 31, 1959, whereby WMECO supplies all the management and operating personnel for Huntington. With the addition of Huntington's retail customers to WMECO's system in place of Huntington as a wholesale customer, WMECO anticipates in the first year a net increase in operating revenues of approximately $110,000 and an increase in operating costs of approximately $110,000 and an increase in operating costs of approximately $100,000.

Upon the consummation of the merger, all the common stock of Huntington will be canceled. The authorized and issued capital stock of WMECO will remain unchanged. The holders of WMECO's first mortgage bonds will obtain additional security by reason of the merger, since all the bondable property to be vested in WMECO by reason of the merger will be subjected to the lien of WMECO's bond indenture. The assets and liabilities of Huntington will be entered on the books of WMECO exactly as they stand on the books of Huntington at the time when the merger becomes effective, except that all intercompany items will be eliminated. The common equity of Huntington in the amount of $192,000, including earned surplus of $148,000, will be recorded by WMECO as capital surplus. The utility plant of Huntington had an original book cost of $588,231 and a depreciated cost of $482,838 as of December 31, 1970.

WMECO intends to submit the proposed merger to its stockholders for their approval at a special meeting of stockholders to be held on April 12, 1971. In connection therewith, WMECO proposes to solicit proxies from the holders of its preferred stock. WMECO has requested that the effectiveness of its declaration with respect to the solicitation of proxies be accelerated as provided in Rule 62.

It is stated that the proposed merger is subject to the approval of the Massachusetts Department of Public Utilities and that no other State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions. Fees and expenses to be incurred in connection with the proposed transactions are to be filed by amendment.

Notice is further given that any interested person may, not later than April 14, 1971, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the declarants at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the declaration, as filed or as it may be amended, may be permitted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

It appearing that the declaration regarding the proposed solicitation of proxies should be permitted to become effective forthwith pursuant to Rule 62:

It is ordered, That the declaration regarding the proposed solicitation of proxies be, and it hereby is, permitted to become effective forthwith pursuant to Rule 62 and subject to the terms and conditions prescribed in Rule 24 under the Act.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] ROSALIE F. SCHNEIDER,
Recording Secretary.

[FR Doc.71–3959 Filed 3–23–71;8:45 am]

TARIFF COMMISSION

BILLIARD BALLS

Report to the President; Domestic Producer Ineligible for Tariff or Other Assistance

MARCH 19, 1971.

The U.S. Tariff Commission today reported to the President that the domestic industry producing cast-resin billiard balls did not meet the requirements of

the Trade Expansion Act to qualify for tariff or other assistance.

In the investigation, the Commission found unanimously that billiard balls are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive products.

The investigation (TEA–I–19) was instituted by the Commisison in October 1970 on petition of the Albany Billiard Ball Co., Albany, N.Y. It was conducted under the provisions of section 301(b) of the Trade Expansion Act of 1962, which establishes the criteria for determining whether a domestic industry is qualified for tariff or other assistance.

A part of the material contained in the report may not be made public since it includes information that would disclose the operations of an individual firm. The Commission, therefore, is releasing to the public only those portions of the report that do not contain business confidential information.

Copies of the public report (TC Publication 374), which contains statements of the reasons for the Commissioners' findings, will be released as soon as possible. Copies will be available on request as long as the supply lasts. Requests should be addressed to the Secretary, U.S. Tariff Commission, Eighth and E Streets NW., Washington, DC 20436.

By direction of the Commission.

[SEAL] KENNETH R. MASON,
Secretary.

[FR Doc.71–4029 Filed 3–23–71;8:51 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

DOLE CO.

Notice of Withdrawal of Petition for Food Additives

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b), 72 Stat. 1786; 21 U.S.C. 348(b)), the following notice is issued:

In accordance with § 121.52 *Withdrawal of petitions without prejudice* of the procedural food additive regulations (21 CFR 121.52), Dole Co., Post Office Box 3380, Honolulu, HI 96801, has withdrawn its petition (FAP OH2493), notice of which was published in the FEDERAL REGISTER of January 13, 1970 (35 F.R. 440), proposing that § 121.1117 *Diethyl pyrocarbonate* (21 CFR 121.1117) be amended to provide for the safe use of diethyl pyrocarbonate as a fermentation inhibitor in hermetically sealed, chilled pineapple.

Dated: March 12, 1971.

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

[FR Doc.71–3952 Filed 3–23–71;8:45 am]

STEIN, HALL & CO., INC.

Notice of Filing of Petition for Food Additives

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), notice is given that a petition (FAP 1A2607) has been filed by Stein, Hall & Co., Inc., 605 Third Avenue, New York, NY 10016, proposing that § 121.1029 *Sorbitan monostearate* (21 CFR 121.1029) be amended to provide for the safe use of sorbitan monostearate as a stabilizer in starches or modified food starches for use in starch-based foods.

Dated: March 12, 1971.

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

[FR Doc.71–3953 Filed 3–23–71;8:45 am]

[Docket No. FDC–D–301; NDA 9–097, etc.]

ORAL COMBINATION DRUGS CONTAINING: HEXAMETHONIUM CHLORIDE WITH RESERPINE OR ALSEROXYLON; AND MEPROBAMATE WITH PENTOLINIUM TARTRATE

Notice of Opportunity for Hearing on Proposal To Withdraw Approval of New-Drug Applications

In a Drug Efficacy Study Implementation announcement (DESI 9097) published in the FEDERAL REGISTER of October 15, 1970 (35 F.R. 16196), the holders of new-drug applications listed below and any interested person who might be adversely affected by the removal of the drugs from the market were invited to submit, within 30 days, pertinent data bearing on the Commissioner's announced intention to initiate proceedings to withdraw approval of the applications in the absence of substantial evidence that the drugs are effective for their labeled indications and that each component of the combinations contributes to the total effects claimed. No such data were submitted.

Rauwiloid and Hexamethonium Tablets; containing alseroxylon and hexamethonium chloride; Riker Laboratories, Inc., 19901 Nordhoff Street, Northridge, CA 91326 (NDA 9–097).

Equalysen Tablets; containing meprobamate and pentolinium tartrate; Wyeth Laboratories, Inc., Post Office Box 8299, Philadelphia, PA 19101 (NDA 11–326).

Reserthonium Tablets; containing reserpine and hexamethonium chloride; Nysco Laboratories, Inc., 34–24 Vernon Boulevard, Long Island City, NY 11106 (NDA 9–924).

In addition to the drugs listed above, the following preparation, although not submitted for review by the National Academy of Sciences-National Research Council, Drug Efficacy Study Group, is affected by the announcement of October 15, 1970.

Hexatina Tablets; containing hexamethonium chloride and reserpine; Fellows-Testagar Division Fellows Medical Manufacturing Co., Inc., 12741 Capital Avenue, Oak Park, MI 48237 (NDA 10–236).

Therefore, notice is given to all of the above firms, and to any interested person who may be adversely affected, that the Commissioner of Food and Drugs proposes to issue an order under section 505(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(e)) withdrawing approval of the listed new-drug applications and all amendments and supplements applying thereto, on the grounds that new information before the Commissioner with respect to each of the drugs, evaluated together with the evidence available to him when the applications were approved, shows that there is a lack of substantial evidence that each of the drugs will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in its labeling.

In accordance with the provisions of section 505 of the Act (21 U.S.C. 355) and the regulations promulgated thereunder (21 CFR Part 130), the Commissioner will give the applicants, and any interested person who would be adversely affected by an order withdrawing such approval, an opportunity for a hearing to show why approval of the new-drug applications should not be withdrawn. Such withdrawal of approval may cause any related drug for human use to be a new drug for which an approved new-drug application is not in effect. Any such drug then on the market would be subject to regulatory proceedings.

Within 30 days after publication hereof in the FEDERAL REGISTER, such persons are required to file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 6–65, 5600 Fishers Lane, Rockville, MD 20852, a written appearance electing whether:

1. To avail themselves of the opportunity for a hearing; or

2. Not to avail themselves of the opportunity for a hearing.

If such persons elect not to avail themselves of the opportunity for a hearing, the Commissioner without further notice will enter a final order withdrawing approval of the new-drug applications. Failure of such persons to file a written appearance of election within said 30 days will be construed as an election by such persons not to avail themselves of the opportunity for a hearing.

The hearing contemplated by this notice will be open to the public except that any portion of the hearing that concerns a method or process the Commissioner finds entitled to protection as a trade secret will not be open to the public, unless the respondent specifies otherwise in his appearance.

If such persons elect to avail themselves of the opportunity for a hearing they must file, within 30 days after publication of this notice in the FEDERAL REGISTER, a written appearance requesting the hearing, giving the reasons why approval of the new-drug application should not be withdrawn, together with a well-organized and full-factual analysis of the clinical and other investigational data they are prepared to prove

in support of their opposition. A request for a hearing may not rest upon mere allegations or denials, but must set forth specific facts showing that a genuine and substantial issue of fact requires a hearing. When it clearly appears from the data in the application and from the reasons and factual analysis in the request for the hearing that no genuine and substantial issue of fact precludes the withdrawal of approval of the application, the Commissioner will enter an order on these data, making findings and conclusions on such data.

If a hearing is requested and justified by the response to this notice, the issues will be defined, a hearing examiner will be named, and he shall issue, as soon as practicable after the expiration of such 30 days, a written notice of the time and place at which the hearing will commence (35 F.R. 7250, May 8, 1970; 35 F.R. 16631, Oct. 27, 1970).

This notice is issued pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 505, 52 Stat. 1052–53, as amended; 21 U.S.C. 355) and under authority delegated to the Commissioner (21 CFR 2.120).

Dated: March 2, 1971.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.71-3955 Filed 3-23-71;8:45 am]

[Docket No. FDC-D-276; NDA 6-682, etc.]

PREPARATIONS CONTAINING CHOLINE SALTS

Notice of Withdrawal of Approval of New-Drug Applications

In the FEDERAL REGISTER of January 10, 1970 (35 F.R. 396), the Commissioner of Food and Drugs announced (DESI 5597) his conclusions pursuant to evaluating reports received from the National Academy of Sciences-National Research Council, Drug Efficacy Study Group, concerning the efficacy of preparations containing choline salts.

The announcement stated that the drugs are regarded as possibly effective for their labeled indications, and holders of new-drug applications and persons marketing the drugs without approval were allowed 6 months to obtain and submit data to provide substantial evidence of effectiveness of the drug as adjunctive therapy for liver disorders, principally cirrhosis, where accumulation of fat is a factor. The first drug listed below was named in the announcement and the other firms were advised that their drugs are similarly affected by the terms of the announcement:

1. Monichol Liquid, containing 500 milligrams choline dihydrogen citrate, 500 milligrams polysorbate 80, and 250 milligrams inositol per 5 milliliters; Ives Laboratories, Inc., 685 Third Avenue, New York, NY 10017 (NDA 8-597).

2. Winoline Syrup, containing 7 grains choline chloride per 100 cc.; Sterling Drug Inc., 90 Park Avenue, New York, NY 10016 (NDA 6-964).

3. Lipinel Capsules, containing 0.25 gram choline dihydrogen citrate and 0.05 gram extract of fresh beef pancreas; Cutter Laboratories, Fourth and Parker Streets, Berkeley, CA 94710 (NDA 6-682).

4. Solution No. 68, containing 46 grams choline citrate and 3 grams inositol per 100 cc.; Eli Lilly & Co., Post Office Box 618, Indianapolis, IN 46206 (NDA 8-029).

All of the above firms have advised that these drugs are either no longer marketed or have never been marketed and have waived opportunity for hearing.

The Commissioner of Food and Drugs, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 505 (e), 52 Stat. 1053, as amended; 21 U.S.C. 355(e)), and under the authority delegated to him (21 CFR 2.120), finds that on the basis of new information before him with respect to each of said drugs, evaluated together with the evidence available to him when each application was approved, there is a lack of substantial evidence that each of the drugs will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof.

Therefore, pursuant to the foregoing findings, approval of the above new-drug applications, and all amendments and supplements thereto, is withdrawn effective on the date of the signature of this document.

Dated: March 3, 1971.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.71-3954 Filed 3-23-71;8:45 am]

Office of the Secretary

HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

Statement of Organization, Functions, and Delegations of Authority

Part 3 (Health Services and Mental Health Administration), formerly part 5, of the Statement of Organization, Functions, and Delegations of Authority for the Department of Health, Education and Welfare (33 F.R. 15953, October 30, 1968), is hereby amended with regard to section 3-C, formerly 5-C, "Delegations of Authority," as follows:

After the subparagraph numbered (8) of the paragraph entitled "Specific delegations," add a new subparagraph reading:

(9) The functions under Title IX (except section 905) of the Public Health Service Act, as amended, relating to education, research, training, and demonstrations in the fields of heart disease, cancer, stroke, kidney disease, and related diseases.

ELLIOT L. RICHARDSON,
Secretary.

MARCH 15, 1971.

[FR Doc.71-3994 Filed 3-23-71;8:48 am]

HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

Statement of Organization, Functions, and Delegations of Authority

Part 3 (Health Services and Mental Health Administration), formerly part 5, of the Statement of Organization, Functions, and Delegations of Authority for the Department of Health, Education, and Welfare (33 F.R. 15953, October 30, 1968), is hereby amended with regard to section 3-C, formerly 5-C, "Delegations of Authority," as follows:

After the subparagraph numbered (9) of the paragraph entitled "Specific delegations," add a new subparagraph reading:

(10) The functions under section 317 of the Public Health Service Act (Public Law 91-464) relating to communicable disease control and vaccination assistance.

ELLIOT L. RICHARDSON,
Secretary.

MARCH 2, 1971.

[FR Doc.71-3995 Filed 3-23-71;8:48 am]

Public Health Service

CLINICAL LABORATORIES

Licenses and Letters of Exemption

Notice is hereby given that as of October 5, 1970, licenses for the solicitation and acceptance in interstate commerce of specimens for laboratory examination and letters of exemption based upon accreditation by the College of American Pathologists have been issued, as follows, pursuant to the provisions of section 353 of the Public Health Service Act, 42 U.S.C. 263a, and Part 74 of Title 42, Code of Federal Regulations.

LICENSES	
ALABAMA	
Dr. Hazel Gore, 4313 Corinth Dr., Mount Brook, AL 35213.	Pathology.
Mobile General Hospital Laboratory, Drs. Brown & Fonde, Pathologists, 2451 Fillingim St., Mobile, AL 36617.	Pathology.
Pathology & Cytology Laboratory, Southeast Alabama General Hospital, Dothan, AL 36301.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Toxicology, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.
Pathology Laboratory Associates of Dothan, 1914 Fairview Ave., Dothan, AL 36301.	Pathology.
Tuscaloosa Pathology Laboratories, 902 5th Ave. East, Tuscaloosa, AL 35401.	Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.

ARIZONA

Thomas Laboratories, Inc., 406 West 16th St., Yuma, AZ 85364.	Bacteriology; Blood and Cerebrospinal Fluid Chemistry; Hematology.

CALIFORNIA

Arrowhead Clinical Laboratories, 2107 Van Ness Ave., San Francisco, CA 94109.	Serology (Syphilis); Clinical Chemistry; Radiobioassay.
Automated Analytical Laboratories, 2981 Loma Vista, Ventura, CA 93003.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology.
Automated Bio-Chemistry, Inc., 3650 Clairemont Dr., San Diego, CA 92117.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Toxicology, Urinalysis; Hematology; Pathology.
Bay Area Central Laboratories, Inc., 2847 California St., San Francisco, CA 94115.	Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology.
Bio-Analysis, 1701 Berkeley St., Santa Monica, CA 90404.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Biochemical Procedures, 12020 Chandler Blvd., North Hollywood, CA 91607.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Bio-Laboratories, 23345 Washington Ave., Colton, CA 92324.	Bacteriology, Mycology; Toxicology; Pathology.
Bio-Research Laboratories, 2437 6th St., Berkeley, CA 94710.	Clinical Chemistry.
Bio-Science Laboratories, 7600 Tyrone Ave., Van Nuys, CA 91405.	Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology-Limited; Radiobioassay.
Bio-Technics Laboratories, Inc., 1133 Crenshaw Blvd., Los Angeles, CA 90019.	Clinical Chemistry; Radiobioassay.
Burbank Medical Laboratory, 303 North Glenoaks Blvd., Burbank, CA 91502.	Blood and Cerebrospinal Fluid Chemistry, Urinalysis.
California Toxicology Service, 2333 West 3rd St., Los Angeles, CA 90057.	Toxicology.
Cal-Med Laboratory, 301 East Regent St., Inglewood, CA 90301.	Exfoliative Cytology (Cytochemical only).
Cancer Control Center, Inc., 11311 Camarillo St., North Hollywood, CA 91602.	Pathology.
Chem-Tech Laboratories, 236½ South Robertson Blvd., Beverly Hills, CA 90211.	Clinical Chemistry.
Continental Testing Laboratory, 7116 Melrose Ave., Los Angeles, CA 90046.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Immunohematology; Hematology.
Cyto-Biological Laboratories, 525 Hawthorn St., San Diego, CA 92101.	Exfoliative Cytology.
Cytohistological Laboratory, 81 Casa Buena Dr., Corte Madera, CA 94925.	Exfoliative Cytology.
Empire Medical Laboratory, 1166 Montgomery Dr., Santa Rose, CA 95405.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Hematology; Radiobioassay.
Harkness Community Hospital & Medical Center, 1400 Fell St., San Francisco, CA 94117.	Mycology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Pathology.

