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federal register

WEDNESDAY, MAY 26, 1971
WASHINGTON, D.C.

Volume 36 ■ Number 102

Pages 9489–9607

PART I

(Part II Begins on Page 9597)

HIGHLIGHTS OF THIS ISSUE

This listing does not affect the legal status of any document published in this issue. Detailed table of contents appears inside.

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FEDERAL REGISTER

Area Code 202 Phone 962-8626

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

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List of CFR Parts Affected

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

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1971, and specifies how they are affected.

Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 213—EXCEPTED SERVICE

Department of the Interior

Section 213.3312 is amended to show that one additional position of Special Assistant to the Assistant Secretary for Fish and Wildlife and Parks is excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (5–26–71), subparagraph (5) of paragraph (a) of § 213.3312 is amended as set out below.

§ 213.3312 Department of the Interior.

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

(5) Two Special Assistants to the Assistant Secretary for Fish and Wildlife and Parks and one Confidential Assistant (Administrative Assistant) to each of the four Assistant Secretaries for Mineral Resources, Public Land Management, Water and Power Development, and Fish and Wildlife and Parks.

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

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

[FR Doc.71–7321 Filed 5–25–71;8:50 am]

PART 213—EXCEPTED SERVICE

Small Business Administration

Section 213.3332 is amended to show that the position of Congressional Liaison Assistant is no longer excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (5–26–71), paragraph (p) of § 213.3332 is revoked.

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

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

[FR Doc.71–7322 Filed 5–25–71;8:50 am]

PART 213—EXCEPTED SERVICE

Department of Transportation

Section 213.3394 is amended to show that one position of Confidential Secretary to the Administrator, Federal Railroad Administration, is excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (5–26–71), subparagraph (4) is added to paragraph (e) of § 213.3394 as set out below.

§ 213.3394 Department of Transportation.

* * * * *

(e) *Federal Railroad Administration.* * * *

(4) One Confidential Secretary to the Administrator.

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

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

[FR Doc.71–7323 Filed 5–25–71;8:50 am]

PART 213—EXCEPTED SERVICE

Department of Housing and Urban Development

Section 213.3384 is amended to show that one position of President, Government National Mortgage Association, Office of the Assistant Secretary for Housing Production and Mortgage Credit is excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (5–26–71), subparagraph (9) is added to paragraph (b) of section 213.3384 as set out below.

§ 213.3384 Department of Housing and Urban Development.

* * * * *

(b) *Office of the Assistant Secretary for Housing Production and Mortgage Credit—Federal Housing Administration Commissioner.* * * *

(9) President, Government National Mortgage Association.

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

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

[FR Doc.71–7399 Filed 5–25–71;8:54 am]

Title 7—AGRICULTURE

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

[Plum Reg. 7]

PART 917—FRESH PEARS, PLUMS, AND PEACHES GROWN IN CALIFORNIA

Regulation by Grade and Size

Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 917, as amended (7 CFR Part 917; 36 F.R. 7510), regulating the handling of fresh pears, plums, and peaches grown in the State 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 of the Plum Commodity Committee, established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitations of shipments of plums of the varieties hereinafter set forth, and in the manner herein provided, will tend to effectuate the declared policy of the act.

(2) The recommendations by the Plum Commodity Committee reflect its appraisal of the plum crop and current and prospective market conditions. Shipments of earlier varieties of plums are expected to begin on or about May 26, 1971, and the size requirements provided herein are necessary to prevent the handling, from May 26 through October 31, 1971, of any plums smaller in size than is hereinafter specified, by count, for the named varieties. All shipments of California plums are currently regulated by grade through May 31, 1971, and the grade requirements specified herein for all varieties are necessary to prevent the handling, from June 1, 1971, through May 31, 1972, of any plums of a lower grade than is hereinafter specified. Furthermore, the grade and size requirements provided herein are necessary to provide consumers with good quality fruit consistent with (1) the overall quality of the crop, and (2) maximizing returns to the producers pursuant to the declared policy of the act.

(3) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rulemaking procedure, and postpone the effective date of this regulation until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 553) in that, as hereinafter set forth, the time intervening between the date when information upon which this regulation is based became available and the time when this regulation must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than May 26, 1971. Shipments of plums are currently subject to regulation by grade pursuant to Plum Regulation 6 (35 F.R. 7779) through May 31, 1971, unless sooner terminated. A reasonable determination as to the supply of, and the demand for, such plums must await the development of the crop thereof, and adequate information

thereon was not available to the Plum Commodity Committee until May 18, 1971, on which date an open meeting was held, after giving due notice thereof, to consider the need for, and the extent of, regulation of shipments of such plums. Interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; shipments of the current crop of such plums are expected to begin on or about the effective date hereof; this regulation should be applicable to all such shipments in order to effectuate the declared policy of the act; the provisions of this regulation are identical with the aforesaid recommendation of the committee; information concerning such provisions and effective time has been disseminated among handlers of such plums; and compliance with the provisions of this regulation will not require of handlers any preparation therefor which cannot be completed by the effective time hereof.

§ 917.423 Plum Regulation 7.

Order. (a) During the period June 1, 1971, through May 31, 1972, no handler shall ship any lot of packages or containers of any plums, other than the varieties named in paragraph (b) of this section, unless such plums grade at least U.S. No. 1.

(b) During the period June 1, 1971, through May 31, 1972, no handler shall ship:

(1) Any lot of packages or containers of Tragedy or Kelsey plums unless such plums grade at least U.S. No. 1, with a total tolerance of 10 percent of defects not considered serious damage in addition to the tolerances permitted by such grade; or

(2) Any lot of packages or containers of Empress, Late Santa Rosa, Improved Late Santa Rosa, Casselman, Linda Rosa, Red Rosa, Rosa Grande or Swall Rosa plums unless such plums grade at least U.S. No. 1, except that healed cracks emanating from the stem end which do not cause serious damage shall not be considered as a grade defect with respect to such grade; or

(3) Any lot of packages or other containers of Late Tragedy plums unless such plums grade at least U.S. No. 1, except that gum spots which do not cause serious damage shall not be considered as a grade defect with respect to such grade.

(c) During the period May 26, 1971, through October 31, 1971, no handler shall ship any package or other container of any variety of plums listed in Column A of the following Table I unless such plums are of a size that an 8-pound sample, representative of the sizes of the plums in the package or container, contains not more than the number of plums listed for the variety in Column B of said table.

TABLE I

Column A variety	*Column B plums-per-sample*
Ace	55
Andy's Pride	71
Angelino	71
Beauty	91
Bee Gee	64
Burmosa	58
Casselman	63
Duarte	62
El Dorado	68
Elephant Heart	53
Emily	59
Empress	58
Fresno Rosa	62
Grand Rosa	54
July Santa Rosa	64
Kelsey	47
Laroda	56
Late Duarte	60
Late Santa Rosa (including Improved Late Santa Rosa and Swall Rosa)	64
Late Tragedy	93
Linda Rosa	63
Mariposa	61
Nubiana	56
Premier	102
President	57
Queen Ann	48
Red Beaut	91
Red Rosa	64
Red Roy	58
Rosa Grande	65
Santa Rosa	69
Sharkey	57
Sim-ka, Arrosa, New Yorker	48
Standard	83
Tragedy	111
Wickson	51

(d) When used herein, "U.S. No. 1" and "serious damage" shall have the same meaning as set forth in the U.S. Standards for Fresh Plums and Prunes (7 CFR 51.1520–51.1538); and all other terms shall have the same meaning as when used in the amended marketing agreement and order.

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

Dated: May 21, 1971.

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

[FR Doc.71-7333 Filed 5-25-71;8:51 am]

PART 929—CRANBERRIES GROWN IN CERTAIN DESIGNATED STATES

Outlets for Restricted Cranberries

Notice was published in the FEDERAL REGISTER issue on May 6, 1971 (36 F.R. 8453), that the Department was giving consideration to a proposed amendment of § 929.104 *Outlets for restricted cranberries* (Subpart—Rules and Regulations 7 CFR 929.100 et seq.), pursuant to the applicable provisions of the marketing agreement, as amended, and Order No. 929, as amended (7 CFR Part 929), regulating the handling of cranberries grown in the States of Massachusetts, Rhode Island, Connecticut, New Jersey, Wisconsin, Michigan, Minnesota, Oregon, Washington, and Long Island in the State of New York, effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). This regulatory program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

The notice afforded 10 days for interested persons to submit written data, views, or arguments in connection with said proposal. None were received.

After consideration of all relevant matters presented, including that in the notice, and other available information, it is hereby found that the amendment, as hereinafter set forth, is in accordance with said amended marketing agreement and order and will tend to effectuate the declared policy of the act and of this part.

After inspection and certification it is a usual practice to dispose of withheld cranberries without delay to the outlets specified in § 929.104. In consequence handlers have not had certified cranberries available for withholding when subsequently solicited by charitable institutions (an approved outlet pursuant to § 929.104) to donate small quantities of withheld cranberries for consumption by the institution. Due to delays and additional costs attendant to making special arrangements for inspection and certification, handlers have refrained from qualifying cranberries for withholding and donating them to these institutions. The amendment would provide flexibility in supplying these institutions with cranberries during periods when handlers are not scheduling requests for inspection and certification of cranberries for withholding by permitting handlers to donate not more than 25 barrels of cranberries without inspection and certification to any one charitable institution during any fiscal period. Accordingly, the introductory language in paragraph (a) and paragraph (b)(2) of § 929.104 are amended to read as follows:

§ 929.104 Outlets for restricted cranberries.

(a) Except as otherwise provided in paragraph (b)(2) of this section, after inspection pursuant to § 929.54(c), cranberries withheld from handling may, in accordance with § 929.57, be disposed of only through diversion in the following noncompetitive outlets but only if the requirements in paragraph (b) of this section also are complied with:

* * * * *

(b) * * *

(2) Diversion to charitable institutions: A statement from the charitable institution showing the quantity of cranberries received and certifying that the cranberries will be consumed by the institution shall be submitted to the committee: *Provided,* That a handler may donate to any one charitable institution, exempt from the inspection and certification requirements prescribed under § 929.54(c), a quantity of cranberries not exceeding 25 barrels during any fiscal

period: *Provided further,* That in addition to the statement specified above in this subparagraph, each handler shall furnish to the committee a report certifying the quantity and destination of the cranberries so donated by him.

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

Dated, May 20, 1971, to become effective 30 days after publication in the FEDERAL REGISTER.

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

[FR Doc.71-7301 Filed 5-25-71;8:48 am]

Chapter X—Consumer and Marketing Service (Marketing Agreements and Orders; Milk) Department of Agriculture

[Milk Order No. 136]

PART 1136—MILK IN GREAT BASIN MARKETING AREA

Order Suspending Certain Provisions

This suspension order is issued pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and of the order regulating the handling of milk in the Great Basin marketing area.

Notice of proposed rulemaking was published in the FEDERAL REGISTER (36 F.R. 8376) concerning a proposed suspension of certain provisions of the order. Interested persons were afforded opportunity to file written data, views, and arguments thereon.

After consideration of all relevant material, including the proposal set forth in the aforesaid notice, data, views, and arguments filed thereon, and other available information, it is hereby found and determined that for the months of May and June 1971 the provision in the first sentence of § 1136.11(a) of the order which reads "there is disposed of on routes fluid milk products, except filled milk, of not less than 50 percent of the fluid milk products approved by a duly constituted health authority for fluid consumption that are physically received at such plant or diverted therefrom as producer milk to a nonpool plant pursuant to § 1136.13, and" does not tend to effectuate the declared policy of the Act.

The above provision pertains to the qualification of a distributing plant as a pool plant. Federated Dairy Farms, a cooperative representing a majority of Great Basin order producers, requested suspension action for May 1971 and succeeding months pending the effective date of revised pooling provisions. Such revised pooling provisions could become effective July 1.

Federated Dairy farms is primarily responsible for handling a substantial portion of the reserve supplies of milk for the Great Basin market. It also handles at its pool distributing plant the surplus production of other order markets. Without the suspension action the cooperative's distributing plant may not qualify as a pool plant for May and June 1971. This is because the reserve supplies of milk for the Great Basin market and the surplus production for other markets handled at such plant are likely to result in increasing its total milk receipts at the plant to the point where less than 50 percent of these receipts would be disposed of on routes.

Producer associations representing substantially more than two-thirds of the producers on the market expressed support of the suspension action. There was no opposition to it.

It is hereby found and determined that 30 days' notice of the effective date hereof is impractical, unnecessary, and contrary to the public interest in that:

(a) This suspension is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area;

(b) This suspension order does not require of persons affected substantial or extensive preparation prior to the effective date; and

(c) Notice of proposed rulemaking was given interested parties and they were afforded opportunity to file written data, views, or arguments concerning this suspension.

Therefore, good cause exists for making this order effective upon publication in the FEDERAL REGISTER.

It is therefore ordered, That the aforesaid provisions of the order are hereby suspended for May and June 1971.

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

Effective date: Upon publication in the FEDERAL REGISTER (5–26–71).

Signed at Washington, D.C., on May 20, 1971.

RICHARD E. LYNG,
Assistant Secretary.

[FR Doc.71-7302 Filed 5-25-71;8:48 am]

[Rev. 3; Amdt. 6]

PART 1475—EMERGENCY FEED PROGRAM

Subpart—Livestock Feed Program

PRICING OF GRAINS

The regulations issued by the Commodity Credit Corporation published in 29 F.R. 13475, 30 F.R. 2854, 6909, 31 F.R. 13532, 32 F.R. 14372, and 34 F.R. 14206 which contain specific requirements for the continuing Livestock Feed Program are amended to reduce the prices for feed grains for primary livestock from 80 percent to 75 percent, and for secondary livestock from 105 percent to 100 percent, respectively of the county base price.

Accordingly, paragraphs (a) and (b) respectively of section 1475.208 are amended to read as follows:

§ 1475.208 Pricing of grains.

(a) *Price for primary livestock.* The sales price of feed grain approved for primary livestock shall be 75 percent of the applicable county base price.

(b) *Price for secondary livestock.* The sales price of feed grain approved for secondary livestock shall be 100 percent of the applicable county base price.

* * * * *

(Secs. 1–4, 73 Stat. 574, as amended; secs. 407, 421, 63 Stat. 1055, as amended; secs. 4 and 5 of 62 Stat. 1070, as amended; 7 U.S.C. 1427; 15 U.S.C. 714 b and c)

Effective date. Upon filing with the Director, Office of the Federal Register.

Signed at Washington, D.C., on May 20, 1971.

KENNETH E. FRICK,
Executive Vice President, Commodity Credit Corporation.

[FR Doc.71-7338 Filed 5-25-71;8:53 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. 71-562]

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, paragraphs (e) and (f) are amended and paragraph (g) is reissued to read as follows:

§ 76.2 Notices relating to existence of hog cholera; prohibition of movement of any hog cholera virus, exceptions; spread of disease through raw garbage; regulations; quarantines; eradication States; and free States.

* * * * *

(e) *Notice of quarantine.* Notice is hereby given that because of the existence of hog cholera in the States of Indiana, Massachusetts, New Jersey, North Carolina, Texas, and The Commonwealth of Puerto Rico, and the nature and extent of outbreaks of this disease, the following areas are quarantined because of said disease:

(1) *Indiana.* The adjacent portions of De Kalb and Allen Counties comprised of all of Butler Township in De Kalb County and the adjoining portion of Perry Township in Allen County bounded

by a line beginning at the junction of State Highway 3 and the Allen-De Kalb County line; thence, following State Highway 3 in a southeasterly direction to the Cedar Canyon Road; thence, following the Cedar Canyon Road in a generally easterly direction to Vandalaha Road; thence, following Vandalaha Road in an easterly direction to the Perry-Cedar Creek Township line; thence, following the Perry-Cedar Creek Township line in a northerly direction to the Allen-De Kalb County line; thence, following the Allen-De Kalb County line in a westerly direction to its junction with State Highway 3.

(2) *Massachusetts.* (i) That portion of Bristol County comprised of Seekonk and Rehoboth towns.

(ii) That portion of Worcester County comprised of Princeton, Sterling, and West Boylston towns.

(3) *New Jersey.* The adjacent portions of Camden and Gloucester Counties bounded by a line beginning at the junction of State Highway 42 and County Highway 113; thence, following County Highway 113 in a southwesterly direction to County Highway 66; thence, following County Highway 66 in a westerly direction to County Highway 87; thence, following County Highway 87 in a northwesterly direction to State Highway 47; thence, following State Highway 47 in a northeasterly direction to the Bull Run Creek; thence, following the east bank of the Bull Run Creek in a generally northeasterly direction to the Gloucester-Camden County line; thence, following the Gloucester-Camden County line in a generally northeasterly direction to U.S. Highway 42; thence, following U.S. Highway 42 in a southeasterly direction to State Highway 42; thence, following State Highway 42 in a southeasterly direction to its junction with County Highway 113.

(4) *North Carolina.* (i) That portion of Bertie County bounded by a line beginning at the junction of U.S. Highway 17 and the west bank of the Cashie River; thence, following the west bank of the Cashie River in a generally southeasterly direction to the north bank of the Roanoke River; thence, following the north bank of the Roanoke River in a southwesterly then northwesterly and then southwesterly direction to U.S. Highway 17, 13; thence, following U.S. Highway 17, 13 in a northeasterly direction to the St. Francis Church Road; thence, following the St. Francis Church Road in a generally northwesterly direction to Secondary Road 1100; thence, following Secondary Road 1100 in a generally northeasterly direction to U.S. Highway Bypass 13; thence, following U.S. Highway Bypass 13 in a southeasterly direction to U.S. Highway Bypass 17; thence, following U.S. Highway Bypass 17 in a northeasterly direction to U.S. Highway 17; thence, following U.S. Highway 17 in a southeasterly direction to its junction with the west bank of the Cashie River.

(ii) The adjacent portions of Bladen and Pender Counties bounded by a line beginning at the junction of State Highway 53 and Secondary Road 1539 in Bladen County; thence, following State Highway 53 in an easterly direction to State Highway 210; thence, following State Highway 210 in a generally northerly direction to Secondary Road 1550; thence, following Secondary Road 1550 in a southeasterly direction to the Black River; thence, following the west bank of the Black River in a generally southeasterly direction to State Highway 210 in Pender County; thence, following State Highway 210 in a southwesterly direction to Secondary Road 1103; thence, following Secondary Road 1103 in a southeasterly direction to Secondary Road 1104; thence, following Secondary Road 1104 in a southwesterly then northwesterly direction to Secondary Road 1105; thence, following Secondary Road 1105 in a southwesterly direction to Secondary Road 1539 in Bladen County; thence, following Secondary Road 1539 in a northwesterly direction to its junction with State Highway 53.

(iii) That portion of Northampton County bounded by a line beginning at the junction of the east bank of the Roanoke River and the east bank of the Gumberry Swamp; thence, following the east bank of the Gumberry Swamp in a generally northerly direction to Secondary Road 1126; thence following Secondary Road 1126 in a northeasterly direction to U.S. Highway 158; thence, following U.S. Highway 158 in a northeasterly direction to Secondary Road 1108; thence, following Secondary Road 1108 in a southeasterly direction to Secondary Road 1121; thence, following Secondary Road 1121 in a northeasterly direction to Secondary Road 1122; thence, following Secondary Road 1122 in a generally easterly direction to State Highway 305; thence, following State Highway 305 in a southeasterly direction to Secondary Road 1503; thence, following Secondary Road 1503 in a northeasterly direction to Secondary Road 1514; thence following Secondary Road 1514 in a southeasterly direction to Secondary Road 1514 in a southeasterly direction to Secondary Road 1502; thence following Secondary Road 1502 in a southwesterly direction to the east bank of the Bear Swamp; thence, following the east bank of the Bear Swamp in a southeasterly direction to the north bank of the Urahaw Swamp; thence, following the north bank of the Urahaw Swamp in a northeasterly direction to the Seaboard Coast Line Railroad; thence, following the Seaboard Coast Line Railroad in a southwesterly direction to U.S. Highway 258; thence, following U.S. Highway 258 in a generally southwesterly direction to the Roanoke River; thence, following the east bank of the Roanoke River in a generally northwesterly direction to its junction with the east bank of the Gumberry Swamp.