CALIFORNIA—continued

Isotopes, Inc., A Teledyne Co., 4062 Fabian St., Palo Alto, CA 94303.	Radiobioassay
J. Wesley Fletcher Laboratories, 1127 Fair Oaks Ave., South Pasadena, CA 91030.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Laboratory of Pathology, 1618 El Monte Ave., Sacramento, CA 95815.	Pathology.
Laboratory Procedures, Division of the Upjohn Co., 6330 Variel Ave., Woodland Hills, CA 91364.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
La Jolla Clinical Laboratory, 7847 Fay Ave., La Jolla, CA 92037.	Exfoliative Cytology.
Lambda Laboratories, Inc., 664 West Arbor Vitae St., Inglewood, CA 90301.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Toxicology.
Malkin Medical Laboratory, 711 Colorado Ave., Palo Alto, CA 94303.	
Medical Park Laboratory, 340 4th Ave., Chula Vista, CA 92010.	Exfoliative Cytology.
Pap Smear Center, 4232 University Ave., San Diego, CA 92105.	Exfoliative Cytology.
Physicians Laboratory, 220 Meridian Ave., San Jose, CA 95126.	Blood and Cerebrospinal Fluid Chemistry.
Physicians Medical Laboratory, 1109 Sonoma Ave., Santa Rosa, CA 95405.	Bacteriology, Mycology, Parasitology, (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology.
Radiation Detection Co., 385 Logue Ave., Mountain View, CA 94040.	Toxicology, Urinalysis; Radiobioassay.
Reference Laboratory, 12926 Saticoy, North Hollywood, CA 91609.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Solano Laboratories, Inc., 2113 Dwight Way, Berkeley, CA 94704.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Sumerlin Memorial Laboratory, D. N. Sharp Memorial Community Hospital, 7901 Frost St., San Diego, CA 92123.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
The Western Clinical Laboratory, Inc., 201 Sunrise Ave., Roseville, CA 95678.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Toxicology; Exfoliative Cytology; Radiobioassay.
Walnut Creek-Lafayette Laboratories, 1351 East Newel Ave., Walnut Creek, CA 94596.	Serology (Syphilis), Serology (non-Syphilis); Urinalysis; Hematology.
Wilshire Medical Laboratories, Inc., 633 South Westlake Ave., Los Angeles, CA 90057.	Bacteriology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry; Pathology; Radiobioassay.

COLORADO

Colorado Pathologists Reference Lab, 1634 Downing St., Denver, CO 80218.	Clinical Chemistry; Radiobioassay.
DCL Biomedical, Inc., 1567 Marion St., Denver, CO 80209.	Bacteriology, Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.
	Bacteriology, Mycology, Parasitology, Serol-

COLORADO—continued	
Laplata Community Hospital, Box 1429, Durango, CO 81301.	ogy (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Pathology.
Mercy Hospital Laboratory, 1905 East 3rd Ave., Durango, CO 81301.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.
Saint Mary's Hospital, 7th and Patterson, Grand Junction, CO 81501.	Bacteriology; Endocrinology, Blood and Cerebrospinal Fluid Chemistry; Pathology.
The Denver—Laboratory Section, 701 East Colfax Ave., Denver, CO 80203.	Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Hematology; Pathology.
CONNECTICUT	
Canberra Laboratory Services, Inc., 45 Gracey Ave., Meriden, CT 06450.	Bacteriology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Exfoliative Cytology; Radiobioassay.
Hartford Hospital, Clinical Chemistry Laboratory, 80 Seymour St., Hartford, CT 06115.	Clinical Chemistry.
Hartford Hospital, Department of Pathology, 80 Seymour St., Hartford, CT 06115.	Exfoliative Cytology.
New Milford Hospital, 21 Elm St., New Milford, CT 06776.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood & Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.
The Sharon Hospital, West Main St., Sharon, CT 06069.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood & Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Pathology.
Valley Medical Laboratories, Inc., Stafford Rd., Rural Delivery 1, Somers, CT 06071.	Bacteriology; Blood & Cerebrospinal Fluid Chemistry, Endocrinology.
DELAWARE	
Claymont Medical Laboratory, 1320 Philadelphia Pike, Wilmington, DE 19809.	Blood & Cerebrospinal Fluid Chemistry, Urinalysis.
Haskell Lab for Toxicology and Industrial Medicine, Elkton Rd., Newark, DE 19711.	Toxicology; Exfoliative Cytology.
Professional Clinical Labs, Inc., Professional Building No. 4, Suite 202, Augustine Cutoff, Wilmington, DE 19803.	Serology (Syphilis), Serology (non-Syphilis); Blood & Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Histopathology, Oral Pathology; Radiobioassay.
DISTRICT OF COLUMBIA	
Bureau of Laboratories, 6th Floor, 300 Indiana Ave. NW., Washington, DC 20001.	Parasitology, Virology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology, Pathology.
Clinical Laboratories, Children's Hospital of the D.C., 21215 13th St. NW., Washington, DC 20009.	Bacteriology, Parasitology, Serology (non-Syphilis); Clinical Chemistry; Hematology; Histopathology; Radiobioassay.
Clinical Laboratories, Freedman's Hospital, 6th and Bryants St. NW., Washington, DC 20001.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
DISTRICT OF COLUMBIA—continued	
Columbia Hospital for Women, 2425 L St. NW., Washington, DC 20037.	Bacteriology, Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Histopathology; Radiobioassay.
D.C. General Hospital (Main Lab), Division of Pathology, 19th and Massachusetts Ave. SE., Building 11, Washington, DC 20003.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
Department of Nuclear Medicine, 110 Irving St. NW., Washington, DC 20010.	Radiobioassay.
Ethical Laboratories, 820 Quincy St. NW., Washington, DC 20011.	Bacteriology, Parasitology, Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunoheratology; Hematology; Exfoliative Cytology.
Georgetown University Hospital, 3800 Reservoir Rd. NW., Washington, DC 20007.	Microbiology and Serology; Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Georgetown University Hospital, 3800 Reservoir Rd. NW., Washington, DC 20007.	Pathology.
Group Health Association, Inc., 2121 Pennsynvania Ave. NW., Washington, DC 20037.	Bacteriology, Parasitology; Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Exfoliative Cytology.
Ladson Cytological Laboratories, Inc., 915 19th St. NW., Washington, DC 20006.	Exfoliative Cytology.
Marian Mann, M.D., 408 North St. SW., Washington, DC 20024.	Pathology.
Washington Internal Medical Group Lab., 2400 H St., Washington, DC 20037.	Urinalysis.
Washington Medical Laboratory, 1834 Eye St. NW., Washington, DC 20006.	Urinalysis, Toxicology; Pathology.
Washington Medical Laboratory, Inc., 412 5th St. NW., Washington, DC 20001.	Serology (Syphilis).
Washington Medical Laboratory, Inc., 2141 K St. NW., Washington, DC 20037.	Bacteriology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Radiobioassay.
Washington Reference Laboratory, 4380 MacArthur Blvd. NW., Washington, DC 20007.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Toxicology; Radiobioassay.
FLORIDA	
Associated Pathologist's Cytology Center, 401 Coral Way, Coral Gables, FL 33134.	Exfoliative Cytology.
Ayre Cytodiagnostic Center, 6200 Northwest Miami Ct., Miami, FL 33150.	Exfoliative Cytology.
Biochemistry Associates International, 1150 Northwest 14th St., Miami, FL 33136.	Clinical Chemistry; Radiobioassay.
Clinical Laboratory Systems, Inc., 540 Northeast Eighth St., Fort Lauderdale FL 33304.	Exfoliative Cytology.
Dermatopathology Laboratory, 1680 Meridan Ave., Miami Beach, FL 33139.	Histopathology (Dermatopathology).
General Consultants, Inc., 4400 Central Ave., St. Petersburg, FL 33733.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Pathology.
Lahuis Clinical Laboratories, 168 Southeast 1st St., Miami, FL 33131.	Serology (Syphilis); Clinical Chemistry; Radiobioassay.
Louis C. Herring & Co., 15 West Underwood St., Orlando, FL 32806.	Urinalysis (Bio-Crystallography).
Miami Cytology Center, 2627 Biscayne Blvd., Miami, FL 33137.	Exfoliative Cytology.

FLORIDA—continued

Papanicolaou Cancer Research Institute, 1155 Northwest 14th St., Miami, FL 33136.	Exfoliative Cytology.
Penbay Biological Analytical Labs, Inc., 10 East Jordan St., Pensacola, FL 32501.	Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Radiobioassay.
Universal Medical Lab Service, Inc., 3290 Northeast 12th Ave., Oakland Park, FL 33308.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Radiobioassay.

GEORGIA

Agatha M. Thrash, M.D., 2039 Warm Springs Rd., Columbus, GA 31904.	Exfoliative Cytology.
Americus & Sumter County Hospital, 712 Forsyth St., Americus, GA 31709.	Pathology.
Atlanta Diagnostic Laboratories, 609 Church St., Decatur, GA 30030.	Serology (non-Syphilis) (Rubella HI test only).
Doctors Laboratory, Suite 201, Doctors Bldg., Valdosta, GA 31601.	Bacteriology, Parasitology, Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.
Drs. Ihnen, Murphy & Mitchener, 1421 Gwinnett St., Augusta, GA 30902.	Exfoliative Cytology.
Leo A. Erbele, M.D., 700 Spring St., Macon, GA 31208.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.
Linden Laboratories, Inc., 731 West Peachtree St. NW., Atlanta, GA 30308.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Medical Diagnostic & Research Lab., 499 Peachtree St. NE., Atlanta, GA 30308.	Clinical Chemistry; Pathology.

HAWAII

Hilo Hospital, 1190 Waianuenue Ave., Hilo, HI 96720.	Hematology; Pathology.

ILLINOIS

Burnham City Hospital, 407 South 4th, Champaign, IL 61820.	Blood and Cerebrospinal Fluid Chemistry-Limited.
Degraff Clinical Laboratory, 3341 Ridge Rd., Lansing, IL 60438.	Hematology.
DeGraffenried & Fisher Medical, Consulting Service, 1838 Sycamore Rd., De Kalb, IL 60115.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Hematology; Pathology.
Gyne-Cytology Laboratory, Inc., 636 Church St., Evanston, IL 60201.	Exfoliative Cytology.
Industrial Bio-Test Laboratories, Inc., 1810 Frontage Rd., Northbrook, IL 60062.	Toxicology.
International Harvester Co., Industrial Hygiene Laboratory, 7 South 600 County Line, Hinsdale, IL 60527.	Toxicology.
Lake View Memorial Hospital, Department of Pathology, 812 North Logan Ave., Danville, IL 61832.	Pathology.

ILLINOIS—continued

Lombard Chiropractic Clinic Lab, 200 East Roosevelt Rd., Lombard, IL 60148.	Blood and Cerebrospinal Fluid Chemistry, Urinalysis.
Martin Clinical Laboratory, 1520 7th St., Moline, IL 61265.	Pathology.
Medical Center Clinical Labs, 3528 North Ashland Ave., Chicago, IL 60657.	Clinical Chemistry; Radiobioassay.
Saint Elizabeth Hospital, 600 Sager St., Danville, IL 61832.	Hematology; Exfoliative Cytology.
Stromsdorfer Medical Laboratory, 604 East Broadway, Alton, IL 62002.	Pathology.
Thompson X-Ray & Clinical Laboratory, 1150 North State St., Chicago, IL 60610.	Endocrinology-Limited; Radiobioassay.
United Medical Laboratory, Inc., 8 South Michigan Ave., Chicago, IL 60603.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Hematology; Exfoliative Cytology.

INDIANA

Bureau of Protective Analysis, Inc., 475 Broadway, Gary, IN 46402.	Urinalysis (Qualitative only).
Chem-Tech Laboratories, Inc., 2907 Parnell Ave., Fort Wayne, IN 46805.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Radiobioassay.
DeGraffenried & Fisher Medical Consulting Service, Parkview Hospital, Plymouth, IN 46563.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Hematology; Pathology.
Drs. Porro & Shively Clinical Lab., 3700 Bellemeade Ave., Evansville, IN 47715.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Pathology; Radiobioassay.
Fort Wayne Medical Laboratory, 347 West Berry, Fort Wayne, IN 46802.	Bacteriology, Seroloy (Syphilis), Serology (non-Syphilis); Blood and Cerebospinal Fluid Chemistry, Urinalysis; Hematology; Pathology.
Frost, McBride Associates, Inc., 1701 Buffalo St., Michigan City, IN 46360.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Exfoliative Cytology; Radiobioassay.
King's Daughters' Hospital, 112 Presbyterian Ave., Madison, IN 47250.	Histopathology.
Munster Medical Laboratory, Inc., 601 Ridge Rd., Munster, IN 46321.	Blood and Cerebrospinal Fluid Chemistry, Urinalysis.
Physicians Laboratory, 5246 Hohman Ave., Hammond, IN 46320.	Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry.
Physicians Precision Auto. Labs., Inc., 1919 State St., New Albany, IN 47150.	Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry; Radiobioassay.
South Bend Osteopathic Hospital Lab., 2515 East Jefferson Blvd., South Bend, IN 46615.	Blood and Cerebrospinal Fluid Chemistry; Pathology.
W. J. Pierce, M.D., Bruceville, IN 47516.	Pathology.

IOWA

Davenport Osteopathic Hospital, 1111 West Kimberly Rd., Davenport, IA 52806.	Pathology.
Gyn-Cyto-Lab., 117 South 35th St., Council Bluffs, IA 51501.	Exfoliative Cytology.
Medical Services Laboratory, 543 West 8th St., Dubuque, IA 52001.	Clinical Chemistry; Radiobioassay.
Xavier Hospital, Davis & Windsor, Dubuque, IA 52001.	Blood and Cerebrospinal Fluid Chemistry-Limited.

KANSAS

Associated Laboratories, 5111 East 21st St., Wichita, KS 67201.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis Hematology; Pathology; Radiobioassay.
Clinical Laboratory, Mercy Hospital, 821 Burke St., Fort Scott, KS 66701.	Blood and Cerebrospinal Fluid Chemistry.
University of Kansas Medical Center, Department of Pathology and Oncology, 39th and Rainbow, Kansas City, KS 66103.	Pathology.
Wesley Medical Center, 550 North Hillside, Wichita, KS 67214.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Immunohematology.

KENTUCKY

Clincal Diagnostic Laboratories, 634 South Floyd St., Louisville, KY 40202.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
Hiland Laboratory, 1805 Monmouth St., Newport, KY 41071.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology.
Lourdes Hospital Laboratory, 600 North 4th St., Paducah, KY 42001.	Pathology.
Methodist Hospital of Kentucky, 219 High St., Pikeville, KY 41501.	Pathology.
Parker Cytology Laboratory, 515 East Chestnut St., Louisville, KY 40202.	Exfoliative Cytology.
William Booth Memorial Hospital, 323 East 2d St., Covington, KY 41012.	Pathology.

LOUISIANA

Dermal Pathology, 1430 Tulane Ave., New Orleans, LA 70112.	Histopathology.
The Pathology Laboratory, 4740 Veterans Highway, Metairie, LA 70002.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.

MAINE

MacNeil Laboratory, 36 Dion Ave., Kettery, ME 03904.	Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Hematology.
Rheumatic Disease Laboratory, Maine Medical Center, 22 Bramhall St., Portland, ME 04102.	Blood and Cerebrospinal Fluid, Chemistry (Immunochemistry).

MARYLAND

Baltimore Rh Typing Laboratory, Inc., 513 West Lombard St., Baltimore, MD 21201.	Immunohematology.
Benedict Skitarelic, M.D., Laboratory, Baltimore Pike, Route No. 9, Cumberland, MD 21530.	Pathology.
Children's Hospital Laboratory, 3825 Greenspring Ave., Baltimore, MD 21211.	Histopathology.
Cytology Services, Post Office Box 1126, Silver Spring, MD 20910.	Exfoliative Cytology.
Drs. McCoy, Morales, Garcia & Lopez, Laboratory Medicine, 4400 Stamp Rd. SE., Marlow Heights, MD 20031.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.

MARYLAND—continued

Drs. McCoy, Morales, Garçia & Matta, Laboratory Medicine, 1015 University Blvd. East, Silver Spring, MD 20903.	Bacteriology, Mycology, Parasitology, Serology (Syphillis), Serology (non-Syphillis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Flow Laboratories, 12601 Twinbrook Parkway, Rockville, MD 20852.	Serology (non-Syphilis).
Microbiological Associates, Inc., 4733 Bethesda Ave., Bethesda, MD 20014.	Serology (non-Syphilis).
Mycological Lab of Maryland, Inc., 10620 Georgia Ave., Silver Spring, MD 20902.	Bacteriology, Mycology.
Northern Avenue Medical Laboratory, 580 Northern Ave., Hagerstown, MD 21740.	Exfoliative Cytology.
Pharmacopathics Clinical Laboratories, 1261 Baltimore-Washington Blvd., Laurel, MD 20810.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Physicians Service Laboratory, 518 Virginia Ave., Baltimore, MD 21204.	Exfoliative Cytology.
Union Hospital of Cecil County, 106 Singerly Ave., Elkton, MD 21921.	Exfoliative Cytology.