(iv) That portion of Sampson County bounded by a line beginning at the junction of Secondary Roads 1425 and 1414; thence, following Secondary Road 1425 in a northeasterly direction to Secondary Road 1006; thence, following Secondary Road 1006 in a northeasterly direction to Secondary Road 1446; thence, following Secondary Road 1446 in a northeasterly direction to Secondary Road 1449; thence, following Secondary Road 1449 in an easterly direction to Secondary Road 1450; thence, following Secondary Road 1450 in a northeasterly direction to Secondary Road 1451; thence, following Secondary Road 1451 in an easterly direction to Secondary Road 1452; thence, following Secondary Road 1452 in a northerly direction to Secondary Road 1453; thence, following Secondary Road 1453 in a northeasterly direction to Secondary Road 1454; thence, following Secondary Road 1454 in a southeasterly direction to Secondary Road 1471; thence, following Secondary Road 1471 in an easterly direction to Secondary Road 1002; thence, following Secondary Road 1002 in a southeasterly direction to Secondary Road 1470; thence, following Secondary Road 1470 in a southeasterly direction to Secondary Road 1456; thence, following Secondary Road 1456 in a southeasterly direction to Secondary Road 1338; thence, following Secondary Road 1338 in a southwesterly direction to Secondary Road 1006; thence, following Secondary Road 1006 in a westerly direction to Secondary Road 1434; thence, following Secondary Road 1434 in a southerly direction to Secondary Road 1326; thence, following Secondary Road 1326 in a southwesterly direction to Secondary Road 1414; thence, following Secondary Road 1414 in a southwesterly direction to its junction with Secondary Road 1425.

(5) *Texas.* (i) All of Collin, Harris, Galveston, Liberty, Montgomery, San Jacinto, and Tom Green Counties.

(ii) That portion of the State of Texas comprised of all of Bell, Bosque, Callahan, Comanche, Eastland, Ellis, Erath, Hill, Hood, Johnson, McLennan, Somervell, Tarrant, and Williamson Counties and portions of Brown, Coleman, Coryell, Falls, Hamilton, Limestone, Mills, Navarro, Palo Pinto, Parker, Shackelford, Stephens, and Taylor Counties, and bounded by a line beginning at the junction of the Tarrant-Dallas-Ellis County lines; thence, following the Dallas-Ellis County line in an easterly direction to the junction of the Dallas-Ellis-Kaufman County lines; thence, following the Kaufman-Ellis County line in a southeasterly direction to the junction of the Kaufman-Ellis-Henderson County lines; thence, following the Ellis-Henderson County line in a southeasterly direction to the junction of the Ellis-Henderson-Navarro County lines; thence, following the Ellis-Navarro County line in a southwesterly 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 southwesterly direction to the Navarro-Freestone County line; thence, following the Navarro-Freestone County line in a southwesterly direction

to the junction of the Navarro-Freestone-Limestone County lines; thence, following the Limestone-Freestone County line in a southeasterly direction to State Highway 14 in Limestone County; thence, following State Highway 14 in a southwesterly direction to State Highway 7 in Limestone County; thence, following State Highway 7 in a southwesterly direction to State Highway 320 in Falls County; thence, following State Highway 320 in a southwesterly direction to the Bell-Falls County line; thence, following the Bell-Falls County line in a southeasterly direction to the junction of the Bell-Milam-Falls County lines; thence, following the Bell-Milam County line in a southwesterly direction to the junction of the Bell-Milam-Williamson County lines; thence, following the Williamson-Milam County line in a southeasterly direction to the junction of the Williamson-Milam-Lee County lines; thence, following the Williamson-Lee County line in a southwesterly direction to the junction of the Williamson-Lee-Bastrop County lines; thence, following the Williamson-Bastrop County line in a generally northwesterly direction to the junction of the Williamson-Bastrop-Travis County lines; thence, following the Williamson-Travis County line in a generally northwesterly direction to the junction of the Williamson-Travis-Burnet County lines; thence, following the Williamson-Burnet County line in a northeasterly direction to the junction of the Williamson-Burnet-Bell County lines; thence, following the Bell-Burnet County line in a northwesterly direction to the junction of the Bell-Burnet-Lampasas County lines; thence, following the Bell-Lampasas County line in a northerly direction to the junction of the Bell-Lampasas-Coryell County lines; thence, following the Bell-Coryell County line in a northeasterly 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 in Parker County; 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 junction of the Parker-Palo Pinto-Jack County lines; thence, following the Parker-Jack County line in an easterly direction to the junction of the Parker-Jack-Wise County lines; thence, following the Parker-Wise County line in an easterly direction to the junction of the Parker-Tarrant-Wise County lines; thence, following the Tarrant-Wise County line in an easterly direction to the junction of the Tarrant-Wise-Denton County lines; thence, following the Tarrant-Denton County line in an easterly direction to the junction of the Tarrant-Denton-Dallas County lines; thence, following the Tarrant-Dallas County line in a southerly direction to its junction with the Ellis County line.

(6) *The Commonwealth of Puerto Rico.* The entire Commonwealth.

(f) Notice is hereby given that there is no clinical evidence that the virus of hog cholera exists in swine in the following States, that systematic procedures are in effect to detect and eradicate the disease should it appear within any of such States, and that such States are designated as hog cholera eradication States:

Alabama.	Mississippi.
Arkansas.	Nebraska.
Connecticut.	New Hampshire.
Delaware.	New Mexico.
Florida.	New York.
Hawaii.	Oklahoma.
Illinois.	Pennsylvania.
Kansas.	Rhode Island.
Louisiana.	South Carolina.
Maryland.	Tennessee.
Minnesota.	Virginia.

(g) Notice is hereby given that a period of more than 1 year has passed since there has been clinical evidence that the virus of hog cholera exists in the following States, that more than 1 year has passed since systematic procedures were placed in effect to exclude the virus of hog cholera and to detect and eradicate the disease should it appear within any of such States, and that the virus of hog cholera has been eradicated from such States and such States are designated as hog cholera free States:

Alaska.	North Dakota.
California.	Oregon.
Georgia.	South Dakota.
Idaho.	Utah.
Iowa.	Vermont.
Kentucky.	Washington.
Michigan.	West Virginia.
Montana.	Wisconsin.
Nevada.	Wyoming.

(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 amendments shall become effective upon issuance.

The amendments exclude a portion of Mercer County, Ohio, and portions of Greene, Lenoir, and Wayne Counties in North Carolina, 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 areas, 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 excluded areas. No areas in Ohio or Greene, Lenoir, and Wayne Counties in North Carolina remain under the quarantine. No other changes are made in § 76.2(e), but all presently effective provisions of § 76.2(e) are set forth above for convenient reference.

The amendments delete New Jersey 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 New Jersey. The amendments add Louisiana, New Hampshire, and Rhode Island to 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 applicable to Louisiana, New Hampshire, and Rhode Island.

The provisions above also include without amendment the text of § 76.2(g) which continues in effect. In this respect, the provisions do not change the rights or duties of any person.

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 21st day of May 1971.

F. J. MULHERN,
Acting Administrator,
Agricultural Research Service.

[FR Doc.71-7336 Filed 5-25-71;8:51 am]

Chapter III—Consumer and Marketing Service (Meat Inspection), Department of Agriculture

PART 319—DEFINITIONS AND STANDARDS OF IDENTITY OR COMPOSITION

Use of Butylated Hydroxyanisole and Butylated Hydroxytoluene in the Animal Fats in Margarine Products

Pursuant to the authority conferred by sections 7 and 21 of the Federal Meat

Inspection Act, as amended (21 U.S.C. 607, 621) the Consumer and Marketing Service hereby amends § 319.700 of the Federal Meat Inspection Regulations (9 CFR 319.700) to permit the optional use of the oxygen interceptors BHA (butylated hydroxyanisole) and BHT (butylated hydroxytoluene) in the animal fat ingredients of oleomargarine or margarine.

Statement of considerations. The Department of Health, Education, and Welfare has amended the standard of identity for oleomargarine or margarine (36 F.R. 977) under the Federal Food, Drug and Cosmetic Act (21 U.S.C. 301 et seq.) to provide for the use, within specific limitations, of BHA (butylated hydroxyanisole) and/or BHT (butylated hydroxytoluene) in the animal fat ingredients of these products. BHA and BHT are added to virtually all of the rendered animal fats prepared by official establishments under the Federal Meat Inspection Act. This situation makes it increasingly difficult for the margarine industry to purchase rendered animal fats which do not include these antioxidants. This creates procurement problems for margarine manufacturers since the quantities of animal fats needed to provide for continuous production are not always available. This uncertain supply situation causes economic problems in the production of margarines that adversely affect the demand for animal fats which are otherwise excellent ingredients of margarine products.

BHA and BHT are listed by the Department of Health, Education, and Welfare as food additives generally recognized as safe in amounts not in excess, for a total of combined antioxidants, of 0.02 percent of the fat or oil content, including essential (volatile) oil content of foods. The antioxidants are authorized by regulations for use in various federally inspected products, e.g. dry sausages, rendered animal fats alone or in combination with vegetable fats, fresh pork sausages, and dried meats. The use of BHA and BHT in margarine has been approved by the Codex Alimentarius Commission and is incorporated in the International Margarine Standard that is in the process of being transmitted to the U.S. Government for review.

Vegetable oils unlike animal fats contain significant quantities of tocopherols which are natural antioxidants.

Accordingly, the Federal Meat Inspection Regulations are hereby amended as follows:

1. In § 319.700(a)(3), new paragraph (xiii) is added and subparagraph (1) of paragraph (b) is amended to read:

§ 319.700 Oleomargarine or margarine.

(a) * * *

(3) * * *

(xiii) BHA (butylated hrdoxyanisole) or BHT (butylated hydroxytoluene), or a combination of these, incorporated in any animal fat ingredient permitted by subdivision (1)(i) of this paragraph, in an amount not to exceed 0.02 percent by weight of such animal fat content.

* * * * *

(b) * * *

(1) Fat ingredients shall be declared first in the ingredient statement by the name of the specific fat or oil or stearin used. Where combinations of fat ingredients are used, the names shall be arranged in order of decreasing predominance. If any fat ingredient is hydrogenated, the ingredient statement shall include the word "hydrogenated" or "hardened" at such place or places in the list of fats as to indicate which fats are hydrogenated; for example, "corn oil, hardened soybean oil." If any animal fat ingredient contains an ingredient provided for in paragraph (a)(3)(xiii) of this section, the statement "with _____ _____ added as (a) preservative(s) or with _____ added to retard rancidity" shall appear at such place or places in the list of fats as to indicate which animal fats contain these ingredients. The blank is to be filled in with "BHA" and/or "BHT" as appropriate; for example, "beef fat with BHA and BHT added as preservatives".

* * * * *

(Secs. 7 and 21, 34 Stat. 1262 and 1264, as amended; 21 U.S.C. 607, 621; 29 F.R. 16210, as amended; 33 F.R. 10750)

The foregoing amendments relieve restrictions and conform the standard for oleomargarine and margarine under the Federal Meat Inspection Act to the corresponding standard under the Federal Food, Drug, and Cosmetic Act, with respect to the use of BHA and BHT in such products. The Federal Meat Inspection Act requires that standards under its provisions shall not be inconsistent with standards under the Federal Food, Drug, and Cosmetic Act. It does not appear that public participation in rule making on these amendments would make additional relevant information available to this Department. Therefore under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that such public participation in connection with the amendments is impracticable and unnecessary and the amendments may be made effective less than 30 days after publication hereof.

The amendments shall become effective upon the date of publication in the FEDERAL REGISTER (5–26–71).

Done at Washington, D.C., on: May 21, 1971.

CLAYTON YEUTTER,
Administrator,
Consumer and Marketing Service.

[FR Doc.71–7335 Filed 5–25–71;8:51 am]

Title 12—BANKS AND BANKING

[No. 71–464]

Chapter V—Federal Home Loan Bank Board

SUBCHAPTER C—FEDERAL SAVINGS AND LOAN SYSTEM

PART 545—OPERATIONS

Unsecured Loans

MAY 20, 1971.

Resolved, That the Federal Home Loan Bank Board considers it advisable to amend § 545.8 of the rules and regulations for the Federal Savings and Loan System (12 CFR 545.8) for the purpose of increasing the maximum loan term permitted on certain loans made pursuant to said section from 8 to 10 years. Accordingly, on the basis of such consideration and for such purpose, the Federal Home Loan Bank Board hereby amends said § 545.8 by revising subparagraph (5) of paragraph (b) thereof to read as follows, effective May 26, 1971:

§ 545.8 Unsecured loans.

Any Federal association that has amended Charter K by the addition thereto of section 14.1 and any Federal association which has a charter in any other form not inconsistent with the provisions of this section may, upon adoption of such a loan plan by its board of directors, make or purchase:

* * * * *

(b) Simple-interest, discount, or gross-charge loans for property alteration, repair, or improvement without the security of a lien upon such property: *Provided,* That:

* * * * *

(5) Each such loan is repayable in regular monthly installments within a period of 10 years:

* * * * *

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

Resolved further That, since 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] JACK CARTER,
Secretary.

[FR Doc.71–7308 Filed 5–25–71;8:49 am]

[71–475]

PART 545—OPERATIONS

Service Corporations

MAY 20, 1971.

Resolved That the Federal Home Loan Bank Board considers it advisable to amend § 545.9–1 of the rules and regulations for the Federal Savings and Loan System (12 CFR 545.9–1) for the purpose of relieving certain restrictions on activities of service corporations in which Federal savings and loan associations have an investment with respect to (1) acquisition of real estate from "insured institutions" to provide housing and (2) serving as insurance agent or broker without

the specific advance approval of the Federal Home Loan Bank Board. Accordingly, the Federal Home Loan Bank Board hereby amends said § 545.9–1 as follows, effective May 26, 1971:

1. Subparagraph (4) of paragraph (a), subparagraph (2) of paragraph (b), and paragraph (i) of said § 545.9–1 are hereby revised to read as follows:

§ 545.9–1 Service corporations.

(a) *General service corporations.* * * *

(4) Substantially all of the activities of such service corporation, performed directly or through one or more wholly-owned subsidiaries, consist of one or more of the following:

(i) Originating, purchasing, selling, and servicing loans, and participations in loans, secured by first liens upon real estate and mobile homes, including brokerage and warehousing of such real estate and mobile home loans;

(ii) Originating, purchasing, selling, and servicing educational loans;

(iii) Making any investment of the types specified in §§ 545.9 and 545.9–3;

(iv) Performing the following services, primarily for savings and loan associations with home offices in the same State, District, Commonwealth, territory, or possession:

(*a*) Clerical services, accounting, data processing, and internal auditing;

(*b*) Credit information, appraising, construction loan inspection, and abstracting;

(*c*) Development and administration of personnel benefit programs, including life insurance, health insurance, and pension or retirement plans;

(*d*) Research, studies, and surveys;

(*e*) Purchasing of office supplies, furniture, and equipment;

(*f*) Development and operation of storage facilities for microfilm or other duplicate records;

(*g*) Advertising and other services to procure and retain both savings accounts and loans.

(v) Acquisition of unimproved real estate lots, and other unimproved real estate for the purpose of prompt development and subdivision, principally for construction of housing or for resale to others for such construction, or for use as mobile home sites;

(vi) Development and subdivision of, and construction of improvements (including improvements to be used for commercial or community purposes, when incidental to a housing project) for sale or for rental on, real estate referred to in subdivision (v) of this subparagraph;

(vii) Acquisition of improved residential real estate and mobile homes to be held for rental;

(viii) Acquisition of improved residential real estate for remodeling, rehabilitation, modernization, renovation, or demolition and rebuilding for sale or for rental;

(ix) Maintenance and management of rental real estate referred to in subdivisions (vi), (vii), and (viii) of this subparagraph, and any real estate owned by holders of its capital stock;

(x) Participation in any manner (without regard to the requirement that activities be performed directly or through a wholly owned subsidiary) with any service corporation which meets the requirements of this section, or with any nonprofit organization in any of the activities referred to in subdivisions (v) through (ix) of this subparagraph or activities reasonably incidental thereto;

(xi) Serving as insurance broker or agent, primarily dealing in policies for savings and loan associations, their borrowers and accountholders, which provide protection such as homeowners', fire, theft, automobile, life, health, and accident, but excluding title insurance and private mortgage insurance;

(xii) Activities reasonably incidental to the activities described in the foregoing subdivisions of this subparagraph (4); and

(xiii) Such other activities, including a joint venture in any other activity or in any activity specified in this subparagraph (4), as the Board may approve upon application therefor by any such service corporation or otherwise.

(b) *Other service corporations.* * * *

(2) The activities of such corporation, performed directly or through one or more wholly owned subsidiaries, consist solely of one or more of the activities specified in subdivisions (i) through (xii) of paragraph (a)(4) of this section, and such other activities, including acting as escrow agent or trustee under deeds of trust, and including a joint venture in any such other activity or any activity specified in said subdivisions (i) through (xii) in paragraph (a)(4) of this section, as the Board may approve upon application therefor by such corporation or otherwise; and

* * * * *

(i) *Limitation on activities.* The activities which are specified in this section for service corporations in which Federal associations may invest do not include their use to acquire "scheduled items", as defined in § 561.15 of this chapter, from an "insured institution," as defined in § 561.1 of this chapter, except that any real estate owned by any "insured institution" may be acquired by a service corporation for the purpose of providing housing.

* * * * *

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

Resolved further that, since the above amendments effect certain technical changes which relieve restrictions, the Board hereby finds that notice and public procedure on said amendments are unnecessary under the provisions of 12 CFR 508.11 and 5 U.S.C. 553(b); and the Board also finds, for the same reason, that publication for the 30-day period specified in 12 CFR 508.14 and 5 U.S.C. 553(d) prior to the effective date of the amendments are unnecessary; and the Board hereby provides that the amendments shall become effective as hereinbefore set forth.

By the Federal Home Loan Bank Board.

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

[FR Doc.71–7360 Filed 5–25–71;8:54 am]

SUBCHAPTER D—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

[71–476]

PART 561—DEFINITIONS

Definition of Scheduled Items

MAY 20, 1971.

Resolved, That the Federal Home Loan Bank Board considers it advisable to amend § 561.15 of the rules and regulations for Insurance of Accounts (12 CFR 561.15) for the purpose of broadening the definition of scheduled items to include certain real estate transferred by an insured institution to certain corporations. Accordingly, the Federal Home Loan Bank Board hereby amends said § 561.15 by adding immediately after paragraph (g) thereof, a new paragraph (h) to read as follows, effective May 26, 1971:

§ 561.15 Scheduled items.

* * * * *

(h) Real estate transferred by an insured institution to a service corporation referred to in § 545.9–1 of this chapter, or to any other corporation in which an insured institution has an investment, to the same extent that it, or the amount invested therein, would be counted as a scheduled item, if it had not been so transferred, under paragraphs (c), (d), and (g) of this section.

(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, in conjunction with a contemporaneous amendment of § 545.9–1(i) of the rules and regulations for the Federal Savings and Loan System (12 CFR 545.9–1), effects a technical change which relieves restrictions on transfer of real estate to service corporations, the Board hereby finds that notice and public procedure on said amendment are unnecessary under the provisions of 12 CFR 508.11 and 5 U.S.C. 553(b); and the Board also finds, for the same reason, that publication for the 30-day period specified in 12 CFR 508.14 and 5 U.S.C. 553(d) prior to the effective date of the amendment is unnecessary; and the Board hereby provides that the amendment shall become effective as hereinbefore set forth.

By the Federal Home Loan Bank Board.

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

[FR Doc.71–7361 Filed 5–25–71;8:54 am]

Title 15—COMMERCE AND FOREIGN TRADE

Chapter X—Office of Foreign Direct Investments, Department of Commerce

[1970 General Bulletin; Supp. 1]

PART 1000—FOREIGN DIRECT INVESTMENT REGULATIONS

Supplementary Interpretative Analyses and Statements

Notice is hereby given that the Office of Foreign Direct Investments ("OFDI") has issued the following Supplement No. 1 to the 1970 General Bulletin ("Supplement No. 1"). The 1970 General Bulletin [35 F.R. 15671] shall be applicable to the Foreign Direct Investment Regulations (the "regulations") in effect for 1971, except as modified by this supplement to reflect amendments to the regulations or to clarify certain positions and policies of OFDI.

Supplement No. 1 is principally interpretive and, to the extent that any provision of the regulations or other official OFDI publications may be modified, the changes are generally in the nature of liberalization or clarification. Accordingly, publication in proposed form for comment is not deemed necessary in the public interest.

Effective date. Supplement No. 1, as set forth below, shall be effective on the date of publication in the FEDERAL REGISTER (5–26–71).

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

DONALD P. KATZ,
Director, Office of Foreign Direct Investments.

MAY 18, 1971.

EDITORIAL NOTE: The foreign Direct Investment Regulations are published in Title 15, Chapter X, Part 1000 of the Code of Federal Regulations (CFR). All sections of the regulations contained in CFR are preceded by the designation "1000" (e.g., § 1000.201). The "1000" designation has, for convenience, been eliminated from section references contained in Supplement No. 1. Sections of the 1970 General Bulletin correspond to section numbers of the regulations but are distinguished by the use of the prefix "B" and a hyphenated numeral suffix indicating major topical divisions of the analytical discussion (e.g., § B201–3). Sections of Supplement No. 1 correspond similarly to section numbers of the regulations but are distinguished by the use of the prefix "S" and a hyphenated numeral suffix indicating the related topical division in the corresponding section of the 1970 General Bulletin (e.g., § S312–18 modifies § B312–18). The abbreviations "DI" and "AFN" are used to refer to "direct investor" and "affiliated foreign national", respectively.