MASSACHUSETTS

Bay State Medical Laboratory, 1031 Beacon St., Brookline, MA 02146.	Radiobioassay.
Beacon Cytology Laboratory, 1162 Beacon St., Brookline, MA 02146.	Exfoliative Cytology.
Biomedical Assay Laboratories, Division of New England Nuclear Corp., 15 Harvard St., Worcester, MA 01608.	Blood & Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Radiobioassay.
Boston Medical Laboratory, Inc., 15 Lunda St., Waltham, MA 02154.	Endocrinology; Radiobioassay.
Boston Medical Laboratory, Inc., 19 Bay State Rd., Boston, MA 02215.	Clinical Chemistry; Radiobioassay.
Clin-Chem Laboratories, Inc., 1106 Commonwealth Ave., Boston, MA 02215.	Clinical Chemistry; Radiobioassay.
Dermatopathology Laboratory, 893 Harrison Ave., Boston, MA 02118.	Histopathology (Dermatopathology).
George W. Boylen, Jr., B.S., 77 Massachusetts Ave., Cambridge, MA 02139.	Toxicology.
Kane Medical Laboratory, Inc., 9 Walnut St., Suite 250, Worcester, MA 01608.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Radiobioassay.
Laboratory for Stone Research, 2000 Washington St., Newton, MA 02162.	Urinalysis (Urinary Calculi).
Lahey Clinic Foundation, 605 Commonwealth Ave., Boston, MA 02215.	Endocrinology.
Lawrence Medical & Testing Lab, 11 Bradford St., Lawrence, MA 01840.	Serology (Syphilis); Serology (non-Syphilis); Blood and Cerebrospinal Fuid Chemistry; Urinalysis; Immunohematology; Hematology; Radiobioassay.
Moran Research Laboratory, DBA Bioran Research, 9 Columbia St., Cambridge, MA 02139.	Serology (Syphilis); Serology (non-syphilis); Blood and Cerebrospinal Fluid Chemistry; Immunohematology; Hematology; Radiobioassay.
National Laboratories, 114 Waltham St., Lexington, MA 02173.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology Radiobioassay.
New England Nuclear Corp., Assay Labs, 615 Albany St., Boston, MA 02118.	Radiobioassay.
Quinn Medical Laboratory, 1038 Beacon St., Brookline, MA 02146.	Clinical Chemistry; Immunohematology; Radiobioassay.

MASSACHUSETTS—continued

Robert B. Brigham Hospital, Clinical Laboratory, 125 Parker Hill Ave., Roxbury, MA 02120.	Serology (non-Syphilis) (Immunochemistry Latex procedures).
Skin Pathology & Mycology Laboratory, University Hospital, Talbot Bldg., 55 Stoughton St., Boston, MA 02118.	Mycology; Histopathology.
The Charles River Laboratories, Inc., 251 Ballardville St., Wilmington, MA 01887.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Radiobioassay.
Tracerlab Technical Products, 1601 Trapelo Rd., Waltham, MA 02154.	Radiobioassay.

MICHIGAN

Advance Laboratories, Inc., 21755 Michigan Ave., Dearborn, MI 48123.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Hematology.
Ann Arbor Clinical Laboratories, 2355 East Stadium Blvd., Ann Arbor, MI 48106.	Exfoliative Cytology.
Central Laboratories, Inc., 17731 East Warren Ave., Detroit, MI 48226.	Serology (Syphilis), Serology (non-Syphilis); Urinalysis; Radiobioassay.
Chrysler Corp., Medical Services Department Laboratory, 12220 Oakland Ave., Highland Park, MI 48231.	Blood and Cerebrospinal Fluid Chemistry (Lead only).
Continental Bio-Clin Lab Service, Inc., 2823 Clydon SW., Grand Rapids, MI 49509.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Exfoliative Cytology; Radiobioassay.
Environmental Health Laboratories, Inc., 32740 Northwestern Highway, Farmington, MI 48024.	Toxicology.
George D. Clayton & Associates, Inc., 25711 Southfield Rd., Southfield, MI 48075.	Toxicology.
Krainz Woods Clinical & Research Laboratory, 4327 East Seven Mile Rd., Detroit, MI 48234.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Radiobioassay.
Laboratory of Clinical Medicine, 1322 East Michigan Ave., Lansing, MI 48912.	Clinical Chemistry; Pathology.
Medical Pathfinder Laboratories, Inc., Medical Center Bldg., Fennville, MI 49408.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Pathology.
Nationwide Clinical Laboratory, 1442 Free Press Bldg., Detroit, MI 48226.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology.
Pinkus Dermatopathology Laboratory, 415 South Monroe St., Monroe, MI 48161.	Histophathology (Dermatopathology).
Providence Hospital Laboratories, 16001 West Nine Mile Rd., Southfield, MI 48075.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
Regional Medical Laboratories, 175 College St., Battle Creek, MI 49017.	Bacteriology, Mycology, Parasitology; Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Immunohematology; Hematology; Pathology; Radiobioassay.
Upper Peninsula Cytology Laboratory, 205 First St., Menominee, MI 49858.	Pathology.

MISSISSIPPI

Coahoma County Hospital Laboratory, Clarksdale, MS 38614.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry; Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.

MISSOURI

Cooper Medical Laboratory, 141 North Meramec, Clayton, MO 63105.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Ferguson's Medical Laboratories, Medical Arts Bldg., Room 104, Joplin, MO 64801.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Pathology; Radiobioassay.
Glencoe Research, Inc., 11715 Westline Industrial Dr., St. Louis, MO 63141.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Radiobioassay.
Kansas City Cytological Screening Center, 6400 Prospect Ave., Kansas City, MO 64132.	Exfoliative Cytology.
Kansas City Diagnostic Laboratory, 516 12th and Walnut St. Bldg., Kansas City, MO 64106.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis.
McPhee, Allen, Wright, Inc., 5140 Northeast Antioch Rd., Kansas City, MO 64119.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Immunohematology; Hematology; Pathology; Radiobioassay.
Midwestern Cytology Laboratory, Inc., 7933 Clayton Rd., St. Louis, MO 63117.	Exfoliative Cytology.
Missouri Clinical & Biochemical Laboratory, Inc., 4910 Forest Park, St. Louis, MO 63108.	Blood and Cerebrospinal Fluid Chemistry.
Research Hospital & Medical Center, Department of Laboratories, Meyer Bd., at Prospect, Kansas City, MO 64132.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Imunohematology; Hematology; Pathology.
Scientific Associates, Inc., 6200 South Lindbergh Bd., St. Louis, MO 63123.	Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Radiobioassay.
Smith, Ost & Scales Laboratory, Suite 404, 6700 Troost, Kansas City, MO 64131.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology, Pathology.
Snodgrass Laboratory, St. Louis City Hospital, 1606 Grattan St., St. Louis, MO 63104.	Pathology.
Trinity Lutheran Hospital, 31st and Wyandotte Sts., Kansas City, MO 64108.	Pathology.
U. Laboratory Service, Inc., Independence, MO 64050.	Urinalysis.
Upsher Laboratories, 20 East 14th St., Kansas City, MO 64142.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Pathology; Radiobioassay.
Washington University School of Dentistry, 4559 Scott Ave., St. Louis, MO 63110.	Exfoliative Cytology, Oral Pathology.

MONTANA

Billings Deaconess Hospital Laboratory, Billings, MT 59103.	Pathology.

NEBRASKA	
Pathology Services, Memorial Hospital, Post Office Box 274, North Platte, NE 69101.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Pathology; Radiobioassay.
NEVADA	
Associated Pathologists, 2300 South Rancho Dr., Las Vegas, NV 89102.	Bacteriology, Mycology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Pathology.
Western Pathology Associates, 1225 Westfield Ave., Reno, NV 89502.	Pathology.
NEW HAMPSHIRE	
Beatrice D. Weeks Memorial, Hospital Laboratory, Middle St., Lancaster, NH 03584.	Histopathology.
Frisbie Medical Hospital, Whitehall Rd., Rochester, NH 03867.	Pathology.
Laboratory of the Littleton Hospital, 107 Cottage St., Littleton, NH 03561.	Exfoliative Cytology.
Mary Hitchock Memorial Hospital, 2 maynard St., Hanover, NH 03755.	Exfoliative Cytology.
NEW JERSEY	
Biochemical Procedures, Eastern Division, 1350 Liberty Ave., Hillside, NJ 07205.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Center for Laboratory Medicine, 16 Pearl St., Metuchen, NJ 08840.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Clinical Laboratories, Inc., 79 North Franklin Turnpike, Ramsey, NJ 07446.	Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Diagnostic Sciences, Inc., 36 Elm St., Morristown, NJ 07960.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Toxicology; Radiobioassay.
Elizabeth Bio-Chemical Laboratory, 53 Jefferson Ave., Elizabeth, NJ 07201.	Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Endocrin & Clinical Laboratories, Inc., 2130 Millburn Ave., Maplewood, NJ 07040.	Endocrinology.
Fungus Diagnostic Services, 9 Watchung Ave., Plainfield, NJ 07060.	Mycology (Dermatophytes only).
Gibraltar Laboratories, 213 Washington St., Newark, NJ 07102.	Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Hematology.
GYN Cytology & Pathology Associates, 740 Carroll Pl., Teaneck, NJ 07666.	Pathology.
Harold J. Sobel, M.D., 70 Parker Ave., Passaic, NJ 07470.	Histopathology.
Isotopes, A Teledyne Co., 50 Van Buren, Westwood, NJ 07675.	Radiobioassay.
Metropolitan Pathology Lab., Inc., 185 West Englewood Ave., Teaneck, NJ 07666.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
National Clinical Services, Laboratories of New Jersey, 2115 Millburn Ave., Maplewood, NJ 07040.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Exfoliative Cytology; Radiobioassay.
Ortho Diagnostics, U.S. Highway 202, Raritan, NJ 08869.	Immunohematology.
Skin & Mucous Membrane Biopsy Lab., 625 Main Ave., Passaic, NJ 07055.	Histopathology, Oral Pathology.
NEW JERSEY—continued	
The Hospital Center at Orange Lab., 188 South Essex Ave., Orange, NJ 07051.	Serology (Syphilis); Hematology; Pathology.
Warren Hospital Laboratory, 185 North Roseberry St., Phillipsburg, NJ 08865.	Blood and Cerebrospinal Fluid Chemistry; Exfoliative Cytology.
NEW MEXICO	
Controls for Environment, Pollution, Inc., Post Office Box 5351, 1505 Llano, Santa Fe, NM 87501.	Radiobioassay.
Eberline Inst. Corp.'s Department of Nuclear Science, Corner of Chama and Rosina Sts., Santa Fe, NM 87501.	Radiobioassay.
McKinley General Hospital Laboratory, 1901 Red Rock Dr., Gallup, NM 87301.	Pathology.
San Juan Hospital, Inc., 801 West Maple St., Farmington, NM 87401.	Pathology.
University of New Mexico Cytopathology Lab, 930 Stanford NE., Albuquerque, NM 87106.	Exfoliative Cytology.
NEW YORK	
Bendiner & Schlesinger Laboratory, 47 3d Ave., New York, NY 10003.	Bacteriology, Mycology; Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Hematology; Pathology.
Biochemex Laboratories, Inc., 1271 Hempstead Turnpike, Elmont, NY 11003.	Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Toxicology; Radiobioassay.
Blood Group Research Unit, State University of N.Y. at Buffalo, 233 Sherman Hall, Buffalo, NY 14214.	Immunohematology.
CA Detection Laboratories, 12 Nevada Dr., New Hyde Park, NY 11040.	Exfoliative Cytology.
Central Bioanalytical Laboratories, Inc., 636 Wantagh Ave., Levittown, NY 11756.	Bacteriology, Mycology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Urinalysis; Immunohematology; Hematology; Pathology Radiobioassay.
Clarendon Laboratory & Surgical Supply Co., 1123–29 Flatbush Ave., Brooklyn, NY 11226.	Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Clinical Laboratories of Metropolitan Life Insurance, 25 East 24th St., New York, NY 10010.	Blood and Cerebrospinal Fluid Chemistry, Urinalysis.
Cytology Screening Laboratory, 255 Lark, St., Albany, NY 12210.	Pathology.
Doctors Laboratory, 435 Fort Washington Ave., New York, NY 10033.	Blood and Cerebrospinal Fluid Chemistry; Hematology.
Drs. Gorstein & Finkel Clinical Laboratory, 139 East 23d St., New York, NY 10010.	Pathology.
Endocrine Research Laboratories, Inc., 245 East 35th St., New York, NY 10016.	Endocrinology, Urinalysis; Hematology; Exfoliative Cytology; Radiobioassay.
Exfoliative Cytology, 4 East 95th St., New York, NY 10028.	Exfoliative Cytology.
Good Samaritan Hospital Laboratory, Lafayette Ave., Suffern, NY 10901.	Bacteriology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis, Immunohematology; Hematology; Pathology.
Heyman Laboratory, 74 Linwood Ave., Buffalo, NY 14209.	Exfoliative Cytology.
Jacob Taub, M.D., Laboratory, 2503 St. Raymond Ave., Bronx, NY 10461.	Pathology.

NEW YORK—continued

Jamison Laboratories, 1260 Broadway, Brooklyn, NY 11221.	Serology (Syphilis), Serology (non-Syphilis); Urinalysis; Pathology; Radiobioassay.
Kings County Research Labs, Inc., 705 6th Ave., Brooklyn, NY 11215.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Knickerbocker Hospital, 70 Convent Ave., New York, NY 10027.	Pathology.
Laboratories of Dr. L. E. Marshall, 140 South Middle Neck Rd., Great Neck, NY 11022.	Pathology.
Laboratory of Edmund R. Marino, M.D., 60 8th Ave., Brooklyn, NY 11217.	Pathology.
Laboratory of Harold L. Mamelok, M.D., 141 Monhagen Ave., Middletown, NY 10940.	Pathology.
Laboratory of Irving Rudolph, M.D., 2151 Ocean Ave., Brooklyn, NY 11229.	Exfoliative Cytology.
Long Island Laboratories, Inc., Subsidiary of Cybertek, Inc., 35–22 Linden Pl., Flushing, NY 11354.	Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Exfoliative Cytology.
Manhattan Clinical & Pathological Laboratories, 1155 Park Ave., New York, NY 10028.	Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry.
Mobil Oil Corp., Medical Department Clinical Laboratory, 150 East 42d St., New York, NY 10017.	Toxicology, Urinalysis; Hematology.
National Cancer Cytology Center, 113 South Service Rd., Jericho, NY 11753.	Exfoliative Cytology.
Park Madison Laboratories, Inc., 47 East 67th St., New York, NY 10021.	Pathology.
Pathology Laboratory, Memorial Hospital, 444 East 68th St., New York, NY 10021.	Pathology.
Pathology Laboratory of Louis Winkelman, M.D., 705 6th Ave., Brooklyn, NY 11215.	Pathology.
Pioneer Blood Service, Inc., 2804 3d Ave., Bronx, NY 10455.	Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry-Limited; Immunohematology; Hematology-Limited.
Professional Services, Pfizer Diagnostics, 300 West 43d St., New York NY 10036.	Immunohematology.
R.I.S.T. Laboratories, Inc., 315 Walt Whitman Rd., Huntington Station, NY 11746.	Exfoliative Cytology.
Saint Francis Hospital Laboratory, 2021 West State St., Olean, NY 14760.	Pathology.
The Continental Research Institute, 25 Cedar St., New York, NY 10038.	Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Hematology; Exfoliative Cytology.
The Laboratory for Chromatography, 8 Muriel Ave., Lawrence, NY 11559.	Toxicology, Urinalysis.
The New York Blood Center, 310 East 67th St., New York, NY 10021.	Serology (non-Syphilis); Immunohematology.
The New York Institute of Clinical Oral Pathology, Inc., 101 East 79th St., New York, NY 10021.	Oral Pathology.
Universal Diagnostic Laboratories, 700 Ocean Ave., Brooklyn, NY 11226.	Endocrinology; Exfoliative Cytology.
York-Regency Medical Laboratory, Inc., 1010 3d Ave., New York, NY 10021.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis.

NORTH CAROLINA

Biomedical Laboratories, Inc., 1308 Rainey St., Burlington, NC 27215.	Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Diagnostic Laboratories, Inc., 905 Doctors Bldg., 1012 Kings Dr., Charlotte, NC 28207.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
K. A. Latourette, M.D., 715 Fleming St., Hendersonville, NC 28739.	Exfoliative Cytology.
Laboratories of Extramural Pathology, 300 South Hawthorne Rd., Winston-Salem, NC 27103.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
Robert S. Boatwright, M.D., Drawer 538, Waynesville, NC 28786.	Hematology; Pathology.
Southeast Pathology Laboratory, 1321 North Elm St., Greensboro, NC 27401.	Exfoliative Cytology.

NORTH DAKOTA

Dakota Clinic Laboratory, 1702 South University Dr., Fargo, NC 58102.	Pathology.
The University of North Dakota, Department of Pathology, University Station, Grand Forks, ND 58201.	Pathology.
University of North Dakota Medical School, Clinical Chemistry, Grand Forks, ND 58201.	Clinical Chemistry.

OHIO

American Bureau of Analysis, Inc., 1062 Hanna Bldg., Cleveland, OH 44101.	Urinalysis.
Automated Medical Services of Ohio, 666 Park Ave. West, Mansfield, OH 44906.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Toxicology; Pathology; Radiobioassay.
Automated Medical Services of Ohio, 1466 South High St., Columbus, OH 43207.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology-Limited, Urinalysis; Immunohematology; Hematology; Radiobioassay.
Bethesda Hospital Laboratory, Oak St. and Reading Rd., Cincinnati, OH 45206.	Pathology.
Brown Laboratories, Inc., 41 South Grant Ave., Columbus, OH 43215.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.
Consolidated Biomedical Labs., Inc., 6370 Wilcox Rd., Dublin, OH 43017.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Dr. Rhoden's Diagnostic Laboratory, 3132 Sylvania Ave., Toledo, OH 43613.	Exfoliative Cytology.
Eastern Hills Laboratories, Inc., 7201 Beechmont Ave., Cincinnati, OH 45230.	Blood and Cerebrospinal Fluid Chemistry.
Flower Hospital, 3350 Collingwood Blvd., Toledo, OH 43610.	Exfoliative Cytology.
Harsham Clinical Laboratory, 3927 North Bend Rd., Cincinnati, OH 45211.	Serology (Syphilis).
Hilltop Laboratories, Inc., 250 William H. Taft Rd., Cincinnati, OH 45219.	Bacteriology, Mycology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.