Table of Contents for Supplement No. 1.

Introduction.

Supplement No. 1 contains a description of the 1971 amendments to the regulations and expands the treatment of certain topics covered in the 1970 General Bulletin.

Program changes in 1971.

The major changes made in the Foreign Direct Investment Program for 1971 are:

(i) *Section 503 minimum allowable.* The amount of positive direct investment that DIs may make under the § 503 worldwide minimum allowable has been increased from $1 million to $2 million.

(ii) *Section 507 alternative minimum and Schedule A supplemental allowable.* The amount of positive direct investment that DIs may make in Schedules B and C under the § 507(a)(1) alternative minimum allowable has been increased from $1 million to $2 million. To the extent that the increased Schedules B/C allowable is not used in Schedules B/C, it may be "downstreamed" to Schedule A under § 507(b), thereby increasing the amount of positive direct investment that is authorized for Schedule A under § 507 to a maximum of $6 million.

(iii) *Section 504(b) schedular earnings allowable.* The amount of positive direct investment that DIs may make in each scheduled area under the § 504(b) earnings allowable has been increased from 30 percent to 40 percent of annual earnings in the scheduled area during the immediately preceding year. Correspondingly, the maximum "upstream" adjustment to historical allowables that is provided under § 504(c) has been increased from 30 percent to 40 percent of annual earnings during the immediately preceding year.

(iv) *Section 1302 foreign air transport allowable.* Section 1302(a) has been amended to increase the amount of positive direct investment authorized by Subpart M of the regulations from 30 percent to 40 percent of a DI's aggregate annual foreign air transport earnings during the immediately preceding year.

(v) *Section 203(c)(2) liquid foreign balance exemption.* The exemption provided by § 203(c)(2) for liquid foreign balances that may be held by a DI at the end of each month has been increased from $25,000 to $100,000.

(vi) *Section 203(d)(1) available proceeds exemption.* The amount of available proceeds that may be held by a DI in the form of foreign balances or other foreign property at yearend free of the prohibitions of § 203(d)(1) has been increased from $25,000 to $100,000.

Text and examples in the 1970 General Bulletin that involve allowables or exempt amounts which were increased by the amendments for 1971 should be read in light of such increases. For example, an illustration of the calculation of the earnings allowable in the 1970 General Bulletin that uses 30 percent of annual earnings in 1969 to determine the 1970 earnings allowable correctly indicates the manner in which the earnings allowable is calculated; in 1971, however, the amount of the earnings allowable would be based on 40 percent of annual earnings in 1970.

Supplementary material.

The following interpretive analyses shall supplement the material contained in the corresponding sections of the 1970 General Bulletin:

§ S203–7 Limitation on amount of liquid foreign balances.

The material contained in § B203–7 concerning the amount of liquid foreign balances that may be held by a DI is supplemented in the following respect: Although compliance with § 203(c) is measured at the end of each month during any reporting period, all DIs should be aware that it is the intent of the limitation imposed by § 203(c) that the volume of liquid foreign balances held by any DI should not vary significantly over the course of a month.

The statement contained in § B203–7 concerning available proceeds held in the form of liquid foreign balances is supplemented in the following respect: Available proceeds that may be held in the form of liquid foreign balances outside the limitations of § 203(c) are

proceeds of long-term foreign borrowing (i.e., funds or other property received by a DI from the first purchaser or holder in exchange for the debt obligation issued or created in connection with such borrowing) that have not been expended or allocated. The amount of proceeds of long-term foreign borrowing is equal to the gross amount or value of funds or other property received by a DI in connection with its borrowing (see § 324(c)).

To the extent that the gross amount of a borrowing exceeds the net amount actually received by the DI after discounts, commissions or fees are deducted, any funds or other property may be designated and thereafter must be treated as though received by the DI in connection with its borrowing. Such funds or other property shall be identified on the books and records required to be maintained by the DI pursuant to § 203(b). Funds or other property so designated may include amounts transferred from the United States or interest earned on foreign bank deposits. If such funds or other property thereby constitute available proceeds, they may be held in the form of liquid foreign balances outside the limitations of § 203(c) but subject to the prohibition of § 203(d)(1).

It should be noted that if a borrowing that was treated as long-term foreign borrowing is retroactively disqualified by reason of repayment within 12 months, the available proceeds exemption from the limitations of § 203(c) will retroactively cease to apply to proceeds of such borrowing that were held in the form of liquid foreign balances. Such proceeds should be reported as liquid foreign balances on the amended or subsequent reports on Form FDI–102/102F required to be filed after the disqualification of the borrowing (see § S324–4).

§ S203–8 Available proceeds of long-term foreign borrowing: Effect on positive net transfer of capital.

The introductory statement contained in § B203–8 concerning the prohibition against making a positive net transfer of capital that results in positive direct investment during any year at the end of which a DI holds available proceeds of long-term foreign borrowing in the form of foreign property is modified to read as follows:

Section 203(d)(1) prohibits a DI that elects a § 504 allowable pursuant to § 502 and holds more than $100,000 of available proceeds of long-term foreign borrowing in the form of foreign property at yearend from making a positive net transfer of capital to any scheduled area, to the extent such positive net transfer of capital would result in positive direct investment for such year, unless the positive direct investment is authorized by § 1002. Section 203(d)(1) does not apply to DIs electing the § 503 or § 507 allowables.

For purposes of § 203(d)(1), a DI need not take into account positive direct investment that occurs by reason of interschedular transfers of capital charged against an allowable "downstreamed" pursuant to § 504(d). Under § 505, transfers of capital between AFNs in different scheduled areas are attributed to the DI. Under § 504(d), a DI is permitted to "downstream" unused schedular allowables without limitation. Accordingly, circumstances may arise where, by reason of § 505, positive direct investment charged to a DI in a scheduled area will be authorized only by application of § 504(d). If, as of yearend, the DI holds available proceeds, such positive direct investment would be prohibited by a literal application of § 203(d)(1). However, § 203(d)(1) is construed as being inapplicable to positive direct investment arising from a § 505 transfer of capital that is charged against a DI's § 504(d) allowable.

It should be noted that a positive net transfer of capital to a scheduled area may result from failure to remit earnings of unincorporated AFNs in such scheduled area. To the extent that such positive net transfer of capital would result in positive direct investment, it is prohibited by § 203(d)(1) if the DI holds more than $100,000 of available proceeds in the form of foreign property at yearend and elects a § 504 allowable.

§ S304–4 Foreign nationals.

(iii) *Business ventures.* The description of business ventures contained in § B304–4(iii) is clarified in the following respect: A vessel owned directly by a DI is not a foreign national for the purposes of the regulations, whether or not such vessel is registered in the United States. The transfer of title to a vessel or of rights under a contract for the construction of a vessel by a DI to its incorporated AFN is a transfer of capital under § 312(a) in the amount of the market value of the vessel or of progress payments already made for the construction of the vessel, respectively. Earnings or losses from the operation of a vessel that is owned or chartered by an incorporated AFN are treated as earnings or losses of such AFN. A vessel, support vessel or drilling barge that is owned directly by a DI but operated by a business venture AFN shall be assigned a value of zero (and related liabilities or depreciation charges shall be excluded) in computing aggregate net assets of such business venture.

§ S306–6 Reinvested earnings of incorporated AFNs.

(i) *Total earnings.* The statement contained in § B306–6(i) concerning the computation of total earnings of incorporated AFNs is clarified in the following respect: Extraordinary gains and losses of an incorporated AFN (including gains or losses resulting from the expropriation of assets of the AFN by the government of a foreign country or from sales by the AFN of interests in other AFNs), casualty insurance proceeds to the extent that they exceed the value of the assets lost or damaged and proceeds of business interruption insurance should generally be included in earnings or losses of such AFNs.

§ S312–10 DI's satisfaction of an AFN's debt obligation.

The statement contained in § B312–10 concerning the assumption by a DI of an AFN's obligation is clarified in the following respect: In addition to involving a transfer of capital, a DI's assumption of an AFN's obligation in a transaction in which the AFN is relieved of liability will be deemed a borrowing by the DI from the former creditor of the AFN. The proceeds of such borrowing will be deemed to have been expended in making the transfer of capital involved in the assumption. Such borrowing by the DI may, depending on the facts and circumstances, qualify as long-term foreign borrowing under § 324(a). Thus, if during 1971 a DI assumes the debt obligation of its Schedule C AFN owed to a foreign bank and the AFN is relieved of liability to the foreign bank, the assumption is deemed to be a borrowing by the DI from the foreign bank, and the proceeds of the borrowing are deemed to have been expended in making the transfer of capital to the AFN arising out of the assumption. Such borrowing will qualify as long-term foreign borrowing, and an amount equal to the amount of proceeds deemed expended in making the transfer of capital shall be deducted by the DI in computing its net transfer of capital under § 313(d)(1), to the extent that it is not repaid within 12 months from the date of the assumption.

§ S312–11 Repayment of a DI's long-term foreign borrowing.

The material contained in § B312–11 concerning repayment of long-term foreign borrowing is supplemented as follows:

Repayment by an AFN of a DI's long-term foreign borrowing is a transfer of capital by the DI under § 312(a)(7) to the same extent and in the same manner as if the repayment had been made by the DI. Such repayment by an AFN also involves a transfer of capital by the AFN under § 312(b)(6). If a portion of the proceeds of long-term foreign borrowing has been expended or allocated, while the remainder constitutes available proceeds, a partial repayment by an AFN of such long-term foreign borrowing shall be treated first as a reduction of available proceeds (until the available proceeds are reduced to zero) and then as a transfer of capital under § 312(a)(7). See § B324–11. To the extent that any repayment by an AFN of a DI's long-term foreign borrowing reduces available proceeds, the transfer of capital by the AFN under § 312(b)(6) will exceed the transfer of capital by the DI under § 312(a)(7) involved in such repayment.

It should be noted that the transfer of capital under § 312(b)(6) is from the scheduled area in which the AFN making the repayment is located, while the transfer of capital under § 312(a)(7) is deemed to have been made to the scheduled area(s) in which proceeds of the DI's borrowing were expended or allocated at the time of the repayment.

Thus, if a DI made a long-term foreign borrowing of $5 million and expended $3 million of the proceeds in a loan to a Schedule C AFN, a $4 million repayment of such borrowing by a Schedule A AFN would reduce available proceeds from $2 million to zero and would involve two transfers of capital: A transfer of capital in the amount of $4 million from Schedule A under § 312(b)(6), and a transfer of capital in the amount of $2 million to Schedule C under § 312(a)(7).

§ S312–12 Lease of property by a DI to an AFN.

The statement contained in § B312–12 concerning subleases is clarified in the following respect: A sublease by a DI to an AFN of property that was leased by the DI from an unaffiliated foreign national involves a transfer of capital only to the extent that the annual rental paid by the AFN to the DI is less than that paid by the DI to the lessor. See § B312–12, Example 4. On the other hand, a sublease to an AFN of property leased by the DI from a U.S. person is treated in the same manner as a lease by the DI to its AFN, i.e., the sublease is treated as a transfer of capital to the AFN (in the amount of the market value of the property at the time of the sublease) if the property has a useful life at the time of the sublease of 1 year or more and is not required or expected to be returned to the DI in less than 1 year.

§ S312–13 Inducements for loans to a DI or to an AFN.

The material contained in § B312–13 concerning inducements for loans to a DI or AFN is supplemented as follows: An AFN's pledge, hypothecation or transfer of foreign balances or equity securities of a foreign corporation (other than securities of an AFN) in connection with a loan by a foreign national to another AFN of the same DI will involve a transfer of capital to the DI by the AFN making the pledge, hypothecation or transfer and a transfer of capital by the DI to the AFN receiving the loan, if either AFN is an affiliate of the DI. See § 505. The amount of both transfers of capital will be the lesser of (a) the value of the foreign balances or equity securities or (b) the amount borrowed by the second AFN. Thus, if DI's wholly owned AFN in Scheduled Area C pledges $800,000 with a foreign bank to secure a borrowing in the amount of $1 million by an AFN of the DI located in Scheduled Area A, the pledge will involve a transfer of capital from Scheduled Area C to the DI in the amount of $800,000 and from the DI to Scheduled Area A in the same amount.

§ S312–15 Transfers of capital by an AFN to a DI.

The material contained in § B312–15 concerning transfers of capital by an AFN to a DI is supplemented by the following subsection:

(iv) *Breach of warranty.* Payments to a DI resulting from breach of warranty or representations made by an unaffiliated foreign national seller in connection with the acquisition by the DI of an AFN are deemed to involve transfers of capital by the AFN to the DI.

§ S312–16 Sale of an AFN to an unaffiliated foreign national with deferred payment.

The material contained in § B312–16 concerning deferred payment sales of AFNs is supplemented as follows: If a DI receives a debt obligation of a foreign government or agency thereof as compensation for the expropriation of an AFN, no transfer of capital will result from the expropriation until the debt obligation is paid, or is sold by the DI to an unaffiliated foreign national for cash or other property (other than a debt obligation), or is sold by the DI to a bank or other financial institution subject to the Federal Reserve Board Foreign Credit Restraint Program and charged against the ceiling of such bank or institution under such Program. Such transfer of capital will be in the amount paid, in the amount of cash or property (other than another debt obligation) received from the unaffiliated foreign national or in the amount received from the bank or nonbank financial institution and charged against its ceiling or treated as a covered asset.

§ S312–18 Certain transactions not involving a transfer of capital; § 312(c).

(i) *Acquisition of an interest in an AFN by one DI from another DI and merger of DIs.* The material contained in § B312–18 concerning the treatment under § 312(c)(1) of the acquisition of an interest in an AFN by one DI from another DI and the merger of two or more DIs is modified to read as follows:

The transfer of an interest in an AFN by one DI to another DI may occur (i) in connection with the acquisition of such interest by one DI from the other DI, or (ii) in connection with some form of combination of two or more DIs. The acquisition of an interest in an AFN by one DI from another DI is treated under § 312(c)(1)(i); the combination of two or more DIs is treated under § 312(c)(1)(ii). Neither the acquisition nor the combination involves a transfer of capital, although the reporting requirement will vary depending upon the type of transaction between DIs.

When a DI acquires an equity interest in an AFN from another DI, there is no transfer of capital by either of the DIs, and the filing of Forms FDI–107 (formerly revised Forms FDI–101 and FDI–102F for the preceding year) by the acquiring and divesting DIs is required only if the DIs determine to transfer base period direct investment and prior years' annual earnings corresponding to the interest in the AFN being transferred. A condition for the transfer of such historical investment experience from the divesting to the acquiring DI is that all direct investment in the year of acquisition that corresponds to the interest transferred is deemed to have been made by the acquiring DI.

Form FDI–107 is a short form and contains the entries that are necessary to transfer historical investment experience and related allowables that may be available to the DIs under §§ 504 and 506. It should be used in connection with § 312(c)(1)(i) acquisitions occurring on or after June 1, 1971, and its use is recommended in connection with such acquisitions occurring during the period April 1 through May 31, 1971. The filing of revised Forms FDI–101 and FDI–102F shall continue to be effective with respect to acquisitions occurring prior to June 1, 1971.

If historical investment experience corresponding to the interest transferred is to be transferred from the divesting to the acquiring DI, Form FDI–107 must be filed by each DI on or before the end of the month following the close of the calendar quarter during which the transfer occurred. Whether or not Forms FDI–107 are filed, the acquiring and divesting DIs are required to report the change in ownership interest in an AFN on Supplement B to the next Form FDI–102 or FDI–102F filed by each DI.

As set forth in § 312(c)(1)(i), the result of filing Forms FDI–107 is that direct investment in the base period and the entire year of the acquisition which corresponds to the interest transferred is deemed to have been made by the acquiring DI, and annual earnings in the preceding year which correspond to the interest transferred are attributed to the acquiring DI. Deeming the direct investment in the base period to have been made by the acquiring DI effectively transfers, along with the interest in the AFN, the amount of historical allowable (§ 504(a)) that is based on such interest. Similarly, attributing annual earnings during the preceding year to the acquiring DI effectively transfers, along with the interest in the AFN, the amount of earnings allowable (§ 504(b)) and possible adjustment to historical allowable (§ 504(c)) that are based on such interest. In addition, the attribution to the acquiring DI of annual earnings in 1966 and 1967 corresponding to the interest transferred will affect the calculation of incremental earnings allowables (§ 506) that may be available to the acquiring and divesting DIs.

The filing of Form FDI–107 in the case of an acquisition of an interest in an AFN by one DI from another DI does not affect the following calculations: the amount of liquid foreign balances that may be held by either DI (§ 203(c)); carryforward and Schedule C reinvestment allowables (§ 504 (d), (e) and (f)).

In determining the amount of direct investment that corresponds to an equity interest in an AFN that is acquired by a DI from another DI, no deduction (under § 203(d)(2) or (3), § 306(e)(1), or § 313(d)(1)) for expenditure of proceeds of long-term foreign borrowing during the base period, or expenditure or allocation of such proceeds during the year of transfer, shall be made unless the acquiring DI assumes the obligation to repay the borrowing. If the acquiring

DI does assume such obligation, the deduction in computing direct investment is limited to the amount assumed by the acquiring DI, and the subsequent repayment of the borrowing will involve a transfer of capital under § 312(a)(7) by the acquiring DI. It should be noted that the repayment of borrowing after the obligation is assumed by an acquiring DI will involve a transfer of capital by such DI under § 312(a)(7), whether or not Forms FDI–107 are filed, to the extent that deductions were made during any period by the divesting DI in respect of such borrowing.

If an acquiring DI assumes an obligation to repay long-term foreign borrowing in connection with its acquisition of an interest in an AFN from another DI, the borrowing is not deemed to have been repaid but the acquiring DI must file a certificate on Form FDI–106 in order for positive direct investment resulting from the subsequent payment of the obligation being assumed to be authorized under § 1002(a). Such certificate should be filed with OFDI on or before the end of the month following the close of the calendar quarter during which the acquisition took place (together with Form FDI–107 if such form is filed) and should identify the original certificate being replaced and indicate that it is being filed in connection with a § 312(c)(1) transaction. The information in Items II through V of Form FDI–106 filed by the acquiring DI, including the date of the borrowing, will presumably remain the same as on the original certificate. In Item VI, the acquiring DI should certify on the basis of its own position with respect to the regulations and allowables thereunder.

When Forms FDI–107 have been filed by the acquiring and divesting DIs in connection with the transfer between them of an equity interest in an AFN, dividends that correspond to the interest that was transferred are reported as follows: Such dividends that were paid to the divesting DI during the base period are reported by the acquiring DI on Form FDI–107 in accordance with the manner in which the divesting DI elected to report dividends. Such dividends that were paid during the first 60 days of the year of transfer to a divesting DI which made the 60-day dividend election are reported by the divesting DI on Form FDI–102F for the preceding year. Such dividends that were paid during the first 60 days of the year of transfer to a divesting DI which did not make the 60-day dividend election are reported by the acquiring DI as having been paid during the year of transfer, whether or not the acquiring DI made the 60-day dividend election. Such dividends that were paid to the divesting DI after the first 60 days of the year of transfer are reported for such year by the acquiring DI. Such dividends that were paid to the acquiring DI during the year of transfer are reported by the acquiring DI in accordance with the manner in which the acquiring DI elected to report dividends.

If Forms FDI–107 are not filed within the prescribed period by both DIs in connection with the acquisition of an equity interest in an AFN by one DI from another DI, such acquisition will still not involve a transfer of capital and there will be no transfer of historical investment experience corresponding to the interest transferred. Earnings of the AFN during the year of transfer that correspond to the interest transferred should be prorated between the DIs on the basis of the fraction of the year during which the interest was held by each DI. Dividends are reported by the DI to which they were paid by the AFN in accordance with the manner in which such DI has elected to report dividends. Each DI should report the net transfer of capital that was actually made by it to the AFN during the year of transfer.

Prior specific authorizations issued to acquiring and divesting DIs will continue to be applicable except in cases where a § 312(c)(1)(i) transaction affects the amount of a specific authorization as the result of a change in a DI's Subpart E allowables. In such instances, OFDI should be consulted as to the continuing applicability of the specific authorization.

When two or more DIs combine by merger, consolidation, reorganization or otherwise, no transfer of capital is involved and the surviving DI is required to file Form FDI–107 on or before the end of the month following the close of the calendar quarter during which the combination occurs. The filing of revised Forms FDI–101 and FDI–102F shall continue to be effective with respect to combinations of DIs occurring prior to June 1, 1971. Form FDI–107 should be used in connection with combinations occurring on or after June 1, 1971, and its use is recommended in connection with combinations occurring during the period April 1 through May 31, 1971. In the following discussion, DIs that combine are referred to as "merging DIs", and a DI that results from a combination is referred to as the "surviving DI".