OHIO—continued

Laboratory for Analytical Blood Studies, Inc., 3600 Olentangy River Rd., Columbus, OH 43214.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis.
Medical Laboratory Service, Inc., 5889 Colerain Ave., Cincinnati, OH 45239.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Toxicology; Hematology; Pathology; Radiobioassay.
Northeast Clinical Laboratory, 34792 Roberts Rd., Eastlake, OH 44094.	Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Radiobioassay.
Ohio Medical Laboratories, 821 Jefferson Ave., Toledo, OH 43624.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematolgy; Radiobioassay.
Physicians & Surgeons Laboratory, 210 Scott St. NE., Warren, OH 44483.	Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry; Exfoliative Cytology.
Searle Reference Laboratory, 2775 Home Rd., Powell, OH 43065.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Radiobioassay.
St. John Hospital, Department of Pathology, St. John Heights, Steubenville, OH 43952.	Bacteriology, Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry; Immunohematology; Hematology; Pathology.
St. Luke's Hospital Laboratory, 2517 Robinwood Ave., Toledo, OH 43610.	Histopathology.
St. Vincent Hospital & Medical Center, 2213 Cherry St., Toledo, OH 43608.	Exfoliative Cytology.
The B. F. Goodrich Co., Akron Medical Center Clinical Laboratory, 500 South Main St., Akron, OH 44318.	Blood and Cerebrospinal Fluid Chemistry.
The B. F. Goodrich Co., Industrial Hygiene Laboratory, 500 South Main St., Akron, OH 44318.	Toxicology.
The Van Wert County Hospital, 1250 South Washington St., Van Wert, OH 45891.	Pathology; Radiobioassay.

OKLAHOMA

Clinical & Surgical Pathology, Price Tower, Bartlesville, OK 74003.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Medical Arts Laboratory, 254 Pasteur Medical Bldg., 1111 North Lee, Oklahoma City, OK 73103.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Northwest Pathology Laboratory, 3141 Northwest Expressway, Oklahoma City, OK 73112.	Pathology.

OREGON

Alphaomega Laboratories, Inc., 818 West 6th, The Dalles, OR 97058.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry, Immunohematology; Hematology; Radiobioassay.
Blue Mountain Laboratory, Box 1208 Pendleton, OR 97801.	Bacteriology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Laboratory of Josephine General Hospital, 715 Northwest Dimmick, Grants Pass, OR 97526.	Pathology.
Microlaboratories, 4720 Southwest Washington St., Beaverton, OR 97005.	Bacteriology, Serology (Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.

OREGON—continued

Oregon City Cytology Laboratory, 1415 Windsor Dr., Gladstone, OR 97027.	Exfoliative Cytology.
Reese-James Pathology Laboratory, 10734 Northeast Sandy Blvd., Portland, OR 97220. 97220.	Pathology.
United Medical Laboratories, Inc., Main Lab, 6060 Northeast 112th St., Portland, OR 97220.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Radiobioassay.
United Medical Laboratories, Inc., Sandy Annex, 10700 Northeast Sandy Blvd., Portland, OR 97220.	Bacteriology, Mycology, Parasitology; Endocrinology, Urinalysis; Exfoliative Cytology; Radiobioassay.
United Medical Laboratories, Inc., Lipid Laboratory, 10504 Northeast Sandy Blvd., Portland, OR 97220.	Blood & Cerebrospinal Fluid Chemistry Ultracentrifugation methods).
United Medical Laboratories, Inc., Toxicology Laboratory, 10005 Northeast Sandy Blvd., Portland, OR 97220.	Toxicology.

PENNSYLVANIA

Alpha Medical Laboratories, 4536 Newportville Rd., Levittown, PA 19057.	Bacteriology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Bernville Biological Laboratory, Bernville, PA 19506.	Clinical Chemistry; Radiobioassay.
Biomedical Laboratories, Inc., Division of Biomedical Laboratories, 491 Allendale Rd., King of Prussia, PA 19406.	Bacteriology, Serology (non-Syphilis); Blood & Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Radiobioassay.
Bio-Science Laboratories, Philadelphia Branch, 1619 Spruce St., Philadelphia, PA 19103.	Serology (Syphilis); Clinical Chemistry; Radiobioassay.
Biozyme Laboratories, Inc., Maple and Southeast Sts., Coudersport, PA 16915.	Blood & Cerebrospinal Fluid Chemistry; Radiobioassay.
Central Blood Bank of Pittsburgh, 812 5th Ave., Pittsburgh, PA 15219.	Immunohematology.
Clinical & Pathological Laboratory, Alpha Building, Room 319–20, Easton, PA 18042.	Exfoliative Cytology.
Dermal Pathology Laboratory, The Skin & Cancer Hospital of Philadelphia, 3322 North Broad St., Philadelphia PA 19111.	Histopathology (Dermatopathology).
Doctors Osteopathic Hospital, 239 West 10th St., Erie, PA 16501.	Pathology.
Eastern Cytology Laboratory, Inc., 37 South 20th St., Philadelphia, PA 19103.	Exfoliative Cytology.
Environmental Quality Control Laboratory, Industrial Relations Department, Bethlehem Steel Corp., Bethlehem, PA 18016.	Toxicology.
Grace Laboratories, 5909 Ridge Ave., Philadelphia, PA 19128.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Radiobioassay.
Laboratory Procedures, Division of the Upjohn Co., 1075 1st Ave., King of Prussia, PA 19406.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Mayfair Laboratory, 2834 Cottman Ave., Philadelphia, PA 19149.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Radiobioassay.
North Wales Medical Laboratory, Sunneytown Pike, North Wales, Rural Delivery 1, PA 19454.	Pathology.

PENNSYLVANIA—continued

Oral Pathology Laboratory, Temple University School of Dentistry, 3223 North Broad St., Philadelphia, PA 19140.	Exfoliative Cytology, Oral Pathology.
Pathologists Laboratories, Inc., 4901 Stenton Ave., Philadelphia, PA 19144.	Bacteriology, Mycology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Radiobioassay.
Pharmacology Laboratories, Inc., 4901 Stenton Ave., Philadelphia, PA 19144.	Bacteriology, Mycology, Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Hematology; Exfoliative Cytology; Radiobioassay.
Philadelphia Medical Laboratory, Inc., 2300 Stratford Ave., Willow Grove, PA 19090.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Philadelphia Medical Laboratory, Inc., 6190 Rising Sun Ave., Philadelphia, PA 19111.	Pathology.
Shenango Valley Osteopathic Hospital, 2200 Memorial Dr., Farrell, PA 16121.	Blood and Cerebrospinal Fluid Chemistry; Hematology; Pathology.
The Philadelphia Blood Center, 2630 B St., Philadelphia, PA 19125.	Immunohematology.
Universal Medical Services, Inc., 781 3d Ave., King of Prussia, PA 19406.	Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Yardley Laboratory, 62 South Main St., Yardley, PA 19067.	Exfoliative Cytology.

RHODE ISLAND

Congregation of Jesus Crucified, Inc., Laboratory Department, 61 Narragansett Ave., Newport, RI 02840.	Exfoliative Cytology.
Evelyn S. Dakin Cytology Laboratory, 221 Willett Ave., Riverside, RI 02915.	Exfoliative Cytology.

SOUTH CAROLINA

Macaulay Medical Laboratory, 207 East Front St., Mullins, SC 29574.	Pathology.
Physicians Clinical Laboratory, 1919 Hampton St., Columbia, SC 39202.	Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.

SOUTH DAKOTA

Laboratory of Clinical Medicine, 1212 South Euclid Ave., Sioux Falls, SD 57105.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.
Physicians Laboratory, 900 East 22d St., Sioux Falls, SD 57105.	Pathology.

TENNESSEE

Baptist Memorial Hospital Labs, 899 Madison Ave., Memphis, TN 38103.	Pathology.
Memorial Hospital Medical Lab, Boone and Fairview, Johnson City, TN 37601.	Hematology; Pathology.
Mid South Pathology Laboratory, 81 North Tillman St., Memphis, TN 38111.	Bacteriology, Mycology (Dermatophytes only), Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Hematology; Pathology; Radiobioassay.

TENNESSEE—continued

Moss-Farrow Pathology Laboratory, 257 South Bellevue, Memphis, TN 38104.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.
Pathologists' Laboratory, 2010 Church St., Nashville, TN 37203.	Exfoliative Cytology.
Vanderbilt University Hospital, 21st Ave. South, Nashville, TN 37203.	Endocrinology; Exfoliative Cytology.
William Harrison, M.D., Sevier Medical Bldg., Powers St., Kingsport, TN 37662.	Exfoliative Cytology.

TEXAS

Bio-Assay Laboratory, 7035 Carpenter Freeway, Dallas, TX 75222.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Exfoliative Cytology; Radiobioassay.
Central Medical Laboratories, 123 Wynnewood Professional Bldg., Dallas, TX 75224.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Radiobioassay.
Complete Clinical Laboratory, Inc., 3707 Gaston Ave., Dallas, TX 75246.	Bacteriology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Hematology; Radiobioassay.
Drs. Irvine & Ramsey Laboratory, 1505 10th St., Wichita Falls, TX 76301.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Pathology.
Duncan Pathology Clinic, 315½ West 7th, Texarkana, TX 75501.	Serology (Syphilis); Pathology; Radiobioassay.
First's Clinical Laboratory, 2209 West 7th, Amarillo, TX 79106.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology-Limited, Toxicology, Urinalysis; Hematology; Radiobioassay.
Industrial Hygiene Laboratory, Baytown, TX 77520.	Toxicology
Joe Morrison Laboratory, 210 North La Fayette, Marshall, TX 75670.	Urinalysis.
John V. Denko, M.D., 620 Rusk, Amarillo, TX 79106.	Pathology.
Medical Control Laboratories, Inc., Post Office Box 9606, 1318 Federal Rd., Houston, TX 77015.	Blood and Cerebrospinal Fluid Chimistry; Exfoliative Cytology; Radiobioassay.
Orange Clinical Iaboratory, 811 North 9th St., Orange, TX 77630.	Endocrinology.
Radiology & Pathology Consultants, 415 East Yandell, El Paso, TX 79902.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Pathology.
Spring Branch Memorial Hospital Laboratory, 8850 Long Point, Houston, TX 77055.	Pathology.
Western Clinical Laboratory, 909 North Oak St., Arlington, TX 76010.	Pathology.

UTAH

American Smelting & Refining Co., 3422 South 700 West, Salt Lake City, UT 84119.	Toxicology.
Industrial Hygiene Service, 3422 South 700 West, Salt Lake City, UT 84119.	Toxicology.
Intermountain Cytological Laboratories, Inc., 166 East 5900 South, Murray, UT 84107.	Pathology.

VERMONT

Brightlook Hospital Laboratory, 10 Summer St., St. Johnsbury, VT 05819.	Serology (Syphilis), Serology (non-Syphilis).
Henry W. Putnam Memorial Hospital Laboratory, Dewey St., Bennington, VT 05201.	Serology (Syphilis), Serology (non-Syphilis); Pathology.

VIRGINIA

Baker Histology Laboratory, Great Falls, VA 22066.	Histopathology (Tissue Processing).
Bionetics Research Laboratories, Inc., 101 West Jefferson St., Falls Church, VA 22046.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Chesapeake & Ohio Hospital, 720 Ridgeway St., Clifton Forge, VA 24422.	Exfoliative Cytology.
Columbia Medical Laboratory, 3543 West Braddock Rd., Alexandria, VA 22302.	Serology (non-Syphilis); Clinical Chemistry; Immunohematology.
National Clinical Services Labs, Inc., 3900 North Fairfax Dr., Arlington, VA 22203.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Northern Virginia Pathology Laboratories, 10100 Main St., Fairfax, VA 20230.	Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Pathology; Radiobioassay.
Rockingham Hospital Laboratory, 738 South Mason St., Harrisonburg, VA 22801.	Histopathology.

WASHINGTON

Bio-Medical Laboratories, Inc., 701 Mohawk Bldg., Spokane, WA 99201.	Parasitology, Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Hematology; Pathology; Radiobioassay.
Frederic Davis, M.D., 120 East Birch, Suite 12, Walla Walla, WA 99362.	Exfoliative Cytology.
Laboratory of Clinical Medicine—Cobb, 67 Cobb Bldg., Seattle, WA 98101.	Hematology; Pathology.
Laboratory of Clinical Medicine, Maynard Hospital, 1309 Summit, Seattle, WA 98101.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry.
Laboratory of Gynecologic Cytology, 1320 Madison, Seattle, WA 98104.	Exfoliative Cytology.
Medical Laboratory, 1020 Fir St., Longview, WA 98632.	Exfoliative Cytology.
Pathologists Central Laboratory, 1115 East Pike St., Seattle, WA 98122.	Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Hematology.
Tacoma General Hospital, 315 South K St., Tacoma, WA 98405.	Pathology.
The Bio-Assay Laboratory, 10212 5th Ave. NE., Seattle, WA 98125.	Clinical Chemistry; Hematology; Radiobioassay.
The Mason-Busteed Medical Laboratory, 1001 Broadway, Seattle, WA 98122.	Pathology.
The Mason Clinic, Virginia Mason Hospital Laboratories, 1118 9th Ave., Seattle, WA 98101.	Bacteriology, Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry; Hematology; Pathology.
United States Testing Co., Inc., 2800 George Washington Way, Richland, WA 99352.	Radiobioassay.
Western Laboratories, 1104 West Spruce St., Yakima, WA 98902.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.

WEST VIRGINIA

Cabell Huntington Hospital Laboratories, 1340 16th St., Huntington, WV 25701.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Toxicology; Hematology; Pathology.
General Consultants, Inc., 1217 Ann St., Parkersburg, WV 26101.	Blood and Cerebrospinal Fluid Chemistry; Pathology.
McClure Pathological-Wheeling Hospital, 109 North Main St., Wheeling, WV 26003.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Pathology.
Ohio Valley General Hospital, Department of Pathology, 2000 Eoff St., Wheeling, WV 26003.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Immunohematology; Hematology; Pathology; Radiobioassay.

WISCONSIN

Bio-Med Laboratories, Inc., 811 East Wisconsin Ave., Milwaukee, WI 53202.	Bacteriology, Mycology, Parasitology; Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Hematology; hematology; Hematology; Exfoliative Cytology; Radiobioassay.
Gundersen Clinic Laboratory, 1836 South Ave., La Crosse, WI 54601.	Pathology.
Kenosha Memorial Hospital, 6308 8th Ave., Kenosha, WI 53140.	Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Histopathology; Radiobioassay.
St. Catherine's Hospital Laboratory, 3556 7th Ave., Kenosha, WI 53140.	Histopathology.
St. Mary's Hospital Laboratory, 1726 Shawano Ave., Green Bay, WI 54303.	Exfoliative Cytology.

LETTERS OF EXEMPTION

ALABAMA

Medical Laboratory Associates, 1025 South 18th St., Birmingham, AL 35205.	Bacteriology, Mycology, Parasitology Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Pathology Laboratory, 750 Washington Ave., Montgomery, AL 36104.	Bacteriology; Blood and Cerebrospinal Fluid Chemistry.

ARIZONA

Affiliated Pathologists, 6031 North 19th Ave., Phoenix, AZ 85016.	Blood and Cerebrospinal Fluid Chemistry; Immunohematology; Pathology.
The Diagnostic Laboratory, 1901 East Thomas Rd., Phoenix, AZ 85016.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.

ARKANSAS

Community Methodist Hospital Laboratory, 900 West Kingshighway, Paragould, AR 72450.	Endocrinology.

CALIFORNIA

Clinical Chemistry Reference Division, Drs. Brown, Curtis, Hoxie, & Harder, Clinical Labs., 1461 East Chevy Chase Dr., Glendale, CA 91206.	Blood and Cerebrospinal Fluid Chemistry; Endocrinology.
Gerson R. Biskind, M.D., Medical Laboratory, 2245 Post St., San Francisco, CA 94115.	Blood and Cerebrospinal Fluid Chemistry; Endrocrinology, Urinalysis.

COLORADO

Drs. Freshman, Kurland, Herrman, Menger & Johnson, 234 Metropolitan Bldg., Denver, CO 80202.	Endocrinology.
Drs. Hawley, Poulsom, Doucette, Vincent, M.D.'s, 1633 Fillmore St., Denver, CO 80206.	Endocrinology; Exfoliative Cytology.
Saint Luke's Hospital, 601 East 19th Ave., Denver, CO 80203.	Histopathology.
Weld County General Hospital Laboratory, 16th St. and 17th Ave., Greeley, CO 80631.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.

DISTRICT OF COLUMBIA

Central Laboratory, Doctors Hospital, 1815 I St. NW., Washington, DC 20006.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Hadley Memorial Hospital, 4601 Nichols Ave. SW., Washington, DC 20032.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Oscar B. Hunter Memorial Laboratory, 915 19th St. NW., Washington, DC 20006.	Microbiology and Serology; Clinical Chemistry; Immunohematology; Hematology, Pathology; Radiobioassay.
Oscar B. Hunter Memorial Laboratory, Sibley Memorial Hospital, 5255 Loughboro Rd. NW., Washington, DC 20016.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Pathology; Radiobioassay.
Pathology Laboratory, George Washington Hospital, 901 23d St. NW., Washington, DC 20037.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
Providence Hospital, Department of Pathology, 1150 Varnum St. NE., Washington, DC 20017.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Rogers Memorial Hospital, 708 Massachusetts Ave. NE., Washington, DC 20002.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Hematology; Pathology.
The Morris Cafritz Memorial Hospital, 1310 Southern Ave. SE., Washington, DC 20032.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
Washington Hospital Center Laboratory, 110 Irving St. NW., Washington, DC 20021.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.

FLORIDA

Dade Division American Hospital Supply Corp., 1851 Delaware Parkway, Miami, FL 33152.	Clinical Chemistry; Immunohematology; Hematology.

GEORGIA

Mullins Pathology & Cytology Laboratory, 1467 Harper St., Augusta, GA 30902.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Pathology; Radiobioassay.