On Form FDI–107, the surviving DI shall report the aggregate amount of direct investment made by the merging DIs during the base period, the aggregate amount of annual earnings attributed to the merging DIs during 1966, 1967, and the year preceding the year in which the combination occurs, and the amount of liquid foreign balances held by the merging DIs during 1965, 1966, and 1967. Historical earnings and incremental earnings allowables that are available to the surviving DI, and the amount of liquid foreign balances that may be held at the end of any month by the surviving DI, will be based on the aggregate figures reported on Form FDI–107. In addition, carryforward and Schedule C reinvestment allowables that would have been authorized under § 504 (d), (e) and (f) to the merging DIs during the year in which the combination occurs will be authorized to the surviving DI if it elects § 504 allowables.

A borrowing made by merging DI and assumed by the surviving DI is not considered to have been repaid as a result of the combination. A new certificate on Form FDI–106 with respect to long-term foreign borrowing or overseas borrowing is not required to be filed by the surviving DI in order for positive direct investment resulting from repayment to be authorized under § 1002(a). The repayment by the surviving DI of a borrowing in connection with which deductions were made by the merging DIs (under § 203(d)(2) or (3), § 306(e)(1) or § 313(d)(1)) will involve transfers of capital under § 312(a)(7) as though such deductions had been made by the surviving DI. Repayment charges incurred under § 1003 by the merging DIs are deemed to have been incurred by the surviving DI, and corresponding reductions in the allowables of the merging DIs that would have been made in the year in which the combination occurs shall instead be made in the allowables of the surviving DI. Transfers of capital that would have been recognized by the merging DIs in the year in which the combination occurs as the result of conversions in the preceding year shall be recognized and included in calculating direct investment by the surviving DI.

Dividends paid by AFNs to merging DIs during the base period are reported by the surviving DI on Form FDI–107 in accordance with the manner in which the respective DIs which received such dividends elected to report them. Dividends paid during the first 60 days of the year in which the combination occurs by an AFN to a merging DI that made the 60-day dividend election are reported by such merging DI on Form FDI–102F for the preceding year. Dividends paid during the first 60 days of the year in which the combination occurs by an AFN to a merging DI that did not make the 60-day dividend election, and all dividends paid by AFNs to merging DIs after the first 60 days of such year, are reported for such year by the surviving DI, whether or not the surviving DI is deemed to have made the 60-day dividend election.

Dividends paid by an AFN to the surviving DI during the first 60 days of the year in which the combination occurs are reported for the preceding year by the merging DI in respect of whose former interest such dividends were paid, provided such merging DI made the 60-day dividend election. All dividends paid to the surviving DI by AFNs during the first 60 days of the year in which the combination occurs in respect of former interests of a merging DI which did not make the 60-day dividend election, and all dividends paid by AFNs to the surviving DI after the first 60 days of such year, are reported for such year by the surviving DI, whether or not the surviving DI is deemed to have made the 60-day dividend election.

The surviving DI shall be deemed to have elected to report dividends in the manner that was elected, and (for the year preceding the year during which the combination occurred) to have made the election of allowables under § 502(a) that was made (for such preceding year), by the merging DI which has made the

largest amount of aggregate positive direct investment since the effective date of the Foreign Direct Investment Program (January 1, 1968). Such deemed election of allowables shall be binding on the surviving DI in the year in which the combination occurs and thereafter to the extent provided under § 502 (b), (c) and (d). For the purposes of this paragraph, aggregate positive direct investment shall be calculated by adding net transfers of capital plus reinvested earnings of incorporated AFNs, without deductions for the expenditure or allocation of proceeds of long-term foreign borrowing.

OFDI should be consulted as to the applicability of any outstanding specific authorizations (and conditions thereto) that were issued to merging DIs prior to the combination. Also, DIs are advised that violations of the regulations by merging DIs will ordinarily be treated by OFDI as having been committed by the surviving DI, and compliance remedies that have been imposed but not satisfied when a combination occurs will be invoked against the surviving DI.

If a DI acquires a debt obligation of an AFN from another DI in the same AFN, no transfer of capital is involved and no transfer of historical investment experience between the DIs may be made.

(ii) *Transfer of intangibles.* The material contained in § B312–18 of the 1970 General Bulletin concerning the transfer of intangibles is supplemented as follows: If the law of a foreign country does not permit a DI to acquire an equity interest in an AFN in exchange for intangibles, a two-step transaction in which the DI sells the intangibles to the AFN for cash and thereupon purchases an equity interest in the AFN with the cash generated by the sale of intangibles, or the DI purchases an equity interest in the AFN for cash and the AFN thereupon purchases the intangibles from the DI with the cash generated by the sale of its stock to the DI, shall be considered a transfer of the intangibles in exchange for the equity interest. If the intangibles qualify under § 312(c)(11), the transfer will not involve a transfer of capital by the DI.

§ S313–3 Net transfer of capital to unincorporated AFNs.

(ii) *Rules applicable to § 313(b).* The material contained in § B313–3(ii) concerning the calculation of the increase or decrease in net assets of an unincorporated AFN is supplemented as follows: An increase or decrease in branch assets resulting from the expropriation of assets of an unincorporated AFN by a government or government agency of a foreign country shall be included in the computation of the net increase or net decrease in branch assets of such AFN if the gain or loss arising from such expropriation has been recognized by the DI in computing its net income for the year in accordance with accounting principles generally accepted in the United States and consistently applied.

Debt obligations issued by the government or government agency of a foreign country in exchange for assets of an unincorporated AFN must be included in the computation of the net increase or net decrease in branch assets of such AFN. If a gain or loss is recognized by the DI upon the acquisition of such debt obligations in computing its net income for the year of exchange, such gain or loss may be included in the computation of the net increase or net decrease in branch assets of the unincorporated AFN.

§ S324–4 Definition of long-term foreign borrowing.

The material contained in § B324–4 concerning borrowings made on or after May 1, 1970, is supplemented as follows: If a DI treats proceeds of a foreign borrowing as proceeds of long-term foreign borrowing on its annual report Form FDI–102F for any year and the borrowing does not thereafter meet the requirements of § 324(a)(2) by reason of a repayment within 12 months, the DI must file an amended Form FDI–102F within 30 days after such repayment showing revised direct investment and liquid foreign balance entries as necessary to reflect the retroactive disqualification of the borrowing. If a borrowing that is retroactively disqualified has not been treated as long-term foreign borrowing on Form FDI–102F for any year but has been so reported on a quarterly report Form FDI–102, the next report on Form FDI–102/102F required to be filed after repayment of the borrowing should show direct investment and liquid foreign balance entries reflecting the disqualification.

§ S801–2 Procedures.

Applications for specific authorizations or exemptions or for interpretive opinions must comply with the Revised Instructions for Submitting Applications for Specific Authorizations or Exemptions or for Interpretive Opinions issued by OFDI on February 23, 1971.

§ S1002–2 Standard Certificate Form FDI–106.

In order for positive direct investment attributable to the repayment by a DI of long-term foreign borrowing or borrowing by an AFN to be authorized under § 1002(a), a certificate on Form FDI–106 must be filed with OFDI not later than 10 days after the date of borrowing by the DI or its guarantee of borrowing by an AFN.

[FR Doc.71–7180 Filed 5–25–71;8:45 am]

PART 1000—FOREIGN DIRECT INVESTMENT REGULATIONS

Miscellaneous Amendments

EDITORIAL NOTE: The Foreign Direct Investment Regulations (the "regulations") appear in Title 15, Chapter X, Part 1000 of the Code of Federal Regulations ("CFR"). Thus, all sections of the regulations contained in CFR are preceded by the designation "1000" (e.g., § 1000.312). The "1000" prefix has, for convenience, been eliminated from the section references contained in this notice. The abbrevations "DI" and "AFN" are used in this notice to refer to "direct investor" and "affiliated foreign national."

Notice is hereby given that the Office of Foreign Direct Investments ("OFDI") has promulgated amendments to the Foreign Direct Investment Regulations. Because these amendments are liberalizing or technical in nature, publication in proposed form is not deemed necessary in the public interest.

The amendments are summarized as follows:

1. Sections 306(b) and 1302(d) are amended to delete references to the calculation of a DI's share in reinvested earnings during the year 1964, since the calculation of reinvested earnings in that year is no longer relevant to the determination of a DI's allowables under section 504(a) of the regulations.

2. Section 312(c)(1) is amended to clarify the treatment and effect under the regulations of an acquisition of an equity or debt interest in an AFN by one DI from another DI, or a merger of two or more DIs, and to provide for the filing of a new short Form FDI–107 (replacing revised Forms FDI–101 and FDI–102F for the preceding year) to reflect such an acquisition or merger. Amended section 312(c)(1) requires the filing of Form FDI–107 in connection with transactions occurring on or after June 1, 1971, in the instances in which the revised forms previously were required. This section is discussed in greater detail in Supplement No. 1 to the 1970 General Bulletin, which is being published in the FEDERAL REGISTER concurrently herewith.

3. Section 602(b) is amended to delete obsolete material and to list forms currently used for reporting to OFDI.

4. Sections 905(b)(2)(iii) and 906(b)(3)(iv) are amended to reflect the increase from $1 million to $2 million of the section 503 and section 507(a)(1) allowables pursuant to amendments to the regulations published in the FEDERAL REGISTER on January 21, 1971 (36 F.R. 975).

5. Section 1002(b) is amended to clarify the time requirement for filing certificates on Form FDI–106.

The text of the amendments is as follows:

1. Section 1000.306(b) is amended to read as follows:

§ 1000.306 Positive and negative direct investment.

* * * * *

(b) A direct investor's share in the total reinvested earnings of all incorporated affiliated foreign nationals in any scheduled area during any period means the direct investor's share in the total earnings or losses during such period of such incorporated affiliated foreign nationals (computed in accordance with paragraph (c) of this section) less an amount (which may be positive or negative) obtained by subtracting (1) the sum of (i) the direct investor's share of all dividends paid during such year to such affiliated foreign nationals by incorporated affiliated foreign nationals of the direct investor in other scheduled areas and (ii) the direct investor's

share of all earnings remitted during such year to such affiliated foreign nationals by unincorporated affiliated foreign nationals of the direct investor in other scheduled areas from (2) the sum of (x) all dividends paid during such year by such affiliated foreign nationals to the direct investor and (y) the direct investor's share of all dividends paid during such year by such affiliated foreign nationals to affiliated foreign nationals of the direct investor in other scheduled areas: *Provided*, That, in calculating a direct investor's share in the total reinvested earnings of incorporated affiliated foreign nationals for any year (including the years 1965 and 1966), a direct investor may elect, in such manner as the Secretary may determine, to treat dividends paid within 60 days after the end of the year as having been paid during such year.

* * * * *

2. Section 1000.312(c)(1) is amended to read as follows:

§ 1000.312 Transfers of capital.

* * * * *

(c) * * *

(1) (i) An acquisition by a direct investor described in paragraph (a)(1) of this section if the acquisition is from a person within the United States acting for its own account and such person was, immediately prior to the acquisition, a direct investor in the affiliated foreign national. If the acquisition is of an equity interest and the acquiring and divesting direct investors each file Form FDI–107 on or before the end of the month following the close of the calendar quarter during which the acquisition occurs, direct investment made by the divesting direct investor in 1965, 1966, and the year of the acquisition that corresponds to the interest transferred shall be deemed to have been made by the acquiring direct investor (except that the provisions of §§1000.203(d) (2) and (3), 1000.306(e) (1) and 1000.313(d)(1) shall be disregarded in calculating such direct investment unless the acquiring direct investor shall have assumed the obligation to repay long-term foreign borrowing in connection with which deductions under such sections were made), and annual earnings (as defined in § 1000.504(b)(4)) in 1966, 1967, and the year immediately preceding the year of acquisition that correspond to the interest transferred shall be attributed to the acquiring direct investor.

(ii) A transfer of capital shall not be deemed to occur in connection with or as the result of any combination (by merger, consolidation, reorganization or otherwise) of two or more direct investors. The surviving direct investor shall file Form FDI–107 on or before the end of the month following the close of the calendar quarter during which the combination occurs. The aggregate amount of direct investment made and liquid foreign balances held by each of the direct investors involved in the combination in 1965, 1966, and the year in which the combination occurs shall be deemed to have been made or held by the surviving direct investor, and the aggregate amount of annual earnings (as defined in § 1000.504(b)(4)) of each of the direct investors involved in the combination in 1966, 1967, and the year immediately preceding the year in which the combination occurs shall be attributed to the surviving direct investor.

3. Section 1000.602(b) is amended to read as follows:

§ 1000.602 Reports.

* * * * *

(b) In addition to such other reports as may be required under paragraph (a) of this section, the following reports are required to be filed by direct investors with the Office of Foreign Direct Investments, Department of Commerce, Washington, D.C. 20230:

(1) *Form FDI–101, Base Period Report.* Each direct investor must file this report on or before the end of the month following the close of the calendar quarter during which it becomes a direct investor, unless the direct investor is exempt from filing as provided in the instructions to this report. If an exemption from filing ceases to apply to a direct investor, such direct investor must file this report on or before the end of the month following the close of the calendar quarter during which the exemption ceases to apply.

(2) *Form FDI–102, Cumulative Quarterly Report.* Each direct investor must file this report (on Form FDI–102/102F) within 45 days after the close of each quarter of the calendar year, unless such filing is waived by OFDI or the direct investor is exempt from filing as provided in the instructions to this report.

(3) *Form FDI–102F, Annual Report.* Each direct investor must file this report (on Form FDI–102/102F) for each year on or before April 30 of the succeeding year, unless the direct investor is exempt from filing a Base Period Report on Form FDI–101 as provided in the instructions to such report.

(4) *Form FDI–102F/S, Annual Report: Short Form.* If a direct investor elects pursuant to § 1000.502(a) (1) or (4) to be governed by the provisions of § 1000.503 or § 1000.507 and satisfies other criteria specified in the instructions to this report, it may file its Annual Report on Form FDI–102F/S in lieu of Form FDI–102F on or before April 30 of the year succeeding the year for which the report is filed.

(5) *Form FDI–105, AFN Financial Structure and Related Data.* Each direct investor must file this report on or before the date specified in the instructions to this report and published in the FEDERAL REGISTER at the time the form is distributed or made available.

(6) *Form FDI–106, Standard Certificate for Repayment of Borrowings Made on or after May 1, 1970.* In order for positive direct investment resulting from the repayment of borrowing made by a direct investor or its affiliated foreign national to be authorized under Subpart J of this part, a certificate on Form FDI–106 must be filed not later than 10 days after the direct investor makes the borrowing or guarantees the borrowing by its affiliated foreign national.

(7) *Form FDI–107, Adjusted 1965–67 Base Period and Prior Years' Annual Earnings Report for DIs Engaging in § 312(c)(1) Transactions.* If the filing of Forms FDI–107 is elected under § 1000.312(c)(1)(i), this report must be filed by the acquiring and divesting direct investors on or before the end of the month following the close of a calendar quarter during which the acquisition occurred. The surviving direct investor is required by § 1000.312(c)(1)(ii) to file this report on or before the end of the month following the close of the calendar quarter during which a combination of direct investors occurred.

* * * * *

4. Section 1000.905(b)(2)(iii) is amended to read as follows:

§ 1000.905 Associated groups.

* * * * *

(b) * * *

(2) * * *

(iii) If one or more members of an associated group elect § 1000.503 and one or more other members of the group elect § 1000.507, for any year commencing with the year 1971, positive direct investment by such members in group affiliated foreign nationals shall not be authorized by § 1000.503 or § 1000.507, unless the algebraic sum of the following is not in excess of $2 million: Aggregate direct investment made during the year pursuant to § 1000.503 in all group affiliated foreign nationals by the members electing § 1000.503 plus aggregate direct investment made during the year pursuant to § 1000.507 (a)(1) and (b) in all group affiliated foreign nationals by the members electing § 1000.507.

* * * * *

5. Section 1000.906(b)(3)(iv) is amended to read as follows:

§ 1000.906 Ownership of direct investors.

* * * * *

(b) * * *

(3) * * *

(iv) If one or more consenting owners elect § 1000.503 and one or more other consenting owners elect § 1000.507, for any year commencing with the year 1971, positive direct investment made (or deemed to have been made under subdivision (i) of this subparagraph) by such consenting owners in affiliated foreign nationals of the principal direct investor shall not be authorized by § 1000.503 or § 1000.507, unless the algebraic sum of the following is not in excess of $2 million: Aggregate direct investment made or deemed to have been made during the year pursuant to § 1000.503 in all affiliated foreign nationals of the principal direct investor by all consenting and nonconsenting owners that elect § 1000.503 plus aggregate direct investment made or deemed to have been made during the year pursuant to § 1000.507 (a)(1) and (b) in all affiliated foreign nationals of the principal direct

investor by all consenting and nonconsenting owners that elect § 1000.507.

* * * * *

6. Section 1000.1002(b) is amended to read as follows:

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

* * * * *

(b) The certificate required by subparagraphs (5) and (6) of paragraph (a) of this section shall (after June 9, 1969) be made on Form FDI–106, and shall, except as otherwise provided in paragraph (e)(3) of this section, be delivered to the Secretary not later than 10 days after the date of the borrowing by the direct investor or the date of the guarantee of the borrowing by the affiliated foreign national, as the case may be. It shall be executed by the direct investor or a duly authorized representative of the direct investor, shall state the amount of the borrowing, and the amount of the required principal repayment, shall identify the lender (or the managing underwriter, if the borrowing involves a public offering), and shall certify as follows:

(1) If the direct investor believes, on the basis of all facts and circumstances existing when the certificate is delivered to the Secretary, that it will not make any transfers of capital in connection with repayment of the borrowing within 7 years after the date of the borrowing (or the date of the guarantee, if the borrowing is by an affiliated foreign national), the certificate shall state such belief and the reasons therefor.

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

* * * * *

7. Section 1000.1302(d) is amended to read as follows:

§ 1000.1302 Foreign air transport allowable.

* * * * *

(d) A direct investor governed by this section shall recalculate the amount of positive direct investment authorized to be made in any year commencing with the year 1971 under § 1000.504 (a) and (b) to exclude from the calculation of direct investment during the years 1965 and 1966 under § 1000.504(a), and from the calculation of annual earnings during any year under § 1000.504(b)(4), transfers of capital primarily related to the direct investor's operations in foreign air transportation, aggregate annual foreign air transport earnings and all component accounts and charges associated with such earnings, and all reserves or charges against earnings associated with such transfers.

* * * * *

8. The amendments hereby adopted shall be effective as of the date of publication in the FEDERAL REGISTER (5–26–71) and shall apply to all direct investment transactions occurring during the year 1971 and succeeding years.

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

DONALD P. KATZ,
Director, Office of Foreign Direct Investments.

MAY 18, 1971.

[FR Doc.71–7182 Filed 5–25–71;8:45 am]

PART 1050—MISCELLANEOUS RULES

Appearance of Accountants in Certain Proceedings

Notice is hereby given that the Office of Foreign Direct Investments has promulgated amendments to the Foreign Direct Investment Rules of Practice and General Procedures. Sections 1050.101(a) and 1050.102 are amended to permit accountants to appear before the Office of Foreign Direct Investments in certain proceedings on behalf of any person or party involved in such types of proceedings.

These amendments are purely liberalizing and technical in nature and are being published in final form without prior publication in proposed form.

The text of the amendments is as follows:

1. Section 1050.101(a) is amended to read as follows:

§ 1050.101 Appearances.

(a) * * *

(3) Accountants who are authorized to practice in any State or territory of the United States are eligible to appear before the Office on behalf of any person or party in matters arising under Part 1025 or 1040 of this chapter.

2. Section 1050.102 is amended to read as follows:

§ 1050.102 Standards of conduct.

(a) All attorneys practicing before the Office shall conform to the standards of ethical conduct required of practitioners in the courts of the United States. Accountants who prepare reports or other documents for submittal to the Office or who appear before the Office shall conform to the standards of ethical conduct prescribed by the State Board of Accountancy or other licensing authority for the State in which such accountant maintains his principal place of business.

(b) If the Office has reason to believe that any person is not conforming to such standards, or that he has been otherwise guilty of conduct warranting disciplinary action, the Office may issue an order requiring such person to show cause why he should not be suspended or disbarred from practice or appearance before, or from the preparation of reports or other documents for submittal to, the Office. The alleged offender shall be granted due opportunity to be heard and may be represented by counsel. Thereafter, if warranted by the facts, the Office may issue against the person an order of reprimand, suspension, disbarment, or other appropriate sanction.