IDAHO

Pathologists Regional Laboratory, St. Joseph's Hospital, Lewiston, ID 83501.	Bacteriology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Pathologists' Treasure Valley Laboratory, 623 West Hays St., Boise, ID 83702.	Blood and Cerebrospinal Fluid Chemistry; Endocrinology.
St. Alphonsus Hospital Laboratory, 506 North 5th St., Boise, ID 83702.	Blood and Cerebrospinal Fluid Chemistry; Pathology.

ILLINOIS

Clinical Laboratories, 4601 State St., East St. Louis, IL 62201.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Mason Barron Pathology Labs., S.C., 2056 North Clark St., Chicago, IL 60614.	Bacteriology, Clinical Chemistry; Immunohematology; Hematology; Pathology.
The Dr. Israel Davidsohn Dept. of Pathology, Mt. Sinai Hospital Medical Center, 2750 West 15th Pl., Chicago, IL 60608.	Microbiology and Serology; Clinical Chemistry, Hematology.

INDIANA

Good Samaritan Hospital Laboratory, 410 South 7th St., Vincennes, IN 47591.	Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Hematology; Pathology.
Mid-America Pathology Service, Inc., 3700 Bellemeade, Evansville, IN 47715.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
South Bend Medical Foundation, 531 North Main St., South Bend, IN 46601.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Pathology, Radiobioassay.

IOWA

Black Hawk Medical Laboratories, 616½ Allen St., Waterloo, IA 50704.	Pathology.
Burlington Hospital Laboratory, 602 North 3d St., Post Office Box 1066, Burlington, IA 52601.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Davenport Medical Laboratory, Quad Cities Pathologists Group, 125 Kirkwood Blvd., Davenport, IA 52803.	Clinical Chemistry; Exfoliative Cytology.
Norman Lowe, M.D. Medical Laboratory, Post Office Box 429, Burlington, IA 52601.	Pathology.

KANSAS

Medical Laboratory Associates, Post Office Box 1186, Mission, KS 66222.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
The A.T. & S.F. Memorial Hospital, 417 East 6th St., Topeka, KS 66607.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
The Lattimore-Fink Laboratories, 105 Medical Arts Bldg., 10th and Horne, Topeka, KS 66601.	Pathology.
Wichita Clinical Laboratories, 3333 East Central, Wichita, KS 67208.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.

KENTUCKY

Appalachian Regional Hospital Laboratory, Harlan, KY 40831.	Hematology; Pathology.
Barnes Medical Laboratories, 612 Heyburn Bldg., Louisville, KY 40202.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
Clinical Pathology Laboratory, 2134 Nicholsville, Rd., Lexington, KY 40503.	Clinical Chemistry; Hematology; Pathology.
Western Baptist Hospital, 2501 Kentucky Ave., Paducah, KY 42001.	Pathology.

LOUISIANA

Monroe Medical Diagnostic Laboratories, 500 Hall St., Monroe, LA 71201.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.

MARYLAND

Col. J. E. Ash, M.D. Laboratory, 809 Viers Mills Rd., Rockville, MD 20851.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Drs. Kime & Sherrer, Maryland Regional Laboratory Center, Inc., 1010 Saint Paul St., Baltimore, MD 21202.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Henry L. Wollenweber, M.D., Robert Howard Wright, M.D., 1114 Cathedral St., Baltimore, MD 21201.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Memorial Hospital Laboratory, Memorial Ave., Cumberland, MD 21502.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Suburban Hospital Clinical & Pathological Laboratory, 8600 Old Georgetown Rd., Bethesda, MD 20014.	Pathology.

MASSACHUSETTS

Berkshire Medical Center, 725 North St., Pittsfield, MA 01201.	Bacteriology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Hematology; Pathology.

MASSACHUSETTS—continued

Lawrence General Hospital, Pathology Department, 1 Garden St., Lawrence, MA 08140.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Leary Laboratory, 43 Bay State Rd., Boston, MA 02215.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Pathology; Radiobioassay.
New England Deaconess Hospital, 185 Pilgrim Rd., Boston, MA 02215.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Union Hospital Laboratory, Highland Ave. and New Boston Rd., Fall River, MA 02720.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Immunohematology; Hematology; Pathology; Radiobioassay.

MICHIGAN

Clinical Research Laboratory (The Upjohn Co.), Pharmaceutical Research and Development, 301 Henrietta St., Kalamazoo, MI 49001.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Henry Ford Hospital, Department of Pathology, 2799 West Grand Blvd., Detroit, MI 48202.	Pathology.

MINNESOTA

Lufkin Medical Laboratories, 450 Medical Arts Bldg., Minneapolis, MN 55402.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Medical Laboratory of St. Luke's Hospital, 915 East 1st St., Duluth, MN 55805.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
St. Ansgar Hospital Laboratory, 715 North 11th, Moorhead, MN 56560.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
St. Joseph's Hospital Clinical Laboratory, 69 West Exchange, St. Paul, MN 55102.	Bacteriology; Blood and Cerebrospinal Fluid Chemistry; Immunohematology; Histopathology.

MISSISSIPPI

Pathology Laboratory, 715 Arledge St., Hattiesburg, MS 39401.	Clinical Chemistry; Radiobioassay.

MISSOURI

Allen Medical Laboratories, Ltd., 634 North Grand, St. Louis, MO 63103.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Buhler Laboratories, Inc., 330 West 47th St., Kansas City, MO 64112.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology, (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
Clinical Laboratories, 100 North Euclid, St. Louis, MO 63108.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.

MISSOURI—continued

Clinical Laboratories of St. Louis, Inc., 3720 Washington Blvd., St. Louis, MO 63108.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Immunohematology; Hematology.
Midwest Medical Laboratory, Inc., 4910 Forest Park Blvd., St. Louis, MO 63108.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Springfield Medical Laboratory, 609 Cherry St., Springfield, MO 65806.	Pathology.
St. Joseph Hospital Laboratory, 2510 East Linwood Blvd., Kansas City, MO 64128.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
St. Luke's Hospital Medical Laboratory, 44th and Wornall Rd., Kansas City, MO 64111.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.

NEBRASKA

Bishop Clarkson Memorial Hospital, Clinical Laboratory, 44th and Dewey Ave., Omaha, NE 68105.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Children's Memorial Hospital Laboratory, 44th and Dewey Sts., Omaha, NE 68105.	Bacteriology, Mycology, Parastitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Physicians Laboratory, 701 Doctors Bldg., 4239 Farnam St., Omaha, NE 68131.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Mematology; Pathology; Radiobioassay.
The Pathology Center, 8303 Dodge St., Omaha, NE 68111.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.

NEVADA

Physicians' Consulting Laboratories, 235 6th St., Reno, NV 89503.	Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Immunohematology; Pathology.

NEW HAMPSHIRE

Exeter Hospital Laboratory, 10 Buzwell Ave., Exeter, NH 03833.	Clinical Chemistry; Immunohematology; Pathology; Radiobioassay.

NEW JERSEY

Wm. V. McDonnell, M.D. & Assoc., P.A., Blackwood Medical Center, Black Horse Pike, Blackwood, NJ 08012.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Exfoliative Cytology.
Wm. V. McDonnel, M.D. & Assoc., P.A., South Jersey Medical Center, Cherry Hill, NJ 08034.	Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology; Exfoliative Cytology.

NEW YORK

Beth Israel Medical Center, 10 Nathan D. Perlman Pl., New York, NY 10003.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Pathology
International Business Machines Corp., 75 South Broadway, White Plains, NY 10601.	Blood and Crebrospinal Fluid Chemistry.

NORTH CAROLINA

Presbyterian Hospital, Department of Pathology and Clinical Laboratories, 200 Hawthorne Lane, Charlotte, NC 28204.	Pathology.
Scotland Memorial Hospital Laboratory, West McLean St., Laurinburg, NC 28352.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Pathology.
The Moses H. Cone Memorial Hospital, 1200 North Elm St., Greensboro, NC 27405.	Pathology.

NORTH DAKOTA

Fargo Clinic Laboratory, 737 Broadway, Fargo, ND 58102.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.

OHIO

Horance B. Davidson, M.D., Laboratory, 267 East Broad St., Columbus, OH 43215.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Kettering Memorial Hospital, Clinical Laboratories, 3535 Southern Blvd., Kettering, OH 45429.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology.
Ohio Valley Hospital Laboratory, 380 Summit Ave., Steubenville, OH 43952.	Clinical Chemistry; Hematology.
Westgate Laboratory of Pathology, Inc., 3301 West Central Ave., Toledo, OH 43606.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Hematology; Pathology.

OREGON

Pathologists Central Laboratory, 1406 Southeast Stark St., Portland, OR 97214.	Clinical Chemistry.
Physicians Medical Laboratory, 419 Northwest 23d, Portland, OR 97210.	Pathology.

PENNSYLVANIA

Ayer Clinical Laboratory, 8th and Spruce Sts., Philadelphia, PA 19107.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis), Clinical Chemistry, Immunohematology; Hematology; Pathology; Radiobioassay.
Claude P. Brown, M.D. Laboratories, 1930 Chestnut St., Philadelphia, PA 19103.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry Endocrinology, Urinalysis; Hematology; Pathology.

RHODE ISLAND

The Woonsocket Hospital Laboratory, 115 Cass Avenue., Woonsocket, RI 02895.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.

SOUTH CAROLINA

Anderson Pathology Laboratory, 801-A North Fant St., Anderson, SC 29621.	Bacteriology, Parasitology, Serology (Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Urinalysis; Hematology; Pathology; Radiobioassay.
Marlboro General Hospital Laboratory, Market St., Bennettsville, SC 29512.	Blood and Cerebrospinal Fluid Chemistry, Endocrinology; Immunohematology.

TENNESSEE	
Doctors Browne, Thomison, & Miale, 2100 West End Ave., Nashville, TN 37203.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
TEXAS	
Anderson Hospital & Tumor Institute, 6723 Bertner Ave., Houston, TX 77025.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Dr. Preuss Pathology Laboratory, 3607 Gaston Ave., Dallas, TX 75246.	Pathology.
Laboratory Medicine Data, Inc., 2909 Hillcroft Ave., Houston, TX 77027.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Laboratory of R. H. Chappell, M.D., Post Office Box 1288, 912 Olive, Texarkana, TX 75501.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
North Texas Medical Laboartory, 1519 7th St., Wichita Falls, TX 76301.	Bacteriology, Mycology, Parasitology, Serology (Syphilis); Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Terrell's Laboratories, Medical Arts Bldg., 10th and Cherry Sts., Fort Worth, TX 76102.	Pathology.
UTAH	
St. Mark's Hospital Laboratory, 803 North 2d West, Salt Lake City, UT 84103.	Bacteriology, Mycology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Endocrinology, Toxicology; Pathology.
Wasatch Pathologic Laboratories, Medical Arts Bldg., 54 East South Temple, Salt Lake City, UT 84111.	Bacteriology, Parasitology, Virology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
VIRGINIA	
Fairfax Hospital Laboratory, 3300 Gallows Rd., Falls Church, VA 22191.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Louise Obici Memorial Hospital, Route 4, Suffolk, VA 23434.	Pathology.
Medical College of Virginia, Department of Pathology, 1200 East Broad St., Richmond, VA 23219.	Microbiology and Serology; Pathology.
National Orthopaedic & Rehabilitation Hospital, 2455 Army-Navy Dr., Arlington, VA 22206.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Blood and Cerebrospinal Fluid Chemistry, Urinalysis; Immunohematology; Hematology.
WASHINGTON	
Pathologist's Regional Laboratory, 1225 Highland Ave., Clarkston, WA 99403.	Pathology.
Pathology Associates, 204 Paulsen Bldg., Spokane, WA 99201.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Radiobioassay.
Pathology Associates, Inc., P.S., 204 Paulsen Bldg., Spokane, WA 99201.	Pathology.
The Swedish Hospital Medical Center, 1212 Columbia St., Seattle, WA 98104.	Bacteriology, Mycology, Parasitology, Serology (Syphilis), Serology (non-Syphilis); Clinical Chemistry; Immunohematology; Hematology; Pathology; Radiobioassay.
Vancouver Memorial Hospital, 3400 Main St., Post Office Box 1657, Vancouver, WA 98663.	Pathology.

Date: February 25, 1971.

DAVID J. SENCER,
Director, Center for Disease Control,
Health Services and Mental Health Administration.

[FR Doc.71-3971 Filed 3-23-71;8:45 am]

INTERSTATE COMMERCE COMMISSION

[Notice 9]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

MARCH 19, 1971.

The following letter-notices of proposals to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules—Motor Carriers of Passengers, 1969 (49 CFR 1042.2(c)(9)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.2(c)(9)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.2(c)(9)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules—Motor Carriers of Property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PASSENGERS

No. MC 2844 (Deviation No. 1), CHICAGO & CALUMET DISTRICT TRANSIT COMPANY, INC., 4932 Columbia Avenue, Hammond, IN 46327, filed March 12, 1971. Carrier's representative: Gregory M. Rebman, 1230 Boatmen's Bank Building, St. Louis, MO 63102. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage*, over a deviation route as follows: From junction Ridge Road and Fifth Street, in Highland, Ind., over Fifth Street, to junction Highway Avenue, thence over Highway Avenue, to junction Ridge Road, in Highland, Ind. (a distance of 0.8 mile), and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over a pertinent service route as follows: From the junction of Fifth Avenue, and Ridge Road, in Highland, Ind., over Ridge Road to junction Highway Avenue, in Highland, Ind., and return over the same route.

No. MC 13300 (Deviation No. 19), CAROLINA COACH COMPANY, 1201 South Blount Street, Raleigh, NC 27602, filed March 8, 1971. Carrier's representative: James E. Wilson, 1032 Pennsylvania Building, Pennsylvania Avenue

and 13th Street NW., Washington, DC 20004. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage, and express and newspapers* in the same vehicle with passengers, over a deviation route as follows: Between Snow Hill, Md., and Salisbury, Md., over Maryland Highway 12, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over pertinent service routes as follows: (1) From Baltimore, Md., over Maryland Highway 2 to Annapolis, Md., thence over combined U.S. Highways 50 and 301 to Queenstown, Md., thence over U.S. Highway 50 via Easton, Cambridge, and Salisbury, Md., to Ocean City, Md., and (2) from Pocomoke City, Md., over U.S. Highway 113 to Dover, Del., and return over the same route.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.71-4010 Filed 3-23-71;8:49 am]

[Notice 10]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

MARCH 19, 1971.

The following letter-notices of proposals to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules—Motor Carriers of Property, 1969 (49 CFR 1042.4(d)(11)), and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.4(d)(11)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.4(d)(12)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules—Motor Carriers of Property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC 29910 (Deviation No. 14), ARKANSAS-BEST FREIGHT SYSTEM, INC., 301 South 11th Street, Fort Smith, AR 72901, filed March 11, 1971. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From junction U.S. Highway 50 and Interstate Highway 57 at or near Salem, Ill., over Interstate Highway 57 to junction Illinois Highway 3 at or near Urbandale, Ill., thence over Illinois Highway 3 to junction Illinois Highway 146 approximately 2 miles south of McClure, Ill., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over a pertinent service route as follows: From Chicago, Ill., over Illinois Highway 50 to junction U.S. Highway 54, thence over U.S. Highway 54 to junction Business Route U.S. Highway 54 (formerly portion U.S. Highway 54), thence over Business Route U.S. Highway 54 to Kankakee, Ill., thence over U.S. Highway 45 to junction Illinois Highway 37, thence over Illinois Highway 37 to Salem, Ill., thence over U.S. Highway 50 to Sandoval, Ill., thence over U.S. Highway 51 to DuQuoin, Ill., thence over Illinois Highway 152 to Pyatts, Ill., thence over Illinois Highway 13 to Murphysboro, Ill., thence over Illinois Highway 149 (formerly Illinois Highway 144) to junction Illinois Highway 3, thence over Illinois Highway 3 to McClure, Ill., thence over Illinois Highway 146 to the Mississippi River, and thence across the Mississippi River to Cape Girardeau, Mo., and return over the same route.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.71-4011 Filed 3-23-71;8:49 am]

[Notice 21]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

MARCH 19, 1971.

The following publications are governed by the new Special Rule 247 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of December 3, 1963, which became effective January 1, 1964.

The publications hereinafter set forth reflect the scope of the applications as filed by applicant, and may include descriptions, restrictions, or limitations which are not in a form acceptable to the Commission. Authority which ultimately may be granted as a result of the applications here noticed will not necessarily reflect the phraseology set forth in the application as filed, but also will eliminate any restrictions which are not acceptable to the Commission.

MOTOR CARRIERS OF PROPERTY

No. MC 36918 (Sub-No. 3) (Republication), filed September 28, 1970, published in the FEDERAL REGISTER issue of October 22, 1970, and republished this issue. Applicant: BECKER'S MOTOR TRANSPORTATION, INC., 528 Michigan Avenue, Kenilworth, NJ 07033. Applicant's representative: William D. Traub, 10 East 40th Street, New York, NY 10016. The modified procedure has been followed in this proceeding and an order of the Commission, Operating Rights Board, dated February 26, 1971, and served March 15, 1971, finds that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes, of glass containers, from Salem, N.J., to New York, N.Y.; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder and that an appropriate certificate should be issued, subject as follows: (1) That the holding by applicant of the certificate authorized to be issued in this proceeding and the holding by applicant of the permit heretofore issued in No. MC-128890 (Sub-No. 1) will be consistent with the public interest and the national transportation policy, subject to the condition that the certificate granted herein shall be subject to the right of the Commission, which is hereby expressly reserved, to impose such terms, conditions, or limitations in the future as it may find necessary in order to insure that applicant's operations conform to the provisions of section 210 of the Interstate Commerce Act, and (2) That since it is possible that other parties who have relied upon the notice in the FEDERAL REGISTER of the application as originally published may have an interest in and would be prejudiced by the lack of proper notice of the grant of authority without the requested limitation in the findings herein, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of the certificate in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition for leave to intervene in the proceeding setting forth in detail the precise manner in which it has been prejudiced.