Effective date. The amendments hereby adopted shall be effective as of the date of publication in the FEDERAL REGISTER (5–26–71).

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

DONALD P. KATZ,
Director, Office of Foreign Direct Investments.

MAY 18, 1971.

[FR Doc.71–7181 Filed 5–25–71;8:45 am]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

SUBCHAPTER A—PROCEDURES AND RULES OF PRACTICE

PART 0—STANDARDS OF CONDUCT

Miscellaneous Amendments

The following sections, as published in the FEDERAL REGISTER on September 20, 1967 (32 F.R. 13272), are amended to accord with the Statement of Organization published June 30, 1970 (35 F.R. 10627) as amended July 23, 1970 (35 F.R. 11827); with the reorganization of the Office of the Executive Director published March 13, 1971 (36 F.R. 4918); and with the redesignation of field offices of the Commission as Regional Offices and the Attorneys-in-Charge thereof as Regional Directors published May 18, 1971 (36 F.R. 9044). These amendments shall become effective on the date of their publication in the FEDERAL REGISTER (5–26–71).

Subpart A—General Provisions

Section 0.735–5 is amended to read as follows:

§ 0.735.5 Interpretation and advisory service.

The Executive Director shall serve as counselor for the Commission on matters covered by the regulations in this part. Deputy counselors shall be the Assistant Executive Director for Administration and the Regional Director of each Regional Office. The counselor and deputy counselors shall be responsible for giving authoritative advice and guidance to each employee and special Government employee who seeks such advice or guidance on questions of conflicts of interest or other matters pertaining to the regulations in this part.

Subpart D—Statement of Employment and Financial Interests

Section 0.735–32 is amended to read as follows:

§ 0.735–32 Employees required to submit statements.

(a) The following employees shall submit statements of employment and financial interests:

(1) The Executive Director, the Assistant Executive Director for Administration, the Assistant Executive Director for Field Management and the Assistant Executive Director for Legal Coordination.

(2) The General Counsel and the Assistant General Counsels.

(3) Hearing Examiners.

(4) The Secretary of the Commission.

(5) The Director of Policy Planning and Evaluation.

(6) Bureau Directors and Assistant Bureau Directors.

(7) The Director of Public Information.

(8) Regional Directors of the Regional Offices.

(b) An employee who feels that his position has been improperly designated as one requiring the submission of a statement of employment and financial interests has recourse to the Commission's grievance procedures set forth in chapter 5–771 of the Commission's Administrative Manual.

Section 0.735–39 is amended to read as follows:

§ 0.735–39 Confidentiality of employees' statements.

Each statement of employment and financial interests, and each supplementary statement, shall be held in confidence. Only the Chairman, the Executive Director, and the Assistant Executive Director for Administration are authorized to review and retain the statements. These officials are responsible for maintaining the statements in confidence and shall not allow access to, or allow information to be disclosed from, a statement except to carry out the purpose of this part. Information from a statement shall not be disclosed except as the Civil Service Commission or the Chairman may determine for good cause shown.

Section 0.735–42 is amended to read as follows:

§ 0.735–42 Reviewing statements.

The Executive Director or the Assistant Executive Director for Administration shall review each statement of employment and financial interests to ascertain whether a conflict of interest or an apparent conflict of interest exists. If there is a conflict or apparent conflict, the procedures specified in §§ 0.735–6 and 0.735–7 shall be followed.

(E.O. 11222, 30 F.R. 6469; 3 CFR, 1965 Supp.; 5 CFR 735.104)

By direction of the Commission dated May 20, 1971.

[SEAL] CHARLES A. TOBIN,
Secretary.

[FR Doc.71-7319 Filed 5-25-71;8:50 am]

Title 18—CONSERVATION OF POWER AND WATER RESOURCES

Chapter V—Environmental Protection Agency

PART 602—CERTIFICATION OF FACILITIES

On December 29, 1970, notice of proposed rule making was published in the FEDERAL REGISTER (35 F.R. 19686), setting forth the text of regulations proposed to revise Part 602, relating to certification by the Administrator of the Environmental Protection Agency of both air and water pollution control facilities eligible for accelerated amortization in accordance with section 704 of the Tax Reform Act of 1969, Public Law 91–172.

Pursuant to such notice, written comments were received from interested parties, and, due consideration having been given to all such comments, a number of changes have been made in the rules as proposed. Part 602 to Title 18, Chapter V, as set forth below is hereby adopted.

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

Dated: May 21, 1971.

WILLIAM D. RUCKELSHAUS,
Administrator.

Sec.
602.1 Applicability.
602.2 Definitions.
602.3 General provisions.
602.4 Notice of intent to certify.
602.5 Applications.
602.6 State certification.
602.7 General policies.
602.8 Requirements for certification.
602.9 Cost recovery.
602.10 Revocation.

AUTHORITY: The provisions of this Part 602 issued pursuant to section 301, 80 Stat. 378, 5 U.S.C. 301, and sec. 704 of the Tax Reform Act of 1969, 83 Stat. 667.

§ 602.1 Applicability.

The regulations of this part apply to certifications by the Administrator of water or air pollution control facilities for purposes of section 169 of the Internal Revenue Code of 1954, as amended, 26 U.S.C. 169. Applicable regulations of the Department of the Treasury are set forth at 26 CFR 1.169 et seq.

§ 602.2 Definitions.

As used in this part, the following terms shall have the meaning indicated below:

(a) "Act" means, when used in connection with water pollution control facilities, the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151 et seq.) or, when used in connection with air pollution control facilities, the Clean Air Act, as amended (42 U.S.C. 1857 et seq.).

(b) "State certifying authority" means:

(1) For water pollution control facilities, the State health authority, except that, in the case of any State in which there is a single State agency, other than the State health authority, charged with responsibility for enforcing State laws relating to the abatement of water pollution, it means such other State agency; or

(2) For air pollution control facilities, the air pollution control agency designated pursuant to section 302(b)(1) of the Act; or

(3) For both air and water pollution control facilities, any interstate agency authorized to act in place of the certifying agency of a State.

(c) "Applicant" means any person who files an application with the Administrator for certification that a facility is in compliance with the applicable regulations of Federal agencies and in furtherance of the general policies of the United States for cooperation with the States in the prevention and abatement of water or air pollution under the Act.

(d) "Administrator" means the Administrator, Environmental Protection Agency.

(e) "Regional Administrator" means the Regional designee appointed by the Administrator to certify facilities under this part.

(f) "Facility" means property comprising any new identifiable treatment facility which removes, alters, disposes of or stores pollutants, contaminants, wastes, or heat.

(g) "State" means the States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

§ 602.3 General provisions.

(a) An applicant shall file an application in accordance with this part for each separate facility for which certification is sought: *Provided,* That one application shall suffice in the case of substantially identical facilities which the applicant has installed or plans to install in connection with substantially identical properties: *Provided further,* That an application may incorporate by reference material contained in an application previously submitted by the applicant under this part and pertaining to substantially identical facilities.

(b) The applicant shall, at the time of application to the State certifying authority, submit an application in the form prescribed by the Administrator to the Regional Administrator for the region in which the facility is located.

(c) Applications will be considered complete and will be processed when the Regional Administrator receives the completed State certification.

(d) Applications may be filed prior or subsequent to the commencement of construction, acquisition, installation, or operation of the facility.

(e) An amendment to an application shall be submitted in the same manner as the original application and shall be considered a part of the original application.

(f) If the facility is certified by the Regional Administrator, notice of certification will be issued to the Secretary of the Treasury or his delegate, and a copy

of the notice shall be forwarded to the applicant and to the State certifying authority. If the facility is denied certification, the Regional Administrator will advise the applicant and State certifying authority in writing of the reasons therefor.

(g) No certification will be made by the Regional Administrator for any facility prior to the time it is placed in operation and the application, or amended application, in connection with such facility so states.

(h) An applicant may appeal any decision of the Regional Administrator which:

(1) Denies certification;

(2) Disapproves the applicant's suggested method of allocating costs pursuant to § 602.8(e); or

(3) Revokes a certification pursuant to § 602.10.

Any such appeal may be taken by filing with the Administrator within 30 days from the date of the decision of the Regional Administrator a written statement of objections to the decision appealed from. Within 60 days, the Administrator shall affirm, modify, or revoke the decision of the Regional Administrator, stating in writing his reasons therefor.

§ 602.4 Notice of intent to certify.

(a) On the basis of applications submitted prior to the construction, reconstruction, erection, acquisition, or operation of a facility, the Regional Administrator may notify applicants that such facility will be certified if:

(1) The Regional Administrator determines that such facility, if constructed, reconstructed, erected, acquired, installed, and operated in accordance with such application will be in compliance with requirements identified in § 602.8; and if

(2) The application is accompanied by a statement from the State certifying authority that such facility, if constructed, reconstructed, acquired, erected, installed, and operated in accordance with such application, will be in conformity with the State program or requirements for abatement or control of water or air pollution.

(b) Notice of actions taken under this section will be given to the appropriate State certifying authority.

§ 602.5 Applications.

Applications for certification under this part shall be submitted in such manner as the Administrator may prescribe, shall be signed by the applicant or agent thereof, and shall include the following information:

(a) Name, address, and Internal Revenue Service identifying number of the applicant;

(b) Type and narrative description of the new identifiable facility for which certification is (or will be) sought, including a copy of schematic or engineering drawings, and a description of the function and operation of such facility;

(c) Address (or proposed address) of facility location;

(d) A general description of the operation in connection with which such facility is (or will be) used and a description of the specific process or processes resulting in discharges or emissions which are (or will be) controlled by the facility;

(e) If the facility is (or will be) used in connection with more than one plant or other property, one or more of which were not in operation prior to January 1, 1969, a description of the operations of the facility in respect to each plant or other property, including a reasonable allocation of the costs of the facility among the plants being serviced, and a description of the reasoning and accounting method or methods used to arrive at such allocation;

(f) Description of the effect of such facility in terms of type and quantity of pollutants, contaminants, wastes or heat, removed, altered, stored, or disposed of by such facility;

(g) If the faciilty performs a function other than removal, alteration, storage, or disposal of pollutants, contaminants, wastes or heat, a description of all functions performed by the facility, including a reasonable identification of the costs of the facility allocable to removal, alteration, storage, or disposal of pollutants, contaminants, wastes or heat, and a description of the reasoning and the accounting method or methods used to arrive at such allocation;

(h) Date when such construction, reconstruction, or erection will be completed or when such facility was (or will be) acquired;

(i) Date when such facility is placed (or is intended to be placed) in operation;

(j) Identification of the applicable State and local water or air pollution control requirements and standards, if any;

(k) Expected useful life of facility;

(l) Cost of construction, acquisition, installation, operation, and maintenance of the facility;

(m) Estimated profits reasonably expected to be derived through the recovery of wastes or otherwise in the operation of the facility over the period referred to in paragraph (a)(6) of 26 CFR 1.169–2;

(n) Such other information as the Administrator deems necessary for certification.

§ 602.6 State certification.

The State certification shall be by the State certifying authority having jurisdiction with respect to the facility in accordance with 26 U.S.C. 169 (d)(1)(A) and (d)(2). The certification shall state that the facility described in the application has been constructed, reconstructed, erected, or acquired in conformity with the State program or requirements for abatement or control of water or air pollution. It shall be executed by an agent or officer authorized to act on behalf of the State certifying authority.

§ 602.7 General policies.

(a) The general policies of the United States for cooperation with the States in the prevention and abatement of water pollution are: To enhance the quality and value of our water resources; to eliminate or reduce the pollution of the nation's waters and tributaries thereof; to improve the sanitary condition of surface and underground waters; and to conserve such waters for public water supplies, propagation of fish and aquatic life and wildlife, recreational purposes, and agricultural, industrial, and other legitimate uses.

(b) The general policy of the United States for cooperation with the States in the prevention and abatement of air pollution is to cooperate with and to assist the States and local governments in protecting and enhancing the quality of the Nation's air resources by the prevention and abatement of conditions which cause or contribute to air pollution which endangers the public health or welfare.

§ 602.8 Requirements for certification.

(a) Subject to § 602.9, the Regional Administrator will certify a facility if he makes the following determinations:

(1) It has been certified by the State certifying authority.

(2) It removes, alters, disposes of, or stores pollutants, contaminants, wastes or heat, which, but for the facility, would be released into the environment.

(3) The applicant is in compliance with all regulations of Federal agencies applicable to use of the facility, including conditions specified in any permit issued to the applicant under section 13 of the Rivers and Harbors Act of 1899, as amended.

(4) The facility furthers the general policies of the United States and the States in the prevention and abatement of pollution.

(5) The applicant has complied with all the other requirements of this part and has submitted all requested information.

(b) In determining whether use of a facility furthers the general policies of the United States and the States in the prevention and abatement of water pollution, the Regional Administrator shall consider whether such facility is consistent with the following, insofar as they are applicable to the waters which will be affected by the facility:

(1) All applicable water quality standards, including water quality criteria and plans of implementation and enforcement established pursuant to section 10 (c) of the Act or State laws or regulations;

(2) Recommendations issued pursuant to section 10 (e) and (f) of the Act;

(3) Water pollution control programs established pursuant to section 3 or 7 of the Act.

(c) In determining whether use of a facility furthers the general policies of the United States and the States in the prevention and abatement of air pollution, the Regional Administrator shall

consider whether such facility is consistent with and meets the following requirements, insofar as they are applicable to the air which will be affected by the facility;

(1) Plans for the implementation, maintenance, and enforcement of ambient air quality standards adopted or promulgated pursuant to section 110 of the Act;

(2) Recommendations issued pursuant to sections 103(e) and 115 of the Act which are applicable to facilities of the same type and located in the area to which the recommendations are directed;

(3) Local government requirements for control of air pollution, including emission standards;

(4) Standards promulgated by the Administrator pursuant to the Act.

(d) A facility which removes elements or compounds from fuels which would be released as pollutants when such fuels are burned may not be certified whether or not such facility is used in connection with the applicant's plant or property where such fuels are burned.

(e) Where a facility is used in connection with more than one plant or other property, one or more of which were not in operation prior to January 1, 1969, or where a facility will perform a function other than the removal, alteration, storage or disposal of pollutants, contaminants, wastes, or heat, the Regional Administrator will so indicate on the notice of certification and will approve or disapprove the applicant's suggested method of allocation of costs. If the Regional Administrator disapproves the applicant's suggested method, he shall identify the proportion of costs allocable to each such plant, or to the removal, alteration, storage or disposal of pollutants, contaminants, wastes, or heat.

§ 602.9 Cost recovery.

Where it appears that, by reason of estimated profits to be derived through the recovery of wastes, through separate charges for use of the facility in question, or otherwise in the operation of such facility, all or a portion of its costs may be recovered over the period referred to in paragraph (a)(6) of 26 CFR 1.169-2, the Regional Administrator shall so signify in the notice of certification. Determinations as to the meaning of the term "estimated profits" and as to the percentage of the cost of a certified facility which will be recovered over such period shall be made by the Secretary of the Treasury, or his delegate: *Provided*, That in no event shall estimated profits be deemed to arise from the use or reuse by the applicant of recovered waste.

§ 602.10 Revocation.

Certification hereunder may be revoked by the Regional Administrator on 30 days written notice to the applicant, served by certified mail, whenever the Regional Administrator shall determine that the facility in question is no longer being operated consistent with the § 602.8 (b) and (c) criteria in effect at the time the facility was placed in service. Within such 30-day period, the applicant may submit to the Regional Administrator such evidence, data or other written materials as the applicant may deem appropriate to show why the certification hereunder should not be revoked. Notification of a revocation under this section shall be given to the Secretary of the Treasury or his delegate. See 26 CFR 1.169-4(b)(1).

[FR Doc.71-7307 Filed 5-25-71;8:49 am]

Title 21—FOOD AND DRUGS

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

SUBCHAPTER C—DRUGS

PART 135e—NEW ANIMAL DRUGS FOR USE IN ANIMAL FEEDS

Monensin Sodium

The Commissioner of Food and Drugs has evaluated a supplemental new animal drug application (38-878V) filed by Elanco Products Co., Division of Eli Lilly & Co., providing for the use of an alternate form of monensin as the sodium salt for the previously approved uses. The supplemental application is approved.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 512(i), 82 Stat. 347; 21 U.S.C. 360b(i)) and under authority delegated to the Commissioner (21 CFR 2.120), Part 135e is amended by revising § 135e.50 to read as follows:

§ 135e.50 Monensin; monensin sodium.

(a) *Specifications.* (1) Monensin is the dried mycelial filter cake produced by the fermentation of *Streptomyces cinnamonensis*. Its potency is not less than 50 grams of monensic acid activity per pound of mycelial cake when assayed microbiologically. A minimum of 90 percent of monensin activity is derived from monensin A.

(2) Monensin sodium is the crystalline substance produced by the fermentation of *Streptomyces cinnamonensis*. Its potency is not less than 600 micrograms monensic acid activity per milligram when assayed microbiologically. A minimum of 90 percent monensin activity is derived from monensin A.

(b) *Approvals.* (1) Premix level 44 grams per pound of monensic acid activity from monensin granted to Elanco Products Co., Division of Eli Lilly & Co., Indianapolis, Ind. 46206.

(2) Premix level 44 grams per pound of monensic acid activity from monensin with 18 grams per pound of 3-nitro-4-hydroxyphenyl-arsonic acid granted to Elanco Products Co.

(3) Premix level 110 grams per pound of monensic acid activity from monensin sodium granted to Elanco Products Co.

(c) *Assay limits.* Finished feed not less than 75 percent nor more than 125 percent of labeled amount of monensic acid activity.

(d) *Special considerations.* Finished feed containing monensin should bear an expiration date of 30 days after its date of manufacture.

(e) *Related tolerance.* See § 135g.68 of this chapter.

(f) *Conditions of use.* It is used as follows:

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
1. Monensin	110 (as monensic acid activity).			For broiler chickens; do not feed to laying chickens; feed continuously as the sole ration; withdraw 72 hours before slaughter.	As an aid in the prevention of coccidiosis caused by *E. necatrix*, *E. tenella*, *E. acervulina*, *E. brunetti*, *E. mivati*, and *E. maxima*.
2. Monensin	do	3-Nitro-4-hydroxyphenylarsonic acid.	45.4 (0.005%)	For broiler chickens; do not feed to laying chickens; feed continuously as the sole ration; withdraw 5 days before slaughter; as sole source of organic arsenic.	As an aid in the prevention of coccidiosis caused by *E. necatrix*, *E. tenella*, *E. acervulina*, *E. brunetti*, *E. mivati*, and *E. maxima*; growth promotion and feed efficiency; improving pigmentation.
3. Monensin sodium.	do			For broiler chickens; do not feed to laying chickens; feed continuously as the sole ration; withdraw 72 hours before slaughter.	As an aid in the prevention of coccidiosis caused by *E. necatrix*, *E. tenella*, *E. acervulina*, *E. mivati*, *E. maxima*, and *E. brunetti*.

Effective date. This order shall be effective upon publication in the FEDERAL REGISTER (5-26-71).

(Sec. 512(i), 82 Stat. 347; 21 U.S.C. 360b(i))

Dated: April 19, 1971.

C. D. VAN HOUWELING,
Director,
Bureau of Veterinary Medicine.

[FR Doc.71-7278 Filed 5-25-71;8:46 am]

PART 146a—CERTIFICATION OF PENICILLIN AND PENICILLIN-CONTAINING DRUGS

PART 146c—CERTIFICATION OF CHLORTETRACYCLINE (OR TETRACYCLINE) AND CHLORTETRACYCLINE- (OR TETRACYCLINE-) CONTAINING DRUGS

PART 146d—CERTIFICATION OF CHLORAMPHENICOL AND CHLORAMPHENICOL - CONTAINING DRUGS

Confirmation of Effective Date of Order Repealing Provisions for Certification of Penicillin, Tetracycline, or Chloramphenicol With Vitamins

An order was published in the FEDERAL REGISTER of February 13, 1971 (36 F.R. 2968), amending the antibiotic drug regulations to repeal provisions for certification of penicillin, tetracycline, or chloramphenicol with vitamins. The order amended §§ 146a.27, 146a.99, 146c.205, 146c.221, 146c.222, and 146d.306 and revoked all antibiotic certificates for such drugs issued thereunder. A correction of a printer's error concerning the amendments to § 146c.221 was published February 24, 1971 (36 F.R. 3413).

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (secs. 502, 507, 52 Stat. 1050–51, as amended, 59 Stat. 463, as amended; 21 U.S.C. 352, 357) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120), notice is given that no objections were filed to the above-identified order. Accordingly, the amendments promulgated thereby became effective March 25, 1971.

Firms affected by the order will be allowed 30 days after publication hereof in the FEDERAL REGISTER to recall outstanding stocks of the affected drugs. Certification of new stocks has been discontinued.

Dated: May 3, 1971.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.71-7279 Filed 5-25-71;8:46 am]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAXES

[T.D. 7105]

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

Definition of Pooled Income Fund

Correction

In F.R. Doc. 71-4589 appearing at page 6477 in the issue of Tuesday, April 6, 1971, the following changes should be made in the tables under § 1.642(c)-6(d)(3):

1. In Table G(1) the figure ".37066" representing the 2.4-percent rate of return for age 26 should read ".37069".

2. In Table G(2) the following figures should be changed:

Age	*% Rate of return*	*Reading*	*Should read*
24	3.4	.19911	.1991
60	3.8	.50173	.51073
69	4.6	.598435	.58435
73	5	.62562	.62563
74	5	.64193	.64192
75	5	.66581	.65814
76	5	.69047	.67432
77	5	.24224	.69049
1	5.8	.02842	.02866
2	5.8	.02866	.02873
3	5.8	.02873	.02947
4	6	.02793	.02783
29	6	.09279	.09275
30	6	.09742	.09741

Title 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

SUBCHAPTER B—BUREAU OF THE PUBLIC DEBT

PART 332—OFFERING OF UNITED STATES SAVINGS BONDS, SERIES H

PART 342—OFFERING OF UNITED STATES SAVINGS NOTES

Miscellaneous Amendments

Section 332.8, paragraph (a), and § 332.10 of Department Circular No. 905, Fifth Revision, dated December 12, 1969, as amended (31 CFR Part 332), have been amended and revised to read as follows:

§ 332.8 Extended terms and improved yields for outstanding bonds.

(a) *Extended maturity periods*—(1) *General.* The terms "extended maturity period" and "second extended maturity period," when used herein, refer to the intervals after the original maturity dates during which owners may retain their bonds and continue to earn interest thereon. No special action is required of owners desiring to take advantage of any extensions heretofore or herein granted.

(2) *Bonds with issue dates June 1, 1952, through January 1, 1957.* Owners of Series H bonds with issue date of June 1, 1952, through January 1, 1957, may retain their bonds for a second extended maturity period of 10 years.

(3) *Bonds with issue dates February 1, 1957, through November 1, 1965.* Owners of Series H bonds with issue dates of February 1, 1957, through November 1, 1965, may retain their bonds for an extended maturity period of 10 years.

§ 332.10 Redemption or payment.

A Series H bond may be redeemed at par at any time after 6 months from the issue date. The bond must be presented and surrended, with a duly executed request for payment, to (a) a Federal Reserve Bank or Branch, (b) the Office of the Treasurer of the United States, Securities Division, Washington, D.C. 20220, or (c) the Bureau of the Public Debt, Division of Loans and Currency Branch, 536 South Clark Street, Chicago, IL 60605. A bond received by an agent during the calendar month preceding an interest payment date may not be redeemed until that date.

Department Circular, Public Debt Series No. 3–67, Revised, dated June 19, 1968 (31 CFR Part 342), has been amended by insertion of § 342.2a and amendment and revision of paragraph (b), subparagraph (1), of section 342.5, as follows:

§ 342.2a Extension.

Owners who wish to continue their investment beyond maturity may retain their savings notes for a 10-year period after the maturity date and earn interest upon the maturity value of their notes. The investment yield (interest) will be the rate prevailing for Series E bonds being issued at the time the extension begins. Tables showing the yield and the redemption values will be published prior to or as the notes enter their extension. Interest under these provisions will accrue beginning six months after maturity and at the beginning of each successive half-year period thereafter.

§ 342.5 Taxation.

* * * * *

(b) *Federal income tax on notes.* * * *

(1) Defer reporting of the increase to the year of final maturity, actual redemption, or other disposition, whichever is earlier; or

* * * * *

The foregoing amendments and revisions, adopted on April 30, 1971, were effected under authority of sections 18, 20, and 22 of the Second Liberty Bond Act, as amended (40 Stat. 1304, 48 Stat. 343, 49 Stat. 21, all as amended; 31 U.S.C. 753, 754b, 757c) and 5 U.S.C. 301. Notice and public procedures thereon are unnecessary as public property and contracts are involved.

Dated: May 20, 1971.

[SEAL] JOHN K. CARLOCK,
Fiscal Assistant Secretary.

[FR Doc.71-7358 Filed 5-25-71;8:53 am]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 5A—Federal Supply Service, General Services Administration

PART 5A-1—GENERAL

Publicizing Contract Awards and Agency Responsibility for Conformance With Synopsizing Program for Publicizing Procurement Actions

The table of contents for Part 5A-1 is amended by the deletion of § 5A-1.1004

and by the addition of the following entry:

Sec.
5A-1.1007 Responsibility for conformance with synopsizing program.

Subpart 5A-1.10—Publicizing Procurement Actions

Section 5A-1.1004 is deleted and § 5A-1.1007 is added as follows:

§ 5A-1.1007 Responsibility for conformance with synopsizing program.

Each Regional Director, FSS, and the Directors, Procurement Operations Division, Special Programs Division, and ADP Procurement Division, shall be responsible, within their respective areas of responsibility, for ensuring full compliance with the provisions of FPR 1-1.10 and GSPR 5-1.10.

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

Effective date. These regulations are effective June 15, 1971.

Dated: May 19, 1971.

L. E. SPANGLER,
Acting Commissioner,
Federal Supply Service.

[FR Doc.71-7325 Filed 5-25-71;8:50 am]

Chapter 8—Veterans Administration

MISCELLANEOUS AMENDMENTS TO CHAPTER

Chapter 8 is amended as follows:

PART 8-1—GENERAL

1. In § 8-1.305-3, paragraph (b) is amended to read as follows:

§ 8-1.305-3 Deviations from Federal Specifications.

* * * * *

(b) *Marketing center.* When the essential needs of the Veterans Administration are not adequately covered by an existing Federal Specification, the Chief of the Marketing Division concerned will:

(1) When the required deviation affects only the packing, packaging, marking or labeling, and the item is being purchased for depot stock, coordinating the deviation with the Manager, VA Supply Depot, Hines, Ill., through the Manager, VA Marketing Center. If, in the opinion of the Manager, VA Supply Depot, the proposed deviation will not affect storage, handling or transportation he will advise the Manager, VA Marketing Center, of his concurrence. The Manager, VA Marketing Center, will then approve the deviation.

(2) When the deviation specified in subparagraph (1) of this paragraph is for an item that is not being purchased for depot stock, document his reasons why the deviation is essential, and request the Manager, VA Marketing Center, to approve the deviation. Initial deviations approved under subparagraph (1) of this paragraph or this subparagraph will be reported to the Director, Supply Service, for submission to the General Services Administration.

(3) When the required deviation affects other than packing, packaging, marking, or labeling, coordinate the required deviation with the using service in Central Office. If approved by the using service, a request for authority to deviate will be submitted to the Director, Supply Service, through the Manager, VA Marketing Center, Hines, Ill. It will specify in detail why the specific deviation is essential to the Veterans Administration's operations and be accompanied by a copy of the using service's comments. The appropriate marketing division chief will be advised as to the approval or disapproval of the request. If approved, the Director, Supply Service, will when necessary forward the notice required by FPR 1-1.305-3(b) to the General Services Administration.

PART 8-3—PROCUREMENT BY NEGOTIATION

2. Section 8-3.705 is revised to read as follows:

§ 8-3.705 Procedure.

Contracting officers will request the Director, Internal Audit Service (072), to audit proposed overhear rates for use in cost-reimbursement contracts whenever the estimated amount of the contract is in excess of $100,000. Such requests by field station contracting officers will be submitted through the Director, Supply Service, Central Office. In the case of smaller contracts, the contracting officer will perform a review and validation of the data submitted for accuracy and reasonableness of proposed rates. He may, if in Central Office, request the Director, Internal Audit Service, to perform an audit or render such accounting assistance or technical advice as is deemed desirable. A field station contracting officer may direct request for such service on smaller contracts to the local fiscal activity serving the contracting officer.

3. Section 8-3.801-3 is revised to read as follows:

§ 8-3.801-3 Responsibility of other personnel.

The Director, Internal Audit Service will provide advice, assistance or cost audits as provided in §§ 8-3.705, 8-3.809, and 8-3.813.

4. In § 8-3.807-3, paragraphs (b), (c), and that portion of (d) preceding subparagraph (1) are amended to read as follows:

§ 8-3.807-3 Requirements for cost or pricing data.

* * * * *

(b) When cost or price data is required and the amount of any negotiated fixed-price or cost-reimbursement contract or contract modification is expected to exceed $100,000, the cost or pricing data, after evaluation by the contracting officer, will be forwarded to the Director, Internal Audit Service (072) for prior audit as to the adequacy, accuracy and applicability of the costs included. Such requests for prior audit will be submitted by field station contracting officers, through the Director, Supply Service.

(c) In the case of smaller contracts the contracting officer will perform a review and validation of the data submitted for accuracy and reasonableness of proposed costs. He may, if in Central Office, request the Director, Internal Audit Service (072) to perform an audit or render such accounting assistance or technical advice as deemed desirable. A field station contracting officer may request such assistance an advice from the local fiscal activity serving the contracting officer.

(d) Cost or pricing data may, but need not, be submitted to the Director, Internal Audit Service (072) for prior audit, for the following transactions:

* * * * *

5. Sections 8-3.809 and 8-813 are revised to read as follows:

§ 8-3.809 Contract audit as a pricing aid.

The Director, Internal Audit Service, or a recognized audit agency, e.g., the Defense Contract Audit Agency, at the request of the Director, Internal Audit Service, will provide advisory audits, special surveys or audit analysis of price or cost, when required by this Subpart 8-3.8 or when assistance is requested by the contracting officer.

§ 8-3.813 Preproduction and startup and other nonrecurring costs.

In evaluating startup and other nonrecurring costs, the extent to which these costs are included in the proposed price and the intent to absorb or recover any such costs in any future noncompetitive procurement or other pricing action will be determined. The contracting officer will ascertain, with the assistance of the Director, Internal Audit Service, as required or considered necessary, that payment of such costs is not duplicated. For example, cost of equipment paid for by the Government through a setup or connection agreement will not be included in depreciation costs of a subsequently negotiated agreement.

PART 8-7—CONTRACT CLAUSES

6. Section 8-7.650-11 is revised to read as follows:

§ 8-7.650-11 Affirmative action compliance program.

Invitations for bids that will result in a construction contract of $50,000 or more will contain the following:

Clause 5 of Standard Form 19-B is amended to include the following:

The bidder (or offeror) represents that (1) he [ ] has developed and has on file [ ] has not developed and does not have on file at each establishment affirmative action programs as required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (2) he [ ] has not previously had contracts subject to the written affirmative action program requirement of the rules and regulations of the Secretary of Labor.

PART 8–8—TERMINATION OF CONTRACTS

7. Section 8–8.207 is revised to read as follows:

§ 8–8.207 Accounting review of prime contract settlement proposals and of subcontract settlements.

In compliance with the provisions of FPR 1–8.207, contracting officers will submit all settlement proposals to the Director, Internal Audit Service (072), for review and audit prior to taking any further action.

PART 8–11—FEDERAL, STATE, AND LOCAL TAXES

8. In § 8–11.502–1, paragraph (c) is amended to read as follows:

§ 8–11.502–1 Types of evidence of exemption.

* * * * *

(c) *Beer procured from licensed breweries.* The contracting officers specified in § 8–75.101 are hereby authorized to sign application permits to procure from licensed breweries, alcohol (beer) tax free, when such product is prescribed for therapeutic use of patients. The application, in letter form, shall be submitted to the Director, Alcohol Tax and Firearms Division, Internal Revenue Service, Washington, D.C. 20225 and contain the following information:

(1) Name and address of hospital.

(2) Specific purpose for which it will be used.

(3) Quantity proposed to buy each month, year, etc.

(4) Name and address of the brewery.

(5) Copy of document authorizing contracting officer to sign request.

A new permit is needed only when beer is to be purchased from a different brewery than the one for which the original permit was requested.

* * * * *

(Sec. 205(c), 63 Stat. 390, as amended, 40 U.S.C. 486(c); sec. 210(c), 72 Stat. 1114, 38 U.S.C. 210(c))

These regulations are effective June 28, 1971.

Approved: May 19, 1971.

By direction of the Administrator.

[SEAL] FRED B. RHODES,
Deputy Administrator.

[FR Doc.71–7306 Filed 5–25–71;8:49 am]

Chapter 101—Federal Property Management Regulations

SUBCHAPTER E—SUPPLY AND PROCUREMENT

PART 101–27—INVENTORY MANAGEMENT

Return of Unserviceable or Incomplete GSA Stock Items

This amendment provides for the return to GSA of stock items in unserviceable or incomplete condition at a reduced credit allowance.

The table of contents for Part 101–27 is amended to add the following:

Sec.
101–27.503–1 Serviceable material.
101–27.503–2 Unserviceable or incomplete material.

Subpart 101–27.5—Return of GSA Stock Items

Section 101–27.502(d) is added and § 101–27.503 is revised to read as follows:

§ 101–27.502 Criteria for return.

* * * * *

(d) The cost to repair unserviceable material or to replace missing parts or components in such material shall not exceed 60 percent of the current GSA Stock Catalog selling price.

§ 101–27.503 Allowable credit.

Allowable credit for activities returning material that is accepted by GSA will be applied against future requisitions for supplies placed upon GSA and will be reflected in billings by GSA.

§ 101–27.503–1 Serviceable material.

Credit will be granted at the rate of 90 percent of the current GSA Stock Catalog selling price after acceptance by GSA for new, used, repaired, or reconditioned material which is serviceable and issuable to all agencies without limitation or restriction (condition code A).

§ 101–27.503–2 Unserviceable or incomplete material.

Credit will be granted at the rate of 30 percent of the current GSA Stock Catalog selling price after acceptance by GSA for unserviceable or incomplete material when such material:

(a) Is economically reparable by repair, overhaul, or reconditioning for return to issuable condition (condition code F); or

(b) Requires additional parts or components to complete the end item prior to issue (condition code G).

(Sec. 205 (c), 63 Stat. 390; 40 U.S.C. 486(c))

Effective date. This regulation is effective upon publication in the FEDERAL REGISTER (5–26–71).

Dated: May 20, 1971.

ROBERT L. KUNZIG,
Administrator of General Services.

[FR Doc.71–7324 Filed 5–25–71;8:50 am]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 18924; RM–1635; FCC 71–510]

PART 2—FREQUENCY ALLOCATIONS AND RADIO TREATY MATTERS; GENERAL RULES AND REGULATIONS

PART 87—AVIATION SERVICES

PART 91—INDUSTRIAL RADIO SERVICES

Miscellaneous Amendments

In the matter of amendment of Parts 2, 87, and 91 of the rules to delete provisions for aeronautical telemetering and to make provisions for land mobile telemetering in the Industrial Radio Services in the frequency band 216–220 MHz; Docket No. 18924; and petition of Readex Electronics, Inc., for amendment of the Commission's rules governing the Industrial Radio Services to establish an Industrial Telemetry Radio Service and to allocate thereto frequencies in the band 216–220 MHz; RM–1635.

1. On July 22, 1970, the Commission adopted a notice of proposed rule making in the above-entitled matter which was published in the FEDERAL REGISTER on July 29, 1970 (35 F.R. 12131; FCC 70–786, No. 49865). The notice proposed to provide for land mobile telemetering in the Industrial Radio Service (Part 91) in the 216–220 MHz band on a secondary basis to the Government radio location service and to delete existing and preclude any new provisions for non-Government airborne devices in that band. Coincidentally, the Commission considered a petition (RM–1635) filed on June 2, 1970, by Readex Electronics, Inc., to establish an Industrial Telemetry Radio Service under Part 91 in the 216–220 MHz band to accommodate development and implementation of a system of remote utility meter reading from an aircraft. Comments were to be filed on or before August 31, 1970, and reply comments on or before September 11, 1970. These dates were subsequently extended to October 1, 1970, and October 12, 1970, respectively, by the Acting General Counsel in response to a request by the National Association of Manufacturers filed on August 13, 1970. No further requests for extension have been received by the Commission. A list of those filing comments is attached hereto.

2. It should be noted that Piedmont Sales Co. filed comments on October 22, 1970, 3 weeks after the deadline. Piedmont proposed nationwide use of low-power telemetry in the 216–220 MHz band for the trucking industry. Since the Commission's proposal was intended to accommodate local needs, Piedmont's comments are inappropriate to this proceeding.

3. On August 27, 1970, Readex Electronics, Inc. (Readex) filed a petition for reconsideration of action taken by the Commission (Chief, Experimental Services Branch, Office of Chief Engineer, pursuant to § 0.241 of the rules) in advising Readex that action on two experimental applications (Files Nos. 5284/5285–ED–PL–70), filed on June 2, 1970 with the subject Petition would be deferred pending resolution of the instant proceeding. Readex opposed such action on the grounds that it would preclude gathering data to respond to the rule proposals and, further, that, by specifically precluding airborne telemetry systems from the 216–220 MHz band in the proposal, a de facto denial of the petition had been taken by the Commission.

4. As was pointed out in the notice (paragraph 3), removal of airborne telemetering operations from the 216–220 MHz band has been a matter of policy by both Government and non-Government authorities for the past several years. Consequently, insofar as Readex

is concerned the action taken in the notice was consistent with that policy. The purposes of the notice, however, were, primarily, to achieve more effective use of the spectrum by attempting to accommodate the burgeoning local requirements for land mobile telemetry in the Industrial Radio Services and secondarily, in contrast to Readex assumptions, to elicit comments concerning the need for a new service in the manner proposed by Readex.

5. Subsequent to filing the petition for reconsideration and, pursuant to agreement reached at an informal meeting between members of the Commission's staff and Readex representatives at which the policy prohibiting airborne telemetering was dicussed, Readex, on October 15, 1970, filed an amended petition for rule making to conduct its airborne tests on an experimental basis on the frequency 462.475 MHz in lieu of 219.95 MHz and mooted the aforementioned petition for reconsideration. In view of the favorable comments concerning the need for development of a more efficient meter reading technique, an experimental authorization to conduct airborne tests of its proposed meter reading system on the replacement frequency was granted Readex on November 5, 1970, thereby satisfying its immediate needs. Depending on the outcome of the experimental operations, establishment of an allocation accommodation for reading utility meters from an aircraft would, of necessity, be the subject of further but separate rule making.

6. In view of the previously expressed policy precluding airborne telemetry in in the 216–220 MHz band, herein reaffirmed, and of the change in frequency and subsequent grant of an experimental authorization to test the feasibility of utility meter reading from an airborne platform, comments relative to the interference potential from airborne operations in the 216–220 MHz band and to support the Readex concept in that band are considered moot. Consequently, further discussion will deal only with the proposal to make the 216–220 MHz band available for land mobile telemetering operations in the Industrial Radio Services on a secondary basis to Government radiolocation operations.

7. Aside from the broadcasting entities which cautioned against airborne telemetering due to the interference potential to television channel 13, the Commission's proposal was endorsed enthusiastically. The two major areas of comment concerned expansion of those eligible to operate in the 216–220 MHz band and the desirability for establishing a channelizing plan for the band. Medtronix, Inc., proposed that medical and scientific as well as industrial users be accommodated in the 216–220 MHz band and that the band be suballocated to provide 2 MHz for exclusive medical usage with 5 kHz channel spacing, and 1 MHz with 25 kHz and 1 MHz with 100 kHz spacing for ISM usage on a priority basic. EMR Telemetry proposed to expand "industrial applications" to include "industrial applications of surface telemetry" and to delete the proposed restriction on point-to-point applications. EMR also suggested the adoption of a channeling plan based on the IRIG (Interdepartment Range Instrumentation Group) 106–69 Table I. The Society of Automotive Engineers, Inc. believed that telecommand as well as telemetering should be permitted in order to permit control over the remote vehicle. API recommended that provision be made to use the 216–220 MHz band both ashore and offshore and on fixed to fixed bases offshore for petroleum exploration. API also agreed with the Commission's proposal that a specific channelizing plan not be adopted at this time. SIRSA recommended that the Commission adopt definite standards and a channelizing plan as soon as circumstances permit, and allow those eligible for Special Industrial Radio Service authorizations to have access to the 216–220 MHz band. Finally, the NAM urged that users other than vehicular testing (e.g., oceanography, pollution control, security monitoring, etc.) be permitted access to the 216–220 MHz band and that preassignment coordination by a frequency advisory committee be mandatory.