No. MC 97357 (Sub-No. 33) Republication), filed August 4, 1970, published in the FEDERAL REGISTER issue of August 27, 1970, and republished this issue. Applicant: ALLYN TRANSPORTATION COMPANY, a corporation, 14011 South Central Avenue, Los Angeles, CA 90059. Applicant's representative: Charles T. Schneider (same address as applicant). The modified procedure has been followed in this proceeding and a corrected Order of the Commission, Operating Rights Board, dated January 28, 1971, and served March 16, 1971, finds; that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes, of asphalt, emulsions, and road oils, from points in Los Angeles County, Calif., to points in Grant, Cation, Sierra, Luma, and Hidalgo Counties, N. Mex.; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other parties who have relied upon the notice of the FEDERAL REGISTER of the application as originally published may have an interest in and would be prejudiced by the lack of proper notice of the grant of authority in the findings

herein, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of the certificate in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition for leave to intervene in the proceeding setting forth in detail the precise manner in which it has been prejudiced.

No. MC 113855 (Sub-No. 207) (Republication), filed September 8, 1969, published in the FEDERAL REGISTER issue of October 2, 1969, and republished this issue. Applicant: INTERNATIONAL TRANSPORT, INC., South Highway 52, Rochester, Minn. 55901. Applicant's representative: Alan Foss, 502 First National Bank Building, Fargo, ND 58102. A decision and order of the Commission, dated March 5, 1971, and served March 11, 1971, upon consideration of the record in this proceeding, finds; that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes, (1) of electrical transformers, voltage regulators, circuit breakers, switch gears, insulators, and parts of the foregoing commodities; and (2) of transformer oil, in drums, when moving in mixed loads with the commodities in (1) above, from Zanesville, Ohio, to points in Arizona, California, Colorado, Idaho, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming; *Provided*, That to the extent the authority herein granted duplicates any other authority held by applicant, it shall not be construed as conferring more than an single operating right. Because it is possible that other parties who have relied upon the notice in the FEDERAL REGISTER of the application as originally published may have an interest in and would be prejudiced by the lack of proper notice of the grant of authority in findings herein, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of the certificate in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition for leave to intervene in the proceeding setting forth in detail the precise manner in which it has been prejudiced.

No. MC 123475 (Sub-No. 6) (Republication), filed May 27, 1970, published in the FEDERAL REGISTER issue of June 18, 1970, and republished this issue. Applicant: LIGHTNING SUPPLY, INC., Highway 50 West, Salem, Ill. 62881. Applicant's representative: Ferdinand Born, 601 Chamber of Commerce Building, Indianapolis, IN 46204. The modified procedure has been followed and a report and order of the Commission, Review Board No. 1, decided March 3, 1971, and served March 11, 1971 finds; that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a common carrier, by motor vehicle, over irregular routes, of anhydrous ammonia, in bulk, in tank vehicles, from the plantsite of Central Nitrogen, Inc., near Terre Haute, Ind., to points in Illinois; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other persons who may have relied upon notice of the application as published, may have an interest in and would be prejudiced by lack of proper notice of the authority actually granted herein, a notice of the authority actually granted to applicant will be published in the FEDERAL REGISTER and issuance of a certificate herein will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file a petition to reopen or for other appropriate relief, setting forth in detail the precise manner in which it has been prejudiced.

No. MC 128701 (Sub-No. 6) (Republication), filed June 8, 1970, published in the FEDERAL REGISTER issue of July 2, 1970, and republished this issue. Applicant: R. MARTEL EXPRESS LIMITED, a corporation, 700 Main Street West, Farnham, PQ, Canada. Applicant's representative: S. Harrison Kahn, Suite 733, Investment Building, Washington, D.C. 20005. The modified procedure has been followed and an order of the Commission, Operating Rights Board, dated February 16, 1971, and served, March 11, 1971, finds; that operation by applicant, in foreign commerce only, as a contract carrier by motor vehicle, over irregular routes, (1) of limestone, in bags, from Florence, Rutland, West Rutland, Middlebury, East Middlebury, and New Haven Junction, Vt., to ports of entry on the international boundary line between the United States and Canada under a continuing contract with St. Lawrence Chemical Co. (Sales), Ltd., and (2) of Snowmobiles from ports of entry on the international boundary line between the United States and Canada to points in Maine, Vermont, New Hampshire, Ohio, Michigan, Indiana, Illinois, Iowa, Missouri, Kansas, Wisconsin, Minnesota, North Dakota, South Dakota, Nebraska, Oklahoma, New Mexico, Colorado, Wyoming, Utah, Idaho, Montana, California, Oregon, Washington, Alaska, Connecticut, and Massachusetts, under continuing contracts with Featherweight Corp., Northways Snowmobile, Ltd., Autotechnic, Inc., and Eskimo Division of McKee Brothers, Ltd., will be consistent with the public interest and the national transportation policy; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder; that an appropriate permit should be issued; subject (1) to the coincidental cancellation at applicant's written request of its permit No. MC-128701 (Sub-No. 1), dated February 14, 1968, and (2) that since it is possible that other parties who have relied upon the notice in the FEDERAL REGISTER of the application as originally published may have an interest in and would be prejudiced by the lack of proper notice of the grant of authority without the requested limitation in the findings herein, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of the permit in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition for leave to intervene in the proceeding setting forth in detail the precise manner in which it has been prejudiced.

No. MC 134511 (Republication), filed April 3, 1970, published in the FEDERAL REGISTER issue of May 14, 1970, and republished this issue. Applicant: BEASLEY TRANSPORT, INC., Colerain, N.C. 27924. Applicant's representative: W. L. Cooke, South King Street, Windsor, NC 27983. The modified procedure has been followed and an order of the Commission, Operating Rights Board, dated February 8, 1971, and served March 16, 1971, finds; that operation by applicant, in interstate or foreign commerce, as a contract carrier by motor vehicle, over irregular routes, of gasoline, kerosene, No. 2 fuel oil, and diesel fuel, in bulk, in tank vehicles, (a) from Williamston, N.C., to Ahoskie, Winton, Windsor, and Colerain, N.C., and (b) from Norfolk, Va., to points in Bertie and Hertford Counties, N.C., under continuing contracts with C. W. Beasley Oil Co., Inc., and Windsor Oil Co., Inc., will be consistent with the public interest and the national transportation policy; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other parties who have relied upon the notice in the FEDERAL REGISTER of the application as originally published may have an interest in would be prejudiced by the lack of proper notice of the grant of authority in our findings herein, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of the permit in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition for leave to intervene in the proceeding setting forth in detail the precise manner in which it has been prejudiced.

No. MC 134859 (Sub-No. 2) (Republication), filed October 8, 1970, published in the FEDERAL REGISTER issue of November 5, 1970, and republished this issue. Applicant: DONALD RUSSELL, doing business as FRANK RUSSELL & SON, 401 South Ida Street, West Frankfort, IL 62896. Applicant's representative: Donald Russell (same address as above). The modified procedure has been followed and a Report and Order of the Commission, Operating Rights Board, dated February 25, 1971, and served

March 15, 1971, finds: That operation by applicant, in interstate or foreign commerce, as a contract carrier by motor vehicle, over irregular routes, of magnetite, in bulk, in shipper-owner trailers, from the facilities of Meramec Mining Co., near Sullivan, Mo., to points in Illinois, Indiana, and Kentucky, under a continuing contract with Reiss Viking Corp. of Bristol, Tenn., will be consistent with the public interest and the national transportation policy; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder; that an appropriate permit should be issued; subject as follows: (1) That the holding by applicant of the permit authorized to be issued in this proceeding and of the certificate issued in No. MC-13845, will be consistent with the public interest and the national transportation policy, subject to the right of the Commission, which is hereby expressly reserved, to impose such terms, conditions, or limitation in the future as it may find necessary to insure that applicant's operations shall conform to the provisions of section 210 of the Interstate Commerce Act; (2) that since it is possible that other parties who have relied upon the notice in the FEDERAL REGISTER of the application as originally published may have an interest in and would be prejudiced by the lack of proper notice of the grant of authority without the requested limitation in our findings herein, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of the permit in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition for leave to intervene in the proceeding setting forth in detail the precise manner in which it has been prejudiced.

APPLICATIONS UNDER SECTIONS 5 AND 210a(b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers under sections 5(a) and 210a(b) of the Interstate Commerce Act and certain other proceedings with respect thereto (49 CFR 1.240).

MOTOR CARRIERS OF PROPERTY

No. MC-F-11110. Authority sought for control by (TOM B. KRETSINGER, Executor and Testamentary Trustee of the Estate), MAURICE E. GJOVIG, 450 Professional Building, Kansas City, MO 64106, of the operating rights and property of GRAIN BELT TRANSPORTATION COMPANY, 625 Livestock Exchange Building, Kansas City, MO 64102. Applicants' attorneys: Tom B. Kretsinger and Warren H. Sapp, 450 Professional Building, Kansas City, MO 64106. Operating rights and property sought to be controlled: *General commodities*, excepting among others, classes A and B explosives, household goods and commodities in bulk, as a *common carrier*, over regular routes, between Kansas City, Mo., and Cawker City, Kans., serving various intermediate and off-route points of Missouri and Kansas with and without restrictions, between Overland Park, Kans., and Kansas City, Mo., serving various intermediate and off-route points of Kansas, from Kansas City, Mo., to Lindsborg, Kans., serving various intermediate points of Kansas, with restriction; *hides and wool*, from Beloit, Kans., to Lincoln, Nebr., serving intermediate and off-route points within 20 miles of Beloit, Kans., with restriction; *malt beverages*, from Crete, Nebr., to Beloit, Kans., serving no intermediate points, and return with empty malt-beverage containers, over the same route: *livestock*, from Lindsborg, Kans., to Kansas City, Mo., serving various intermediate points of Kansas, with restriction; *general commodities*, excepting among others, classes A and B explosives, household goods and commodities in bulk, over irregular routes, between points in Kansas, on the one hand, and, on the other, points in Nebraska;

General commodities, except those of unusual value, classes A and B explosives, perishable commodities, liquid commodities in bulk, household goods as defined by the Commission, and commodities requiring special equipment, between Hollenberg, Kans., and points in Kansas and Nebraska within 20 miles thereof, on the one hand, and, on the other, Kansas City, Kans., and Kansas City and St. Joseph, Mo., Gage and Jefferson Counties, Nebr.; *salt*, from Kanapolis, Kans., to described portions of Nebraska and Colorado; *scrap* iron, metal, and rags, from points in Kansas, to Kansas City, Kans., and Kansas City, Mo.; *such merchandise* as dealt in by retail and chain grocery and food business houses, and in connection therewith, *equipment, materials, and supplies* used in the conduct of such business, from Kansas City, Mo., to certain specified points in Kansas; *chemicals and insecticides*, from Kansas City, Mo., to Stockton and Woodston, Kans.; *antifreeze solutions*, from Kansas City, Mo., to Glasco, Kans.; *seeds*, between Beloit, Kans., and points within 20 miles thereof on the one hand, and, on the other, Kansas City, Kans., Kansas City and St. Joseph, Mo., and Omaha, Nebr.; *livestock*, between points in Kansas, on the one hand, and, on the other, the described portions of Nebraska, between Lanham, Nebr., and points in Nebraska and Kansas within 15 miles thereof, on the one hand, and, on the other, St. Joseph and Kansas City, Mo., between Erie, Kans., and points within 20 miles of Erie, on the one hand, and, on the other, Kansas City, Mo., and Kansas City, Kans., from Burden, Kans., and points within 40 miles of Burden, to St. Joseph, Mo., and points in Missouri in the Kansas City, Mo.-Kansas City, Kans. Commercial Zone, as defined by the Commission;

Livestock in truckloads, between points in that part of Kansas on and east of U.S. Highway 75, and points in that part of Missouri on and west of U.S. Highway 65, on the one hand, and, on the other, points in Kansas; *farm implements and machinery, contractors and equipment, and emigrant movables*, in truckloads, between points in that part of Kansas on and east of U.S. Highway 75, and points in that part of Missouri on and west of U.S. Highway 65, on the one hand, and, on the other, points in Kansas; *building materials*, including road building materials, *structural steel, and tanks*, in truckloads, between Kansas City, Mo., and Kansas City, Kans., on the one hand, and, on the other, points in Kansas; *oil field supplies, construction iron metal and steel articles and supplies, heavy machinery and iron and steel pipe*, in truckload lots only, between Kansas City, Kans., and Kansas City, Mo., on the one hand, and, on the other, points in Kansas; *grain, feed, emigrant movables, agricultural implements, farm supplies, and seed*, between points in that part of Missouri north of and including Kansas City, Mo., and west of U.S. Highway 69 on the one hand, and, on the other, points in Kansas; *combines and parts thereof* between Independence, Mo., on the one hand, and, on the other, points in the described portions of Illinois, Iowa, Kansas, Nebraska, Montana, North Dakota, South Dakota, Wyoming, Texas, and Oklahoma; *windrowers* and parts thereof, between Independence, Mo., on the one hand, and, on the other, points in Iowa, North Dakota, and South Dakota; *feed coal, tankage, grain, and building materials*, from St. Joseph, Mo., to Lanham, Nebr., and points in Nebraska and Kansas within 15 miles thereof; *undertaker's supplies*, between Overland Park, Kans., on the one hand, and, on the other, certain specified points in Missouri;

Livestock and seeds, from Iola, Kans., and points within 15 miles of Iola, to Kansas City, Kans., and points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission; *livestock, seeds, feed, hardware, agricultural machinery and parts, and binder twine*, from Kansas City, Kans., and points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission, to Iola, Kans., and points within 15 miles of Iola; *agricultural machinery, building and fencing material, feed, grain, twine, and seed*, from points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission, to Burden, Kans., and points within 40 miles of Burden; *feed*, from St. Joseph, Mo., to Burden, Kans., and points within 40 miles of Burden; *salt*, in truckload lots, from Lyons and Hutchinson, Kans., to points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission; *waste paper and junk*, from Winfield, Kans., to points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission; *furniture*, from points in Missouri in the Kansas City, Mo.-Kansas City, Kans.,

Commercial Zone, as defined by the Commission, to Winfield, Kans.; *eggs*, from Fall River, Kans., and certain specified points in Kansas and Missouri, as defined by the Commission Commercial Zone, and return with empty egg containers and egg case materials, over the same routes;

Petroleum products, fiberboard boxes, brooders, chicken hatchery supplies, compressed gas, building materials, automobile tires and tubes, and gasoline tanks and pumps, from Kansas City, Kans., and points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission, to Iola, Kans.; *junk, gasoline tanks and pumps, and empty containers* for compressed gas and petroleum products, from Iola, Kans., to Kansas City, Kans., and points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission; *paper, and paper products, and such commodities* as are dealt in by retail grocery and food business houses, from points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission, to certain specified points in Kansas; *binder twine, fencing material, bale ties, and baling wire and iron roofing*, from points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission, to points in Kansas; *binder twine*, from Jefferson City, Mo., to points in Kansas; *junk*, from Iola, Kans., to St. Louis, Mo.; *general commodities*, from points in Missouri to the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission, to certain specified points in Kansas; *canned goods and groceries*, from points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission, to Winfield, Kans.; *butcher shop equipment, farm machinery and parts, and road building machinery and parts*, from points in Missouri in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission, to Wichita, Kans.;

Farm machinery and parts, and road building machinery and parts, between Wichita, Kans., on the one hand, and, on the other, points in the described portions of Oklahoma; *machinery, equipment, materials, and supplies* used in, or in connection with, the discovery, development, production, refining, manufacture, processing, storage, transmission, and distribution of natural gas and petroleum and their products and byproducts, and *machinery, equipment, materials, and supplies* used in, or in connection with, the construction, operation, repair, servicing, maintenance, and dismantling of pipelines, including the stringing and picking up thereof, from Kansas City, Mo., to points in Kansas and Oklahoma; *salt*, in bulk and in bags, from Kanopolis, Kans., to points in Missouri on and south of U.S. Highway 50; *combines*, from Independence, Mo., to points in Arkansas, Louisiana, and Mississippi, with restriction; *agricultural combines*, between Kansas City, Mo., on the one hand, and, on the other, points in Tennessee; *dry fertilizer, dry fertilizer materials, dry fertilizer ingredients, dry urea, and dry urea products*, in bulk or in packages, from Kansas City, Mo., to points in Iowa and Oklahoma, with restriction; from Kansas City, Mo., to points in Iowa and Oklahoma, with restriction; *fertilizer and corrugated roofing*, from Kansas City, Mo., to South Mound, Kans.; *cheese*, from Erie, Kans., to Springfield, Mo., and return with empty cheddar boxes and processed cheese, over the same route; *seed, feed, wire, roofing material, moulding, and nails and creamery supplies*, viz.:

Neutralizers, washing powder, tubs, barrels and fiber boxes, from points in the Kansas City, Mo.-Kansas City, Kans., Commercial Zone, as defined by the Commission in 31 M.C.C. 5, to Erie, Kans.; *prefabricated buildings*, knocked down or in sections, from points in the Kansas City, Mo.-Kans., Commercial Zone, as defined by the Commission, to points in Nebraska, Iowa, Missouri, Oklahoma, Texas, and Colorado. MAURICE E. GJOVIG, holds no authority from this Commission. However, he is affiliated with TRI-D TRUCK LINE, INC., 1620 Bower, Kansas City, KS 66103, which is authorized to operate as a *common carrier* in Kansas and Missouri and CIRCLE CARTAGE COMPANY, 1821 Bedford North, Kansas City, MO 64116, which is authorized to operate as a *common carrier* in Kansas and Missouri. Application has been filed for temporary authority under section 210a(b).