8. The commission has reviewed the comments carefully. Despite the comments advocating such action, we believe the secondary status of non-Government operations to Government radiolocation operations in the 216–220 MHz band makes a channelizing plan impractical. By definition, the secondary status necessitates a case-by-case approach to frequency assignments. Imposition of a further condition to comply with a channeling plan would create an abundance of administrative problems as well as of requests for waiver. Accordingly, although a channeling plan would appear to be desirable under an exclusive or even a coequal Government/non-Government sharing allocation, the arguments presented were not sufficiently persuasive to warrant consideration of any channeling plan at this time. The multiplicity of various bandwidths needed to transmit data in performance of the various telemetering functions thus necessitating a case-by-case coordination among users tends to substantiate such a determination. Further, these same considerations and the fact that a number of Industrial Radio Services will have access to the band make adoption of a frequency coordination requirement impractical. The frequency coordination provisions of Section 91.8 have been amended to this effect.

9. The Commission is aware of the expanding requirements for telemetering operations by other than industrial services. Unfortunately, sharing of the 216–220 MHz band on a secondary basis to Government radiolocation operations, many of which are high powered, does not now provide a clear indication of the extent to which the band can, in fact, be utilized. While it is undoubtedly true that additional eligibility might be permitted in some areas, we are not persuaded at this time that expanding the eligibility to include specific provisions for scientific and medical telemetering operations, for example, would be in the overall interests of those services, particularly since the requisite priorities implicit in the latter could not be assured.[1] However, to the degree that such interests could establish eligibility within the existing Industrial Radio Services rules, their operations would not be precluded.

10. It should be pointed out that, in view of the limited availability of the 216–220 MHz band to non-Government entities, the proposal was limited to accommodation of those local area land mobile operations generally associated with the development and testing of motor vehicles, earth moving equipment, etc., and specifically excluded airborne and point-to-point telemetering systems. Within this context, the rules will permit all forms of mobile telemetry including those uses advanced by NAM that involve mobile telemetering. No provision is being made, however, for the fixed uses proposed by API and NAM since the conditions under which the frequency band is being made available for non-Government purposes preclude such uses. It was not contemplated, however, that, within those constraints, telecommand as well as telemetering functions would be permitted in connection with land mobile operations in the Industrial Radio Services. Nonetheless, this could prove a useful adjunct in certain telemetering applications and provisions have been made for its use, when needed, by licensees of mobile telemetering stations in the band.

11. Although the notice of proposed rule making also solicited comments with respect to appropriate technical standards for stations and systems for telemetry in this band, the comments received did not provide any helpful information as to the standards to be adopted, other than power, bandwidth, and channeling. Therefore, no technical standards are being adopted other than those which are presently in the rules. Power and authorized bandwidth limitations will be specified on the station authorizations for telemetry in this band on a case-by-case basis. Transmitters will be subject to the requirement for type acceptance.

12. In view of the above, the Commission is persuaded that the public interest can best be served by adopting the rule amendments set forth below. *Accordingly, it is ordered,* That pursuant to authority contained in sections 303 (c), (e), and (f) of the Communications Act of 1934, as amended, Part 2, § 2.106 and Parts 87 and 91 of the Commission's rules and regulations are amended effective June 30, 1971. *It is further ordered,* That Petition RM–1635, to the extent that operation in the 216–220 MHz frequency band is concerned, is hereby denied. In all other respects RM–1635 shall remain

[1] The Commission recognizes, however, the present absence of adequate provisions for such operations and hopes to initiate rule making in the near future looking toward their accommodations in appropriate frequency bands.

under consideration by the Commission pending further action resulting from experimental operations currently in progress. *It is further ordered,* That the proceedings in Docket 18924 are hereby terminated.

(Sec. 303, 48 Stat., as amended, 1082; 47 U.S.C. 303)

Adopted: May 12, 1971.

Released: May 17, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[2]
[SEAL] BEN F. WAPLE,
Secretary.

RESPONDENTS IN DOCKET 18924

American Water Works Association.
Association of Maximum Service Telecasters, Inc.
Atlantic City Electric Co.
Central Committee on Communication Facilities of the American Petroleum Institute.
Educational Broadcasting Corp.
EMR Telemetry.
Medtronix, Inc.
National Association of Manufacturers.
National Federation of Independent Business.
Northern Illinois Gas Co.
Palmer Broadcasting Co.
Peninsula Broadcasting Corp.
Philadelphia Electric Co.
Piedmont Sales Co. (late respondent).
Readex Electronics.
Refrigerated Transport Co., Inc.
The Rochester Gas and Electric Corp.
Society of Automotive Engineers, Subcommittee XIX.
Special Industrial Radio Service Association, Inc.
UGI Corp.
Utilities Telecommunications Council.
Washington Gas Light Co.
Wometco Skyway Broadcasting Co.

Parts 2, 87, and 91 of Chapter I of Title 47 of the Code of Federal Regulations are amended as follows:

A. Part 2 is amended as follows:

§ 2.106 [Amended]

1. In § 2.106, the frequency band 216–220 MHz in columns 5 through 11 is amended, US Footnote 5 is deleted, and US Footnote 114 is added to read as follows:

Band (MHz)	Allocation	Band (MHz)	Service	Class of station	Nature of services of stations
5	6	7	8	9	10	11
* * *	* * *	* * *	* * *	* * *	* * *	* * *
216–220	G, NG (US114).	216–220	Land mobile telemetering only).	Telemetering land. Telemetering mobile.		INDUSTRIAL.
* * *	* * *	* * *	* * *	* * *	* * *	* * *

* * * * *

US114 Non-Government use of the band 216–220 MHz is limited to the land mobile service for telemetering and associated telecommand purposes only and shall have secondary status with respect to the Government radiolocation service; airborne devices will not be authorized.

* * * * *

B. Part 87 is amended as follows:

§ 87.331 [Amended]

1. In § 87.331, paragraph (d) is deleted and (d) is shown as "Reserved."

C. Part 91 is amended as follows:

1. In § 91.8(a)(1) a new subdivision (ix) is added to read as follows:

§ 91.8 Policy governing the assignment of frequencies.

(a) * * *
(1) * * *

(ix) Any application involving a frequency in the 216–220 MHz band.

* * * * *

2. In § 91.106, the table is amended to read as follows:

§ 91.106 Power and antenna height.

* * * * *

(b) * * *

Frequency:	*Maximum plate power input to the final radio frequency stage (watts)*
1.6–6.0 MHz	2,000
25–100 MHz	500
100–216 MHz	600
Above 216 MHz	(1)

[1] To be specified in the authorization.

* * * * *

[2] Commissioners Bartley, Robert E. Lee and H. Rex Lee absent.

3. In § 91.254, the table in paragraph (a) is amended by adding the frequency band 216–220 MHz in numerical order, and adding subparagraph (24) to paragraph (b), as follows:

§ 91.254 Frequencies available.

(a) * * *

POWER RADIO SERVICE FREQUENCY TABLE

Frequency or band	Class of station(s)	Limitations
MHz		
* * *	* * *	* * *
173.3925–173.4000	do	18, 10, 22, 23
216–220	Base or mobile	24
* * *	* * *	* * *

(b) * * *

(24) Non-Government use of this band is limited to F2 or F9 emission for telemetering purposes only and all operation is secondary to the Government radiolocation service. Airborne devices will not be authorized. Assignments are subject to additional technical and operational limitations and each application must include precise information concerning emission characteristics, transmitter frequency deviation, output power, type and directional characteristics, if any, of the antenna, and the minimum necessary hours of operation. Base stations authorized in this band shall be used only to perform telecommand functions in conjunction with associated mobile telemetering stations. When so authorized, such base stations may also command actions by the vehicle itself. Base stations will not be authorized solely to perform the latter function.

* * * * *

4. In § 91.304, the table in paragraph (a) is amended by adding the frequency band 216–220 MHz in numerical order, and adding subparagraph (27) to paragraph (b), as follows:

§ 91.304 Frequencies available.

(a) * * *

PETROLEUM RADIO SERVICE FREQUENCY TABLE

Frequency or band	Class of station(s)	Limitation
MHz		
* * *	* * *	* * *
173.3925–173.4000	do	21, 24, 25, 26
216–220	Base or mobile	27
* * *	* * *	* * *

(b) * * *

(27) Non-Government use of this band is limited to F2 or F9 emission for telemetering purposes only and all operation is secondary to the Government radiolocation service. Airborne devices will not be authorized. Assignments are subject to additional technical and operational limitations and each application must include precise information concerning emission characteristics, transmitter frequency deviation, output power, type and directional characteristics, if any, of the antenna, and the minimum necessary hours of operation. Base stations authorized in this band shall be used only to perform telecommand functions in conjunction with associated mobile telemetering stations. When so authorized, such base stations may also command actions by the vehicle itself. Base stations will not be authorized solely to perform the latter function.

* * * * *

5. In § 91.354, the table in paragraph (a) is amended by adding the frequency band 216–220 MHz in numerical order, and adding subparagraph (7) to paragraph (b), as follows:

§ 91.354 Frequencies available.

(a) * * *

FOREST PRODUCTS RADIO SERVICE FREQUENCY TABLE

Frequency or band	Class of station(s)	Limitations
MHz		
* * *	* * *	* * *
173.3925–173.4000	do	22, 24, 25, 26
216–220	Base or mobile	7
* * *	* * *	* * *

(b) * * *

(7) Non-Government use of this band is limited to F2 or F9 emission for telemetering purposes only and all operation is secondary to the Government radiolocation service. Airborne devices will not be authorized. Assignments are subject to additional technical and operational limitations and each application must include precise information concerning emission characteristics, transmitter frequency deviation, output

power, type and directional characteristics, if any, of the antenna, and the minimum necessary hours of operation. Base stations authorized in this band shall be used only to perform telecommand functions in conjunction with associated mobile telemetering stations. When so authorized, such base stations may also command actions by the vehicle itself. Base stations will not be authorized solely to perform the latter function.

* * * * *

6. In § 91.504, the table in paragraph (a) is amended by adding the frequency band 216–220 MHz in numerical order, and adding subparagraph (30) to paragraph (b), as follows:

§ 91.504 Frequencies available.

(a) * * *

SPECIAL INDUSTRIAL RADIO SERVICE FREQUENCY TABLE

Frequency or band	Class of station(s)	General reference	Limitations
MHz			
* * *	* * *	* * *	* * *
173.3925–173.4000	do	do	21, 23, 24, 25
216–220	Base or mobile	Telemetry	30
* * *	* * *	* * *	* * *

(b) * * *

(30) Non-Government use of this band is limited to F2 or F9 emission for telemetering purposes only and all operation is secondary to the Government radiolocation service. Airborne devices will not be authorized. Assignments are subject to additional technical and operational limitations and each application must include precise information concerning emission characteristics, transmitter frequency deviation, output power, type and directional characteristics, if any, of the antenna, and the minimum necessary hours of operation. Base stations authorized in this band shall be used only to perform telecommand functions in conjunction with associated mobile telemetering stations. When so authorized, such base stations may also command actions by the vehicle itself. Base stations will not be authorized solely to perform the latter function.

* * * * *

7. In § 91.554, the table in paragraph (a) is amended by adding the frequency band 216–220 MHz in numerical order, and adding subparagraph (45) to paragraph (b), as follows:

§ 91.554 Frequencies available.

(a) * * *

BUSINESS RADIO SERVICE FREQUENCY TABLE

Frequency or band	Class of station(s)	Limitations
MHz		
* * *	* * *	* * *
173.3925–173.4000	do	29, 30
216–220	Base or mobile	45
* * *	* * *	* * *

(b) * * *

(45) Non-Government use of this band is limited to F2 or F9 emission for telemetering purposes only and all operation is secondary to the Government radiolocation service. Airborne devices will not be authorized. Assignments are subject to additional technical and operational limitations and each application must include precise information concerning emission characteristics, transmitter frequency deviation, output power, type and directional characteristics, if any, of the antenna, and the minimum necessary hours of operation. Base stations authorized in this band shall be used only to perform telecommand functions in conjunction with associated mobile telemetering stations. When so authorized, such base stations may also command actions by the vehicle itself. Base stations will not be authorized solely to perform the latter function.

* * * * *

8. In § 91.730, the table in paragraph (a) is amended by adding the frequency band 216–220 MHz in numerical order, and adding subparagraph (19) to paragraph (b), as follows:

§ 91.730 Frequencies available.

(a) * * *

MANUFACTURERS RADIO SERVICE FREQUENCY TABLE

Frequency or band	Class of station(s)	Limitations
MHz		
* * *	* * *	* * *
158.43	do	1
216–220	Base or mobile	19
* * *	* * *	* * *

(b) * * *

(19) Non-Government use of this band is limited to F2 or F9 emission for telemetering purposes only and all operation is secondary to the Government radiolocation service. Airborne devices will not be authorized. Assignments are subject to additional technical and operational limitations and each application must include precise information concerning emission characteristics, transmitter frequency deviation, output power, type and directional characteristics, if any, of the antenna, and the minimum necessary hours of operation. Base stations authorized in this band shall be used only to perform tele-command functions in conjunction with associated mobile telemetering stations. When so authorized, such base stations may also command actions by the vehicle itself. Base stations will not be authorized solely to perform the latter function.

9. In § 91.754, the table in paragraph (a) is amended by adding the frequency band 216–220 MHz in numerical order, and adding subparagraph (16) to paragraph (b), as follows:

§ 91.754 Frequencies available.

(a) * * *

TELEPHONE MAINTENANCE RADIO SERVICE FREQUENCY TABLE

Frequency or band	Class of station(s)	Limitations
MHz		
* * *	* * *	* * *
158.34	Mobile	4
216–220	Base or mobile	16
* * *	* * *	* * *

(b) * * *

(16) Non-Government use of this band is limited to F2 or F9 emission for telemetering purposes only and all operation is secondary to the Government radiolocation service. Airborne devices will not be authorized. Assignments are subject to additional technical and operational limitations and each application must include precise information concerning emission characteristics, transmitter frequency deviation, output power, type and directional characteristics, if any, of the antenna, and the minimum necessary hours of operation. Base stations authorized in this band shall be used only to perform telecommand functions in conjunction with associated mobile telemetering stations. When so authorized, such base stations may also command actions by the vehicle itself. Base stations will not be authorized solely to perform the latter function.

[FR Doc.71-7104 Filed 5-25-71;8:45 am]

[Docket No. 19160; FCC 71-537]

PART 73—RADIO BROADCAST SERVICES

Table of Assignments; Certain FM Broadcast Stations

In the matter of amendment of § 73.202 Table of Assignments, FM Broadcast Stations. (Muskegon Heights, Mich.; Newport, R.I.; Pennington Gap, Va.; Heath, Ohio; Columbus, Tex.; Middlebury, Vt.; Three Rivers, Mich.; Ashdown, Ark.; Vandalia, Ill.; Lincoln, Maine; Bossier City, La.; Vevay, Ind.; Delphos, Ohio; Georgetown, Ohio; Bonita Springs, Fla.; Jenkins, Ky.; Peterborough, N.H.; Santa Paula, Calif.; Crown Point, Ind.; Luverne, Minn.; Red Bank-White Oak, Tenn.; North Myrtle Beach, S.C.; Napoleon, Ohio; Central City, Pa.; Waseca, Minn.; Quebradillas, P.R.; Security, Colo.; Ord, Nebr.; and Vail, Colo), RM-1618, RM-1634, RM-1641, RM-1642, RM-1647, RM-1649, RM-1657, RM-1662, RM-1663, RM-1664, RM-1668, RM-1669, RM-1671, RM-1672, RM-1565, RM-1673, RM-1676, RM-1690, RM-1692, RM-1699, RM-1704, RM-1705, RM-1707, RM-1708, RM-1717, RM-1718, RM-1720, RM-1721, RM-1730, RM-1582.

First report and order. 1. This proceeding was begun by notice of proposed rule making issued February 26, 1971 (FCC 71-191, 36 F.R. 4062), proposing Class A FM channels as first assignments at 28 communities listed in the caption hereof, plus either a Class A or Class C

channel as a first assignment at Vail, Colo. All of the assignments were requested in petitions filed until the end of 1970. In connection with nine of the proposals other than Vail, the notice raised certain questions, resulting from the fact that six of them are for places in standard metropolitan statistical areas and the other three presented some other problems.

2. This first report and order deals with the 19 proposals as to which no questions were raised in the notice. In all but four of these cases, the petitioners filed comments supporting the proposal, usually reaffirming their intention to apply for the channel if assigned. None of the 19 was really opposed, although a party then having a contract to acquire the license of an FM station at Worcester, Mass., asked that the proposed assignment at Newport, R.I. (296A), be conditioned on use meeting mileage separations with respect to the Worcester station on an adjacent Class B channel, with a statement that no request for waiver of separations would be entertained in connection with an application for the channel. In reply comments, the Newport petitioner opposed this request.

3. As stated in the Notice, all of the proposals appear meritorious, except insofar as questions were raised concerning them in nine cases besides Vail. Accordingly, there is no need to discuss the others here, and they are adopted. While in four cases the original proponents did not come forward with comments in support, we are adopting these as well as the 15 which were supported, since they appear generally meritorious. The request of the party interested in the Worcester, Mass., FM station, mentioned above, is denied; it is not Commission policy to impose such conditions in rule-making proceedings, if for no other reason than that they would badly clutter the Table of Assignments. As always, the assignments are made on the basis that they can and will be used at standard separations with respect to other assignments and stations; if a short separation is sought it must be by petition for waiver of the rules, and this can be evaluated on its merits if and when it is filed.

4. Action on the 11 remaining petitions will be forthcoming in the near future. While some of the petitioners involved filed material which satisfactorily answered the questions raised, this was not true in all cases. Therefore, to expedite final action and permit the early provision of a first local FM service in the cases which do not present any problems, we are here dealing only with the cases which do not raise substantial questions.

5. In view of the foregoing, and pursuant to sections 4(i), 303 (g) and (r), and 307(b) of the Communications Act of 1934, as amended, effective July 9, 1971, § 73.202(b) of the Commission's rules, the Table of FM Assignments, is amended, by the addition of the following entries:

City	Channel No.
Ashdown, Ark	280A
Vandalia, Ill	296A
Vevay, Ind	240A
Jenkins, Ky	276A
Lincoln, Maine	257A
Three Rivers, Mich	240A
Luverne, Minn	265A
Waseca, Minn	221A
Ord, Nebr	280A
Peterborough, N.H	221A
Delphos, Ohio	296A
Georgetown, Ohio	249A
Napoleon, Ohio	276A
Central City, Pa	269A
Newport, R.I	296A
Columbus, Tex	252A
Middlebury, Vt	265A
Pennington Gap, Va	288A
Quebradillas, P.R	252A

(Secs. 4, 303, 307, 48 Stat., as amended, 1066, 1082, 1083; 47 U.S.C. 154, 303, 307)

Adopted: May 19, 1971.

Released: May 21, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] BEN F. WAPLE, *Secretary.*

[FR Doc.71-7352 Filed 5-25-71;8:53 am]

[Docket No. 19138; FCC 71-538]

PART 73—RADIO BROADCAST SERVICES

Table of Assignments; Television Broadcast Stations; Lowry and Martin, S. Dak.

In the matter of amendment of § 73.606, Table of Assignments, Television Broadcast Stations. (Lowry and Martin, S. Dak.), RM-1651.

Report and order. 1. In response to a petition of the South Dakota State Board of Directors for Educational Television (State Board), filed on July 6, 1970, the Commission adopted, on January 20, 1971, a notice of proposed rule making, released January 25, 1971 (FCC 71-60) in the above-entitled matter which proposed the assignments of Channel *11— to Lowry, S. Dak., and Channel *8— to Martin, S. Dak. Interested parties were afforded an opportunity to comment on or before March 2, 1971, and to reply to such comments on or before March 12, 1971. Petitioner filed a brief supporting comment. No oppositions were received.

2. The State Board has the primary responsibility, in South Dakota, for providing the citizens of South Dakota with an educational service, via television. At the present time, it is actively involved in operating and developing a full statewide television network on which educational service can be brought to the entire State. Petitioner brings to our attention, that at this time, it provides, or expects to provide, service through the following Stations: KUSD-TV, Vermillion, licensed to the University of South Dakota; KESD-TV, Brookings, licensed to South Dakota State University; and KBHE-TV, Rapid City, and KTSD, Pierre (CP), both held by the State Board. Applications filed by the State Board are currently pending for Eagle Butte and Aberdeen.

3. With a view of its responsibility to bring the entire State of South Dakota educational television petitioner states:

"* * * Although there are six educational television broadcast facilities already in operation, under construction or applied for in South Dakota, there are vast areas in the south central and north central portions of the State that still cannot be reached by the network with a signal of acceptable quality. To further the statewide plan, therefore, requires the establishment of additional transmitting facilities in these heretofore inaccessible portions of the State so as to assure the distribution of educational television throughout South Dakota."