No. MC–F–11111. Authority sought for control by a noncarrier BENTON–SPRY, INC., 2225 Wachovia Building, Winston-Salem, NC 27102, of the operating rights and property of (1) M & M TANK LINES, INC., and its subsidiary M & M TANK LINES OF VIRGINIA, INC., both of Post Office Box 612, Winston-Salem, NC 27102, and (2) HENNIS FREIGHT LINES OF CANADA, LIMITED, doing business as FLORIDA REFRIGERATED SERVICE, INC., and its subsidiary FLORIDA REFRIGERATED SERVICE, INC., both of Post Office Box 1297, U.S. Highway 301 North Dade City, FL 33525, and for acquisition by M. C. BENTON, 2903 Country Club Road, Winston-Salem, NC, and W. DENNIE SPRY, 2401 Reynolds Drive, Winston-Salem, NC, through the transaction. Applicants' attorneys and representative: James E. Wilson, Suite 1032 Pennsylvania Building, Pennsylvania Avenue and 13th Street NW., Washington, DC 20004; A. W. Flynn, Jr., Post Office Box 180, Greensboro, NC 27402; and George E. Doughton, Jr., 2225 Wachovia Building, Winston-Salem, NC 27102. Operating rights sought to be controlled: (1) Numerous specified commodities, as a *common carrier*, over irregular routes, from to, and between specified points in the States of South Carolina, Virginia, North Carolina, Pennsylvania, Georgia, Tennessee, New Jersey, Florida, West Virginia, Kentucky, New York, Maryland, Ohio, Indiana, Illinois, Michigan, Missouri, Texas, Alabama, Arkansas, Indiana, Louisiana, Mississippi, Kansas, Minnesota, Nebraska, Oklahoma, Wisconsin, Iowa, Delaware and South Dakota, with certain restrictions, serving various intermediate and off-route points, as more specifically described in Docket No. MC–123067 and sub-numbers thereunder, and MC–117548.

(2) *General commodities*, with certain specified exceptions, and numerous other specified commodities, as a *common carrier*, over irregular routes, from to and between specified points in the States of Alabama, Georgia, Florida, Arizona, California, New Mexico, North Carolina, Mississippi, South Carolina, Ohio, Colorado, Nevada, Oregon, Utah, Idaho, Wyoming, Montana, Washington, Texas, Tennessee, Virginia, Nebraska, Kansas, Oklahoma, Arkansas, Michigan, Wisconsin, Illinois, Missouri, North Dakota, Indiana, Kentucky, West Virginia, Pennsylvania, Maryland, Delaware, South Dakota, New Jersey, New York, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, Maine, Iowa, Minnesota, and the District of Columbia, with certain restrictions, serving various intermediate and off-route points, as more specifically described in Docket No. MC–65224 and sub-numbers and MC–120543 and sub-numbers thereunder. BENTON–SPRY, INC., holds no authority from this Commission. However, it is affiliated with HENNIS FREIGHT LINES, INC., Post Office Box 612, Winston-Salem, NC 27102, which is temporarily operating under MC–F–10339. Application has not been filed for temporary authority under section 210a(b). NOTE: Applicant moves to dismiss application for lack of jurisdiction.

No. MC–F–11112. Authority sought for control by PEERLESS TRANSPORT CORP., 15 Yost Boulevard, Pittsburgh, PA 15221, of STANDARD MOTOR FREIGHT, INC., 2700 Smallman Street, Pittsburgh, PA 15222, and for acquisition by FOURMEN, INC., 15 Yost Boulevard, Pittsburgh, PA 15221, of control of STANDARD MOTOR FREIGHT, INC., through the acquisition by PEERLESS TRANSPORT CORP. Applicants' attorneys: John A. Vuono, 2310 Grant Building, Pittsburgh, PA 15219 and Jerome Solomon, 704 Grant Building, Pittsburgh, PA 15219. Operating rights sought to be controlled: *General commodities*, excepting among others, dangerous explosives, household goods and commodities in bulk as a *common carrier* over regular routes, between Pittsburgh, Pa., and New York, N.Y., serving all intermediate points and certain off-route points in Pennsylvania, Butler, N.J., New York and New Jersey, between Newark, N.J., and Bristol, Conn., serving the intermediate point of New York, N.Y., and all intermediate points in Connecticut, between New Haven, Conn., and Bristol, Conn., serving all intermediate points, with restriction; between Wheeling, W. Va., and Pennsylvania, serving to and from all intermediate points, between Pittsburgh,

Pa., Ohio, and West Virginia, serving to and from all intermediate points, and the off-route points of Yukon and Herminie, Pa.; *general commodities*, excepting among others, classes A and B explosives, household goods commodities in bulk, over irregular routes, between certain specified points in Pennsylvania and West Virginia, on the one hand, and, on the other, certain specified points in Ohio and Pennsylvania. PEERLESS TRANSPORT CORP., is authorized to operate as a *common carrier* in Pennsylvania, West Virginia, Ohio, Kentucky, Illinois, Michigan, Indiana, Wisconsin, Minnesota, New York, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware, Virginia, Maryland, North Carolina, Tennessee, Mississippi, Missouri, Alabama, Florida, Georgia, Maine, New Hampshire, Ohio, South Carolina, Vermont, and the District of Columbia. Application has been filed for temporary authority under section 210a(b).

No. MC–F–11114. Authority sought for purchase by W. S. THOMAS TRANSFER, INC., Post Office Box 507, 404 Auburn Street, Fairmont, WV 26554, of the operating rights and certain property of the CARL M. BOWERS, ADMINISTRATOR, ESTATE OF CHARLIE McROY BOWERS, R.F.D. No. 2, Post Office Box 21, Landes, WV 26832, and for acquisition by ROBERT H. THOMPSON, Erwin Lane, Fairmont, W. Va. 26554, of control of such rights and property through the purchase. Applicant's attorney: Henry M. Wick, Jr., 2310 Grant Building, Pittsburgh, PA 15219. Operating rights sought to be transferred: *General commodities*, as a *common carrier* over regular routes, from Baltimore, Md., to Parkersburg and Elkins, W. Va., serving certain intermediate points. Vendee is authorized to operate as a *common carrier* in West Virginia, Ohio, Maryland, Pennsylvania, Michigan, Indiana, Illinois, Virginia, Kentucky, New Jersey, Missouri, New York, and the District of Columbia. Application has been filed for temporary authority under section 210a(b).

No. MC–F–11115. Authority sought for purchase by N & N TRANSPORTATION CO., INC., 827 Ridgewood Avenue, North Brunswick, NJ 08902, of the operating rights of FERACO, INC., 21 North Ormond Avenue, Havertown, PA 19083, and for acquisition by CARMINE LUIZZA, also of North Brunswick, N.J., of control of such rights through the purchase. Applicants' attorney: William J. Augello, Jr., 103 Fort Salonga Road, Northport, NY 11768. Operating rights sought to be transferred: *Building materials* as described in appendix VI to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 (except liquid commodities, in bulk, in tank vehicles), as a *common carrier* over irregular routes, from the plant site of the Bestwall Gypsum Co. at Wilmington, Del., to points in Massachusetts and Rhode Island, from the plantsite of the Bestwall Gypsum Co., at Wilmington, Del., to points in Connecticut, Maryland, Virginia, West Virginia, Pennsylvania, and New York, with restrictions; *building and construction materials, and supplies* (other than in liquid bulk, in tank vehicles), *machinery and equipment*, between points in New Jersey, Delaware and the District of Columbia, and that part of Pennsylvania and Maryland within 125 miles of Philadelphia, Pa., including Philadelphia; *copper shot*, from Philadelphia, Pa., to Perth Amboy, N.J.; *ferro manganese*, in dump vehicles, from Sheridan, Pa., to certain specified points in New Jersey; *electrolytic copper ingots, bars, plates, and cathodes*, in dump vehicles, from Carteret and Perth Amboy, N.J., to points in Delaware, and certain specified points in Pennsylvania; *fluospar and ore*, in dump vehicles, from Philadelphia, Pa., to Exton, Pa.; and

Prefabricated and precut houses and buildings, complete, knocked down or in sections, and transported in connection therewith component parts thereof and equipment and materials incidental to the construction, erection, and completion of such houses and buildings, from the plantsite of Hilco Homes Corp. located on 70th Street near Essington Avenue, Philadelphia, Pa., to points in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, North Carolina, Delaware, Maryland, Virginia, West Virginia, and the District of Columbia. Vendee is authorized to operate as a *contract carrier* in New Jersey, Connecticut, Delaware, Maryland, Massachusetts, New York, Pennsylvania, Rhode Island, Maine, New Hampshire, Ohio, Virginia, North Carolina, Vermont, West Virginia, Texas, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Tennessee, Wisconsin and the District of Columbia, and as a *common carrier* in Ohio, West Virginia, Maryland, Pennsylvania, New York and the District of Columbia. Application has been filed for temporary authority under section 210a(b).

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.4012 Filed 3–23–71;8:49 am]

NOTICE OF FILING OF MOTOR CARRIER INTRASTATE APPLICATIONS

MARCH 19, 1971.

The following applications for motor common carrier authority to operate in intrastate commerce seek concurrent motor carrier authorization in interstate or foreign commerce within the limits of the intrastate authority sought, pursuant to section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962. These applications are governed by Special Rule 1.245 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of April 11, 1963, page 3533, which provides, among other things, that protests and requests for information concerning the time and place of State Commission hearings or other proceedings, any subsequent changes therein, any other related matters shall be directed to the State Commission with which the application is filed and shall not be addressed to or filed with the Interstate Commerce Commission.

State Docket No. 2339, filed February 22, 1971. Applicant: ALAMO EXPRESS, INC., 51 Essex Street, San Antonio, TX. Applicant's attorney: Dan Felts, The 904 Lavaca Building, Austin, TX 78701. Certificate of public convenience and necessity sought to operate a freight service so as to amend Common Carrier Certificate No. 2339 to authorize the service in intrastate, interstate and foreign commerce in the following transportation, to wit: *General commodities*, between the intersection of U.S. Highway 181 and FM Road 791, thence in a southwesterly direction over FM Road 791 to a point approximately 8 miles southwest of Falls City, Tex., to the plantsite of Conquista project (a uranium mill jointly owned by Pioneer Nuclear, Inc., and Continental Oil Co.), using all access roads to such plant, serving all intermediate points and coordinating the proposed service with the existing service presently rendered by Alamo Express, Inc., under its existing certificates. Both intrastate and interstate authority sought.

HEARING: Approximately 30 days after notice in the FEDERAL REGISTER, starting at 9 a.m. in the hearing rooms of the Railroad Commission of Texas, Ernest O. Thompson State Office Building, Austin, Tex. Requests for procedural information including the time for filing protests concerning this application should be addressed to the Railroad Commission of Texas, Ernest O. Thompson State Office Building, Austin, Tex., and should not be directed to the Interstate Commerce Commission.

State Docket No. 2674, filed February 22, 1971. Applicant: TEXAS TEXPACK EXPRESS, INC., 150 East Zavalla Street, San Antonio, TX 78205. Applicant's representatives: Lanham and Hatchell, 1102 Perry Brooks Building, Austin, TX 78701, and Johnnie B. Rogers. Certificate of public convenience and necessity sought to operate a freight service so as to amend limited Common Carrier certificate No. 2674 to authorize the additional transportation of: *General commodities*, subject to the restrictions set forth below, to, from, and between all points along the following highways: (1) State Highway 6 between Waco and Hearne, over Marlin and Calvert; (2) State Highway 164 between Waco and Groesbeck, over Mart; (3) State Highway 14 between Groesbeck and Bremond; (4) F.M. Road 107 between Moody and Eddy; and (5) U.S. Highway 77 between Waco and Victoria serving all intermediate points on said route, except as indicated below, and coordinating such service with that being rendered under existing certificates and interlining with other carriers at appropriate points. Restrictions: (1) The holder of this authority is prohibited from serving La Grange, Tex., Hallettsville, Tex., or any

intermediate point on U.S. Highway 77 between Schulenburg and Victoria; (2) no service shall be rendered in the transportation of any package or article weighing more than 50 pounds; (3) no service shall be provided in the transportation of packages or articles weighing in the aggregate more than 100 pounds, from one consignor at one location to one consignee at one location on any one day; (4) the Commission retains jurisdiction over this certificate, under the provisions of section 12(b), Article 911(b), V.C.S., so that if the Commission, in the future, determines that the holder hereof is not performing the service authorized by the Commisison, it may amend, revoke or suspend the authority herein granted, if conditions so justify;

(5) The holder of this certificate is required to keep such records and accounts to enable the law enforcement division of the Commission to ascertain if the holder hereof is complying with the restriction as to the type of commodities, and weight thereof, authorized herein; (6) the holder hereof shall file with the Commission each January 1, April 1, July 1, and October 1, a current, accurate list of its local representatives and agents and their addresses; and (7) On July 1 of each year, the holder of this certificate shall file a "performance report" with the Commission with respect to the operations conducted under the certificate here issued, which report shall show the tonnage handled, the towns served, and any other information which the Commission may request. (a)(2) Applicant also proposes to operate over the following alternate routes without service to any intermediate point thereon except as otherwise authorized: (1) State Highway 9, between its intersection with U.S. Highway 281 north of Three Rivers and Corpus Christi, Tex.; and (2) State Highway 123 between Stockdale and Karnes City. (a)(3) Applicant also seeks to amend Limited Common Carrier Certificate No. 2674 so as to authorize the transportation of *Motion picture films, theater supplies, magazines, flowers, and potted plants,* to from and between all points listed in (1) above, unrestricted as to weight, in coordinating such service with that presently being rendered under existing certificates and interlining with other carriers at appropriate points; and (a)(4) applicant also proposed to operate over the above named routes, transporting the commodities above described in interstate or foreign commerce under the provisions of section 206(a)(6) of part II of the Interstate Commerce Act, and requests this Commission to notify the Interstate Commerce Commission of such proposal as provided in the general rules of practice of the Interstate Commerce Commission, Rule 1.245. Applicant proposes that evidence will be offered at the hearing of this application showing a need for both interstate and intrastate transportation of the commodities sought herein over the routes herein set out both in single-line service and in interline service. Both intrastate and interstate authority sought.

HEARING: Approximately 30 days after notice in the FEDERAL REGISTER, starting at 9 a.m. in the hearing rooms of the Railroad Commission of Texas, Ernest O. Thompson State Office Building, Austin, Tex. Requests for procedural information including the time for filing protests concerning this application should be addressed to the Railroad Commission of Texas, Ernest O. Thompson State Office Building, Austin, Tex. and should not be directed to the Interstate Commerce Commission.

State Docket No. 6302, filed December 2, 1970. Applicant: SKI UTAH TRANSPORTATION, INC. Applicant's representatives: C. Richard Henriksen, 320 South Fifth East Street, Salt Lake City, Utah, and Raymond W. Gee, 336 South Third East Street, Salt Lake City, Utah. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *passengers, together with ski equipment, clothing and personal belongings,* over irregular routes from all points and places in Salt Lake County on the one hand, to all points and places in Alta, Park City, and Brighton, respectively, on the other hand. On return movements applicant proposes to engage in the same operation. Intermediate and off-route points to be served are all intermediate ski resorts. Both intrastate and interstate authority sought.

HEARING: April 20, 1970; 10 a.m.; at Public Service Commission of Utah Hearing Room, 330 East Fourth South Street, Salt Lake City, Utah. Requests for procedural information including the time for filing protests concerning this application should be addressed to the State of Utah Department of Business Regulation, 330 East Fourth South Street, Salt Lake City, Utah 84111 and should not be directed to the Interstate Commerce Commission.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-4009 Filed 3-23-71;8:49 am]

[Notice 265]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

MARCH 19, 1971.

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 7156 (Sub-No. 6 TA), filed March 11, 1971. Applicant: WILLIAMS TRANSFER CO., 135 North Cleveland, Eugene, OR 97402. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Iron and steel articles,* restricted to shipments in excess of 10,000 pounds, from Eugene, Oreg., to points in Humboldt, Del Norte, Siskiyou, Modoc, and Shasta Counties, Calif., for 180 days. Supporting shipper: Farwest Steel Corp., Post Office Box 632, Eugene, OR 97401. Send protests to: District Supervisor A. E. Odoms, Bureau of Operations, Interstate Commerce Commission, 450 Multnomah Building, Portland, OR 97204.

No. MC 9325 (Sub-No. 52 TA), filed March 11, 1971. Applicant: K LINES, INC., Post Office Box 187, Lebanon, OR 97355. Applicant's representative: Norman E. Sutherland, 1200 Jackson Tower, Portland, OR 97205. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Cement,* in bulk, between points in Idaho, having a prior movement by rail carrier, for 180 days. Supporting shipper: Kaiser Cement & Gypsum Corp., IBM Building, 130 Neill Avenue, Helena, MT 59601. Send protests to: District Supervisor A. E. Odoms, Bureau of Operations, Interstate Commerce Commission, 450 Multnomah Building, Portland, OR 97204.

No. MC 52704 (Sub-No. 84 TA), filed March 12, 1971. Applicant: GLENN McCLENDON TRUCKING COMPANY, INC., Post Office Drawer H, Opelika Highway, LaFayette, AL 36862. Applicant's representative: Archie B. Culbreth, Suite 417, 1252 West Peachtree Street NW., Atlanta, GA 30309. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Paper and paper products,* from the plantsite and warehouse facilities of Union Camp Corp. at or near Savannah, Ga., to points in Arkansas, Louisiana, Mississippi, and Texas, for 180 days. Supporting shipper: Union Camp Corp., 1600 Valley Road, Wayne, N.J. 07470. Send protests to: Clifford W. White, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 814, 2121 Building, Birmingham, AL 35203.

No. MC 63417 (Sub-No. 36 TA) (Correction), filed February 25, 1971, and published FEDERAL REGISTER issue of March 9, 1971, and republished in part as corrected this issue. Applicant: BLUE RIDGE TRANSFER COMPANY, INCORPORATED, 1814 Hollins Road NE., Post Office Box 2888, Roanoke, VA 24001.

NOTE: The purpose of this partial republication is to reflect the correct docket number as MC 63417 (Sub-No. 36) in lieu of that shown in previous publication. The rest of the application remains the same.

No. MC 109294 (Sub-No. 16 TA), filed March 12, 1971. Applicant: COMMERCIAL TRUCK CO., LTD., 230 Brunette Street, New Westminster, BC Canada. Applicant's representative: Joseph O. Earp, 411 Lyon Building, Seattle, WA 98104. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities*, in cargo vans and/or containers, and *empty cargo vans and/or containers*, between ports of entry on the international boundary line between the United States and Canada at or near Blaine and Sumas, Wash., and, on the other, points in Oregon and Washington, restricted to shipments having a prior or subsequent movement by water, for 180 days. Supporting shippers: Kerr Steamship Co., Inc., Suite 2900, 1 California Street, San Francisco, CA 94111; Kingsley Navigation (1970) Ltd., 744 West Hastings Street, Vancouver 1, BC; N.Y.K. Line, Greer Shipping Ltd. (as Agents) 1619 Marine Building, Vancouver 1, BC; Trans-Pacific Steamship Agencies, Ltd., 1033 West Pender Street, Vancouver 1, BC; Westward Shipping Ltd., 1250 1055 West Hastings Street, Vancouver 1, BC. Send protests to: E. J. Casey, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 6130 Arcade Building, Seattle, WA 98101.

No. MC 111717 (Sub-No. 24 TA), filed March 11, 1971. Applicant: TRACTOR TRANSPORT, INC., 535 South 84th Street, Milwaukee, WI 53214. Applicant's representative: Frank M. Coyne (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Tractors* (except truck tractors); (2) *Attachments and parts* designed for use with the tractors described in (1), from Port Washington, Wis., to points in the United States (except points in Montana, Wyoming, Idaho, Washington, Oregon, California, Nevada, Utah, New Mexico, Arizona, Alaska, and Hawaii), restricted to movement originating at the plantsite and warehouse facilities of the Simplicity Manufacturing Co. and to a transportation service to be performed under a continuing contract, or contracts with the Simplicity Manufacturing Company of Port Washington, Wis., for 180 days. Supporting shipper: Simplicity Manufacturing Co., Inc., Port Washington, Wis. 53074 (Andrew P. Schneider, Traffic Manager). Send protests to: District Supervisor Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 112520 (Sub-No. 236 TA), filed March 12, 1971. Applicant: McKENZIE TANK LINES, INC., New Quincy Road, Post Office Box 1200, Tallahassee, FL 32302. Applicant's representative: Sol H. Proctor, 2501 Gulf Life Tower, Jacksonville, FL 32207. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Rosin solution*, in bulk, from points in Appling County, Ga., to El Dorado, Ark., for 180 days. Supporting shipper: FRP Co., Post Office Box 349, Baxley, GA 31513. Send protests to: District Supervisor G. H. Fauss, Jr., Bureau of Operations, Interstate Commerce Commission, Box 35008, 400 West Bay Street, Jacksonville, FL 32202.

No. MC 113828 (Sub-No. 188 TA), filed March 10, 1971. Applicant: O'BOYLE TANK LINES, INCORPORATED, Post Office Box 30006, Washington, DC 20014, Office: 5320 Marinelli Drive, Industrial Park, Rockville, MD 20852. Applicant's representative: John F. Grimm, Post Office Box 30006, Washington, DC 20014. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Amines*, in bulk, from Portsmouth, Va., to Lemoyne, Ala.; and (2) *Lacquer solvents*, in bulk, from Boutte, La., to Portsmouth, Va., for 180 days. Supporting shipper: Virginia Chemicals Inc., 3340 West Norfolk Road, Portsmouth, VA 23703. Send protests to: Robert D. Caldwell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 12th and Constitution Avenue NW., Washington, DC 20423.

No. MC 116427 (Sub-No. 8 TA) (Correction), filed February 24, 1971, and published FEDERAL REGISTER issue of March 6, 1971, and republished in part as corrected this issue. Applicant: LAS VEGAS TANK LINES, INC., doing business as LAS VEGAS TRUCK LINE, 1901 South Industrial Avenue, Post Office Box 15295 (89114), Las Vegas, NV 89102. Applicant's representative: Ron Davis, 841 Folger Avenue, Berkeley, CA 94710. NOTE: The purpose of this partial republication is to reflect the correct docket number as MC 116427 (Sub-No. 8) in lieu of that shown in previous publication. The rest of the application remains the same.

No. MC 118263 (Sub-No. 45 TA), filed March 10, 1971. Applicant: COLDWAY CARRIERS, INC., Post Office Box 38, State Highway No. 131, Clarksville, IN 47130. Applicant's representatives: Watkins & Daniell, Suite 1600, First Federal Building, Atlanta, GA 30303. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products and meat byproducts and articles distributed by meat packinghouses*, from the plantsite of Illini Beef Packers, Inc., at Joslin, Ill., to points in Indiana, Kentucky, Ohio, Michigan, and West Virginia, for 180 days. Supporting shipper: Illini Beef Packers, Inc., Joslin, Ill. Send protests to: District Supervisor James W. Habermehl, Interstate Commerce Commission, Bureau of Operations, 802 Century Building, 36 South Pennsylvania Street, Indianapolis, IN 46204.

No. MC 119765 (Sub-No. 21 TA), filed March 12, 1971. Applicant: HENRY G. NELSEN, INC., 1548 Locust Street, Avoca, IA 51521. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products, meat byproducts and articles distributed by meat packinghouses* (except hides and commodities in bulk, in tank vehicles), from Council Bluffs, Iowa; and Omaha, Nebr., to points in Illinois and Indiana, for 150 days. Supporting shipper: Beefland International, Inc., Council Bluffs, Iowa. Send protests to: Carroll Russell, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 705 Federal Office Building, Omaha, NE 68102.

No. MC 124839 (Sub-No. 7 TA), filed March 11, 1971. Applicant: BUILDERS TRANSPORT, INC., Post Office Box 7057, 4800 Augusta Road, Savannah, GA 31408. Applicant's representative: Herbert Alan Dubin, Federal Bar Building West, 1819 H Street NW., Washington, DC 20006. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Gypsum and gypsum products*, from Brunswick, Ga., to points in Alabama, Kentucky, Maryland, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, and the District of Columbia, under continuing contract or contracts with Georgia-Pacific Corp., for 150 days. Supporting shipper: Georgia-Pacific Corp., Post Office Box 909, Augusta, GA 30903. Send protests to: District Supervisor G. H. Fauss, Jr. Bureau of Operations, Interstate Commerce Commission, Box 35008, 400 West Bay Street, Jacksonville, FL 32202.

No. MC 125132 (Sub-No. 1 TA), filed March 15, 1971. Applicant: HARLAND WILCOX, 206 Charles, Elk Rapids, MI 49629. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Frozen fruit*, from Elk Rapids, Mich., to points in Ohio, New York, New Jersey, and Pennsylvania, for 180 days. Supporting shipper: Robert A. Shaw, President, Elk Rapids Packing Co., Post Office Box 128, Elk Rapids, MI 49629. Send protests to: C. R. Flemming, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Federal Biulding, Room 225, Lansing, MI 48933.

No. MC 126899 (Sub-No. 44 TA) (Correction), filed February 25, 1971, published in the FEDERAL REGISTER issue of March 9, 1971, corrected in part, and republished as corrected, this issue. Applicant: USHER TRANSPORT, INC., 3925 Old Benton Road, Post Office Box 3051, Paducah, KY 42001. Applicant's representative: William A. Usher (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages* and incidental advertising material when shipped with malt beverages, (1) from Newport, Ky., to LaCrosse, Milwaukee, and Sheboygan, Wis.; (2) from LaCrosse and Sheboygan, Wis., to Newport, Ky.; (3) from Newport, Ky., to Nashville, Tenn., and (4) from Newport, Ky., to points in New Jersey, and *empty, used beer containers* used in

the transportation of malt beverages, on return. NOTE: The purpose of this partial republication is to correctly set forth the territorial scope by adding (2) above, which was inadvertently omitted from previous publication. The rest of the application remains the same.

No. MC 128831 (Sub-No. 3 TA), filed March 10, 1971. Applicant: DIXON TRANSFER, INC., East River Road, Dixon, IL 61021. Applicant's representative: James Canfield, 1100 Rockford Trust Building, Rockford, IL 61101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages and advertising matter, and empty malt beverage containers*, from South Bend, Ind., to Sterling, Ill., and East Dubuque, Ill., for 180 days. Supporting shippers: Murph's Beverage Co., 300 East Third Street, Dubuque, IA 52001; Vock's Distributing Co., 2528 East Lincoln Way, Sterling, IL 61081. Send protests to: Andrew J. Montgomery, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Everett McKinley Dirksen Building, 219 South Dearborn Street, Room 1086, Chicago, IL 60604.

No. MC 128998 (Sub-No. 2 TA) (Amendment), filed February 22, 1971, published in the FEDERAL REGISTER, issue of March 4, 1971, amended and republished as amended, this issue. Applicant: VANWAYS, INC., 1230 West River Road, Oscoda, MI 48753. Applicant's representative: Alan F. Wohlstetter, 1 Farragut Square South, Washington, DC 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used household goods*, (a) between points in Michigan; (b) between points in Florence, Forest, Marinette, Oneida, Vilas, and Iron Counties, Wis.; and (c) between points in Michigan, on the one hand, and, on the other, points in Florence, Forest, Marinette, Oneida, Vilas, and Iron Counties, Wis., restricted to the transportation of traffic having a prior or subsequent movement beyond said points, in containers, and further restricted to the performance of pickup and delivery service in connection with packing, crating, and containerization or unpacking, uncrating, and decontainerization of such traffic, for 180 days. Supporting shippers: Continental Forwarders, Inc., 105 Leonard Street, New York, NY 10013; Davidson Forwarding Co., 3180 V Street NE., Washington, DC 20018; DeWitt Freight Forwarding, 6060 North Fugueroa Street, Los Angeles, CA 90042; Home-Pack Transport, Inc., 57–48 49th Street, Maspeth, NY 11378; International Export Packers, Inc., 5360 Wheeler Avenue, Alexandria, VA 22304; Jet Forwarding, Inc., 2945 Columbia Street, Torrance, CA 90503; Karevan, Inc., Post Office Box 9240 Queen Anne Station, Seattle, WA 98109; Perfect Pak Co., 1001 Westlake Avenue North, Seattle, WA 98109; Smyth Worldwide Movers, Inc., 1161 Aurora Avenue North, Seattle, WA 98133; Vanpac Carriers, Inc., 21114 MacDonald Avenue, Richmond, CA 94801, and Door to Door International, Inc., 308 Northeast 72d Street, Seattle, WA 98115. Send protests to: C. R. Fleming, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Federal Building, Room 225, Lansing, MI 48933. NOTE: The purpose of this republication is to broaden the territorial scope.

No. MC 129445 (Sub-No. 6 TA), filed March 15, 1971. Applicant: DIXIE TRANSPORT CO. of Texas, 3840 Interstate 10 South, Post Office Box 5447, Beaumont, TX 77706. Applicant's representative: Archie L. Wilson (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry fertilizer and dry fertilizer materials and urea*, in bags, from Liberty, Tex., to points in Louisiana, for 180 days. NOTE: Applicant does not intend to tack with existing authority. Supporting shipper: Coastal Chemical Corp. (James A. Pierce, Director of Transportation), Post Office Box 388, Yazoo City, MS 39194. Send protests to: District Supervisor John C. Redus, Interstate Commerce Commission, Bureau of Operations, Post Office Box 61212, Houston, TX 77061.

No. MC 133229 (Sub-No. 8 TA), filed March 12, 1971. Applicant: COATS FREIGHTWAYS, INC., 601 32d Avenue, Post Office Box 415, Council Bluffs, IA 51501. Applicant's representative: Marshall D. Becker 7100 West Center Road, Omaha, NE 68106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts and articles distributed by meat packinghouses*, as described in sections A, C, and D of appendix 1 to report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except skins, hides, and commodities in bulk) from the plantsite and storage facilities utilized by Beefland International, Inc., at Omaha, Nebr., and Council Bluffs, Iowa; to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Vermont, Rhode Island, and Washington, D.C., for 150 days. Supporting shipper: Beefland International Inc., Council Bluffs, Iowa. Send protests to: Carroll Russell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 705 Federal Office Building, Omaha, NE 68102.

No. MC 135007 (Sub-No. 3 TA), filed March 12, 1971. Applicant: AMERICAN TRANSPORT, INC., Post Office Box 37406, Millard, NE 68137. Applicant's representative: Frederick J. Coffman, 521 South 14th Street, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *New finished furniture*, from Taylor and San Marcos, Tex., to points in Louisiana, Arkansas, Missouri, Iowa, Minnesota, Wisconsin, Illinois, Mississippi, Alabama, Tennessee, Kentucky, Indiana, Michigan, Ohio, Florida, Georgia, South Carolina, North Carolina, Virginia, West Virginia, Maryland, Delaware, New Jersey, New York, Massachusetts, Connecticut, Rhode Island, New Hampshire, Vermont, Maine, Pennsylvania, Washington, D.C., Oklahoma, Colorado, Kansas, and Nebraska, for 180 days. Supporting shipper: Kerr-Ban Furniture Manufacturing Co., Inc., a division of William Volker & Co., 920 West Seventh Street, Taylor, TX 76574. Send protests to: Carroll Russell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 705 Federal Office Building, Omaha, NE 68102.

No. MC 135022 (Sub-No. 3 TA), filed March 12, 1971. Applicant: LAWRENCE C. ARTHUR, Post Office Box 601, Warsaw, VA 22572. Authority sought to operate as *a common carrier*, by motor vehicle, over irregular routes, transporting: *Wood chips*, from the plantsite of Koppers Co., Inc., on Charles City Road in Richmond, Va., to P. H. Glatfelter Paper Co., Spring Grove, Pa., for 180 days. Supporting shipper: Koppers Co., Inc., Pittsburgh, Pa. 15219. Send protests to: Robert W. Waldron, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 10–502 Federal Building, Richmond, VA 23240.

No. MC 135281 (Sub-No. 1 TA) (Correction), filed February 25, 1971, published in the FEDERAL REGISTER issue of March 9, 1971, corrected in part, and republished as corrected, this issue. Applicant: RAYMOND LANGLEY, doing business as LANGLEY TRUCKING, Route No. 4, Post Office Box 61, Elizabethtown, KY 42701. Applicant's representative: George Catlett, Suite 703–706, McClure Building, Frankfort, KY 40601. NOTE: The purpose of this partial republication is to include the duration of authority for 180 days. The rest of the application remains the same.

No. MC 135341 TA (Correction), filed February 24, 1971, published in the FEDERAL REGISTER issue of March 6, 1971, corrected in part, and republished as corrected, this issue. Applicant: MAGOG EXPRESS, INC., Route 2, Post Office Box 265, Magog (Steanstead Co.) PQ, Canada. Applicant's representative: Frank J. Weiner, 6 Beacon Street, Boston, MA 02108. NOTE: The purpose of this partial republication is to correctly set forth the restriction as follows: Restricted to the transportation of shipments originating at *or destined to* points in Stanstead County, Quebec, Canada. The rest of the application remains the same.

No. MC 135378 TA, filed March 12, 1971. Applicant: LOREN DAVENPORT, doing business as DAVENPORT WRECKER SERVICE, 1600 B Street,

South Sioux City, NE 68776. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wrecked or disabled vehicles*, by use of wrecker equipment only, *repair parts*, for the vehicles specified above, and *replacement vehicles*, between points in Dakota County, Nebr., and points in Iowa, Minnesota, and South Dakota, for 180 days. Supporting shipper: Iowa Beef Processors, Inc., Dakota City, Nebr. 68731. Send protests to: Carroll Russell, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 304 Post Office Building, Sioux City, IA 51101.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.71-4013 Filed 3-23-71;8:49 am]

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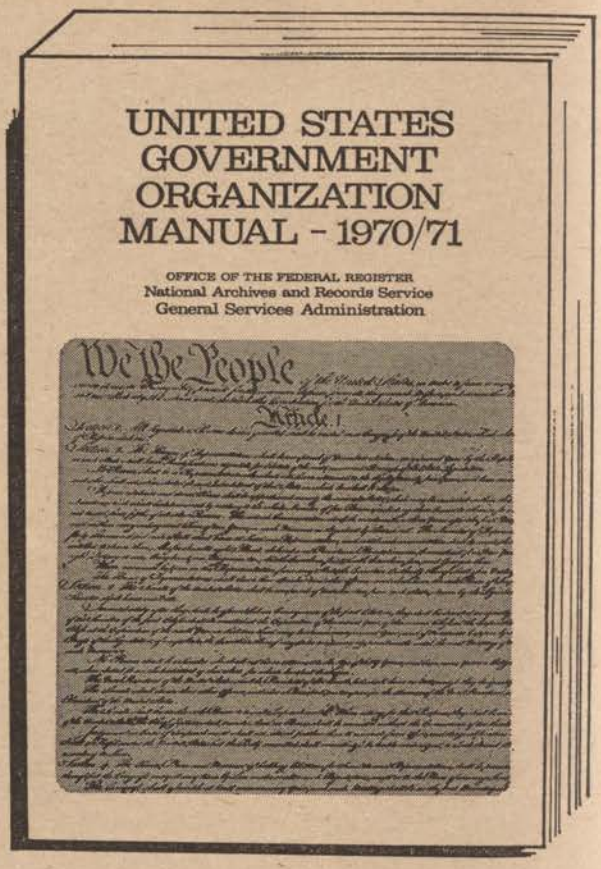

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