The choice of Lowry in north central South Dakota and Martin in south central South Dakota as communities for new educational television assignments has been made by petitioner in order to bring these sparsely settled areas their first educational service, i.e., their geographic location appears to be ideal for bringing the present nonserved regions of South Dakota a first educational television signal. In light of the key factor of geographic location as a reason for choice of communities, the population of the communities, themselves, becomes relatively unimportant. Lowry is located in Walworth County, respective populations, 35 and 7,842. Martin, population 1,248, is located in Bennett County with a population of 3,088.[1] These communities have no television assignments. Neither of the proposed stations (at Lowry or Martin) are expected to be a production center for the South Dakota educational network, but they will instead, be a transmitting and distribution center for the network's programing.

4. The State Board underlines the sparseness of the population throughout South Dakota, particularly in the areas for which it has proposed the two assignments herein under consideration:

"* * * in many areas the population is relatively sparse and the economy is rural in nature, so that these areas cannot provide the substantial tax resources which are found in heavily populated, more industrialized areas. In these sparsely populated areas, local school curriculae must be supplemented by educational television broadcasting which would provide both in-school instruction at all school levels (particularly in science and mathematics) and in-service teacher training. In addition, specialized and professional instruction for teachers and adult education programs also rely heavily upon educational

[1] Commissioners Bartley and Robert E. Lee absent.

[1] Population statistics are from the 1970 U.S. Census.

television to supplement the limited local resources. Moreover, the educational network provides the cultural advantages generally available only in metropolitan areas (concerts, live drama, etc.), and inaccessible to those living in the widely distributed rural areas of the State."

5. We have carefully examined the proposal advanced by petitioner as set out in our Notice and the reasons, in most part set out above, the State Board has brought to our attention for the assignment of Channel *11— to Lowry, S. Dak., and Channel *8— to Martin, S. Dak., and have come to the conclusion, thereafter, that both assignments are in the public interest. Therefore, in light of the reason set forth by petitioner and the facts that: There are no opposing parties; that the requested assignments can be made in full compliance with our minimum mileage separation requirements; that no other assignments need be disturbed; and that the State Board has expressed its intention to apply for the channels on their assignment, we are granting the State Board's petition as filed.

6. Authority for the actions taken herein, is contained in sections 4(i), 303, and 307(b) of the Communications Act of 1934, as amended.

7. *Accordingly, it is ordered,* That effective July 9, 1971, the Table of Assignments in § 73.606(b) of the Commission's rules is amended, insofar as the cities listed below are concerned to read as follows:

City	*Channel*
Lowry, S. Dak.	*11—
Martin, S. Dak.	*8—

8. *It is further ordered,* That this proceeding (Docket No. 19138, RM-1651) is terminated.

(Secs. 4, 303, 307, 48 Stat., as amended, 1066, 1082, 1083; 47 U.S.C. 154, 303, 307)

Adopted: May 19, 1971.

Released: May 21, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[2]
[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-7353 Filed 5-25-71;8:53 am]

[FCC 71-544]

PART 73—RADIO BROADCAST SERVICES

PART 74—EXPERIMENTAL, AUXILIARY AND SPECIAL BROADCAST AND OTHER PROGRAM DISTRIBUTIONAL SERVICES

Showing of Sports Events on Over-the-Air Subscription Television, or by Cablecasting

1. The Commission has under consideration a request for a declaratory ruling, pursuant to § 1.2 of the Commission's rules, filed on behalf of the Indianapolis Motor Speedway Corp. (Speedway Corporation) in order to remove uncertainty as to the meaning and effect of §§ 73.643 (b)(2) and 74.1121(a)(2) of the rules governing the transmission of sports events on a subscription basis over the air or by cable.

2. The aforementioned two sections are identical in wording. The former governs over-the-air subscription television (STV); the latter, cablecasting[1] which is accompanied by a per-program or a per-channel fee. As to such services, the rules, in pertinent part, read as follows:

> Sports events shall not be broadcast (cablecast) which have been televised live on a nonsubscription, regular basis in the community during the 2 years preceding their proposed subscription broadcast (proposed cablecast) * * *

3. The purpose of the rules is to prevent STV and cable from "siphoning" sports events from conventional television and making the public pay for programs they were formerly able to view without direct charge. The underlying rationale is that by prohibiting STV and CATV operators from showing sports events that have been regularly shown in their communities over conventional TV during the last 2 years, STV and CATV will not compete with conventional TV for them and they will continue to be shown over the latter medium.

4. The basic facts on which a declaratory ruling is requested, as set forth by Speedway Corporation, are the following:

(a) Speedway Corporation annually conducts the Indianapolis 500 Mile Motor Race (the Race) on Memorial Day. The average elapsed time of the Race in recent years has been approximately 3 hours.

(b) Pictures and descriptions of the Race in its entirety have never been broadcast live to the public by television broadcast stations on either a conventional or a subscription basis. Nor have they ever been distributed to the public on a conventional or subscription basis via cable television.

(c) Full length, live pictures and descriptions of the Race have for a period of 7 years been made available to the public on a closed circuit, subscription basis in theaters.

(d) It has been proposed that the Speedway Corporation permit a national television network to broadcast over its network and by means of that network's affiliated television broadcast stations pictures and descriptions of portions of the 1971 Race without direct charge to the public for the receipt thereof, i.e., the broadcast would be on a conventional basis.

(e) The network broadcast will occur on the same day as the running of the Race but, through use of videotape, film, or other means of reproduction, the commencement of the network broadcast will be delayed until after the end of the actual Race.

5. The point of uncertainty concerning which Speedway Corporation asks a ruling is whether, on the basis of the aforementioned facts, the network broadcast of the 1971 Race on conventional television on a delayed basis would constitute a live broadcast or cablecast on a nonsubscription regular basis within the meaning of the aforementioned rules so as to restrict future television or cablevision release of pictures and descriptions of future Races in their entireties on a subscription basis.

6. Under the provisions of 5 U.S.C. 554(e), declaratory orders may be issued by the Commission, in its discretion, to terminate a controversy or remove uncertainty. Section 1.2 of the Commission's rules similarly provides that declaratory rulings may be issued under such circumstances. Since uncertainty may exist about the meaning of that portion of the rules which reads "televised live on a nonsubscription, regular basis," the Commission is issuing a declaratory ruling in the instant matter. However, as explained hereinafter, because of the existence of a pending rule making proceeding in which modifications of the aforementioned two sections have been proposed, the instant ruling may be of limited help to Speedway Corporation.

DECLARATORY RULING

7. Section 73.643(b)(2) governing the showing of sports events over STV was adopted in the Fourth Report and Order in Docket No. 11279, 15 F.C.C. 2d 466 (1968). Paragraphs 288–305 of that document give a detailed explanation of the numerous facets of the rule. In a Memorandum Opinion and Order in Docket No. 18397, 23 F.C.C. 2d 825 (1970), § 74.1121(a)(2) was adopted because the Commission believed that cablecasting accompanied by a per-program or a per-channel charge is akin to STV and presents the same threat of program siphoning.[3]

8. Note 2 of the aforementioned sections states that "[t]he manner in which * * * (the rule) will be administered and in which 'sports,' 'sports events,' and 'televised live on a nonsubscription, regular basis' will be construed is explained in paragraphs 288–305 of the fourth report and order in Docket No. 11279, 15 FCC 466." We shall not here repeat the detailed discussion of those paragraphs. The following ruling prompted by the request of Speedway Corporation is based generally on that discussion and, particularly, on paragraphs 295 and 305.

9. Ruling. Under the provisions of the rules, sports events televised on a delayed basis, as proposed by Speedway Corporation, are not prohibited from being siphoned to STV or cable. The prohibi-

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[2] Commissioners Bartley and Robert E. Lee absent.

[1] Commission rules define "cablecasting" as "television programing distributed on a CATV system which has been originated by the CATV operator or by another entity, exclusive of television broadcast signals distributed on the system." 47 CFR § 74.1001(i) (1969).

[3] Petitions for reconsideration of this action are pending.

tion runs only to events which are televised live, i.e., televised at the moment that they occur. Therefore, we rule that a broadcast of the race on a delayed basis over conventional television in 1971 would not place any restrictions on release of the Race on a subscription basis in future years, under the present rules.[3]

PENDING RULE MAKING

10. As previously mentioned, the declaratory ruling made above may be of limited value to Speedway Corporation in arriving at a decision as to whether to permit showing of the Race in 1971 over conventional television because of a pending rule making proceeding in which modifications of the sports rules are proposed. That proceeding was begun by the issuance of a Notice of Proposed Rule Making in Docket No. 18893, on July 1, 1970, 35 F.R. 11040. Under the present rules, it would be possible for the holder of the television rights to a specific sports event to withhold it from conventional televising for 1 year in order to make it eligible for subscription showing thereafter, in the hope of making greater profits from the latter type of showing. To eliminate this possibility, the proposal in Docket No. 18893 would change the rules to provide that an event is not eligible for subscription showing in a community if it has been televised there live on a nonsubscription, regular basis during any one of the 5 years preceding proposed subscription showing. This proposal assumes that while a party might be willing to withhold an event for only 1 year, he might not think of doing so for a period of 5 years.

11. Comments in Docket No. 18893 have been duly filed and are under study by the Commission. Among other suggestions submitted in the comments is a suggestion that antisiphoning protection be given not only to sports events that have been televised live on a nonsubscription, regular basis, but also to events that have been shown on a delayed basis. In support thereof, one party states that some tape-delayed programs are virtually like live broadcasts. To modify the rules so as to give antisiphoning protection to both live and delayed showings is well within the scope of that proceeding, and although we have not made any decisions on the matter and do not here commit ourselves in any way, it is certainly in the realm of possibility that such a modification might be adopted. If this were to occur, then all television stations and CATV systems would be subject to the rules as amended in this respect, as well as in any other respect, and, depending on the circumstances, a 1971 showing of the Race might restrict future release of the Race on a subscription basis.

[3] Since this ruling concerning the matter of delayed vs. live broadcasts is dispositive of the request of Speedway Corporation, we do not here go into the question of the meaning of the phrase "nonsubscription, regular basis" which appears in the sports rules.

12. In view of the foregoing, we emphasize that the declaratory ruling given herein applies only to the present sports rules and is not to be construed as meaning that the substance of the ruling would apply if the rules are amended in Docket No. 18893 or any other proceeding.

Adopted: May 19, 1971.

Released: May 21, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[4]
[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-7356 Filed 5-25-71;8:53 am]

[4] Commissioners Bartley and R. E. Lee absent; Commissioner Johnson concurring in the result.

Title 49—TRANSPORTATION

Chapter I—Hazardous Materials Regulations Board, Department of Transportation

[Docket No. HM-79; Amendment No. 173-46]

PART 173—SHIPPERS

Transportation of Inhibited Vinyl Fluoride in Cargo Tanks

The purpose of this amendment to the Department's Hazardous Materials Regulations is to change the basis for the minimum filling density for inhibited vinyl fluoride, from a specified quantitative limit, to a limit based on performance standards for the cargo tank in which the commodity is transported.

On February 18, 1971, the Hazardous Materials Regulations Board published Docket No. HM-79; Notice No. 71-6 (36 F.R. 3130), proposing to amend the regulations as stated above. Interested persons were invited to give their views on this proposal.

One commenter suggested an editorial change in the text covering cargo tank holding time. The suggested change would have altered the application of the rule. However, the rule has been rewritten for clarification. Another comment related to the wisdom of authorizing variable holding times for cryogenic vehicles.

The question of the advisability of prescribing standard holding times rather than the variable standard described herein will be taken into consideration in the Board's deliberations leading to establishment of general criteria in the regulations for cryogenic cargo tanks.

It was suggested that the Board delete the last sentence of Note 11, which restricts shipments to "transportation by private or contract carrier by motor vehicle only". Deletion of this sentence was not proposed in the notice. Therefore, it will not be deleted at this time, but the comment will be taken under advisement for future rule making action.

Accordingly, 49 CFR Part 173 is amended as follows:

In § 173.315 paragraph (a)(1), Note 11 following the Table is amended to read as follows:

§ 173.315 Compressed gases in cargo tanks and portable tank containers.

(a) * * *

(1) * * *

NOTE 11: MC 330 or MC 331 cargo tanks must be insulated. Cargo tanks must meet all of the following requirements. Each tank must be designed for a service temperature no higher than minus 100° F. and must comply with the low-temperature requirements of the ASME Code. The maximum allowable transportation distance before venting will occur, must be that normally accomplished within the holding time of the cargo tank as loaded with an added margin of 100 percent of the normal travel time. However, if the normal travel time exceeds 24 hours, the maximum allowable transportation distance before venting will occur may be that normally accomplished within the holding time of the cargo tank with an added margin of 24 hours. Before transportation in an empty condition, each cargo tank having previously transported inhibited vinyl fluoride must have been drained and vented or blown down sufficiently so that there will be no venting during movement of the empty tank. Shipments are authorized for transportation by private or contract carrier by motor vehicle only.

* * * * *

This amendment is effective August 31, 1971, however, compliance with the regulations as amended herein is authorized immediately.

(Secs. 831-835, Title 18, United States Code, sec. 9, Department of Transportation Act, 49 U.S.C. 1657)

Issued in Washington, D.C., on May 20, 1971.

ROBERT A. KAYE,
Director, Bureau of Motor Carrier Safety, Federal Highway Administration.

[FR Doc.71-7298 Filed 5-25-71;8:48 am]

[Docket No. HM-75; Amendment No. 178-17]

PART 178—SHIPPING CONTAINER SPECIFICATIONS

Quenching of Steel Cylinders

The purpose of this amendment to the Department's Hazardous Materials Regulations is to permit the quenching of specifications 3AA, 3AAX, 3HT, and 4DA cylinders by suitable fluids other than oil.

On January 22, 1971, the Hazardous Materials Regulations Board published a notice of proposed rule making, Docket No. HM-75; Notice 71-2 (36 F.R. 1063), proposing to amend the regulations as stated above. Interested persons were invited to give their views on the proposal. The one comment received supported the proposal but suggested elimination of the molten salt bath option because no one was known to be using this method for heat treatment. Since the Board did not give public notice of any consideration to remove this optional method, it believes it should be the subject of future rule making.

Accordingly, 49 CFR Part 178 is amended as follows:

(A) In § 178.37–11, paragraph (a) (1) and (7) are amended; paragraph (a) (8) is added to read as follows:

§ 178.37—Specification 3AA; seamless steel cylinders made of definitely prescribed steels or 3AAX; seamless steel cylinders made of definitely prescribed steels of capacity over 1,000 pounds water volume.

§ 178.37–11 Heat treatment.

(a) * * *

(1) All cylinders must be quenched by oil, molten salt bath, or other suitable medium except as provided in subparagraph (5) of this paragraph.

* * * * *

(7) Molten salt bath, if used, must be maintained at a temperature not less than 375° F.

(8) Except as otherwise provided in subparagraph (6) of this paragraph, all cylinders, if water quenched or quenched with a liquid producing a cooling rate in excess of 80 percent of the cooling rate of water, must be inspected by the magnetic particle, dye penetrant or ultrasonic method to detect the presence of quenching cracks. Any cylinder designed to the requirements for specification 3AA and found to have a quenching crack must be rejected and may not be requalified. Cylinders designed to the requirements for specification 3AAX and found to have cracks must have cracks removed to sound metal by mechanical means. Such specification 3AAX cylinders will be acceptable if the repaired area is subsequently examined to assure no defect, and it is determined that design thickness requirements are met.

(B) In § 178.44–11, paragraph (a) (1) and (4) are amended; paragraph (a) (5) is added to read as follows:

§ 178.44 Specification 3HT; inside containers, seamless steel cylinders for aircraft use made of definitely prescribed steel.

§ 178.44–11 Heat treatment.

(a) * * *

(1) All cylinders must be quenched by oil, molten salt bath, or other suitable medium.

* * * * *

(4) Molten salt bath, if used, must be maintained at a temperature not less than 375° F.

(5) All cylinders must be inspected by the magnetic particle or dye penetrant method to detect the presence of quenching cracks. Any cylinder found to have a quenching crack must be rejected and may not be requalified.

(C) In § 178.58–11, paragraph (a) (1) and (5) are amended; paragraph (a) (6) is added to read as follows:

§ 178.58 Specification 4DA; inside containers, welded steel for aircraft use.

§ 178.58–11 Heat treatment.

(a) * * *

(1) All containers must be quenched by oil, molten salt bath or other suitable medium except as provided in subparagraph (4) of this paragraph.

* * * * *

(5) Molten salt bath, if used, must be maintained at a temperature not less than 375° F.

(6) All cylinders, if water quenched or quenched with a liquid producing a cooling rate in excess of 80 percent of the cooling rate of water, must be inspected by the magnetic particle or dye penetrant method to detect the presence of quenching cracks. Any cylinder found to have a quench crack must be rejected and may not be requalified.

This amendment is effective August 31, 1971, however, compliance with the regulations as amended herein is authorized immediately.

(Secs. 831–835, Title 18, United States Code; sec. 9, Department of Transportation Act, 49 U.S.C. 1657; title VI and sec. 902(h), Federal Aviation Act of 1958, 49 U.S.C. 1421–1430 and 1472(h))

Issued in Washington, D.C., on May 20, 1971.

W. F. REA III,
Rear Admiral, U.S. Coast Guard, by Direction of Commandant, U.S. Coast Guard.

CARL V. LYON,
Acting Administrator, Federal Railroad Administration.

ROBERT A. KAYE,
Director, Bureau of Motor Carrier Safety, Federal Highway Administration.

SAM SCHNEIDER,
Board Member, for the Federal Aviation Administration.

[FR Doc.71–7294 Filed 5–25–71;8:48 am]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Comptroller of the Currency

[12 CFR Parts 10, 11, 12, 16, 18]

CORPORATE DISCLOSURE REGULATIONS

Notice of Proposed Rule Making

The Comptroller of the Currency has under consideration a complete revision of his corporate disclosure regulations with particular application to banks having 500 or more shareholders. The revised regulations will subject the affected national banks to substantially the same requirements as are now in effect for State chartered insured banks and bank holding companies with 500 or more shareholders.

The revised regulations would end the disparity of treatment which has existed between the corporate disclosure requirements for national banks and that required of other issuers of securities registered under the Securities Exchange Act. This disparity of treatment originally came about as a result of the following circumstances:

The Comptroller of the Currency was the first Federal banking agency to impose specific requirements for the disclosure of financial and other information to shareholders. The Comptroller's first disclosure regulation was issued in 1963 prior to the Securities Act Amendments of 1964. The 1963 regulation imposed requirements on all national banks with deposits of $25 million or more. The provisions of the Securities Act Amendments of 1964 were applicable to all banks with 750 or more shareholders and $1 million or more of assets (the shareholder test was lowered 2 years later to 500) and subjected the affected banks to the registration and reporting requirements of the Securities Exchange Act of 1934. The administrative authority in the case of banks was given to the three banking agencies.

Following the passage of the 1964 Act, the Federal Reserve and the FDIC issued regulations which were substantially similar to those theretofore in effect for nonbank issuers by the SEC. The Comptroller of the Currency elected to leave in effect his existing disclosure regulation modified to conform to the shareholder test and certain other changes required by the statute.

Six years of experience with the contrasting approaches of the banking agencies has convinced this office that the public interest of all concerned would best be served by bringing the national bank requirements into line with those of the other agencies. During that time State chartered banks of comparable ownership have furnished the public with the additional information as to remuneration of management, unusual transactions with insiders and other information required by the other agencies without undue hardship or threat to confidence. In addition, many covered national banks during that period voluntarily reorganized into the one bank holding company form. Such national bank holding companies thereupon became subject to the SEC requirements and have been required to file reports and proxy statements containing substantially the same information which will be required of nonholding company banks by our amended regulations.

Although not a compelling reason for the change, it will also be responsive to requests from attorneys and accountants who regularly prepare reports and proxy statements for both national and State banks to facilitate their work by having a uniform set of rules. The office has also received communications from time to time from members of the investing public, security analysts, and others stressing the desirability of uniformity of treatment.

The proposed regulations would replace the present Parts 10, 11, 12, and a portion of the present Part 16 with a single new Part 11 embodying all Securities Act Disclosure Rules, which would then be similar in virtually all respects to the Regulations of the FED and the FDIC. A revised Part 16 would incorporate the requirement for the use of an offering circular by all existing national banks in connection with the public sale of capital notes or debentures and by a newly chartered national bank in connection with the initial offering for sale of its equity securities. Part 18 would be revised to limit its application to banks not required to register pursuant to the Securities Act, the annual report requirements of registered banks being covered by the proposed new Part 11.

All interested persons are invited to submit relevant data, views, or comments. Such material should be submitted in writing to Robert Bloom, Chief Counsel, Comptroller of the Currency, Treasury Department, Washington, D.C. 20220, to be received not later than June 30, 1971.

Parts 10, 11, 12, 16, and 18, Chapter I, Title 12 of the Code of Federal Regulations are proposed to be revised as follows:

1. Replace Parts 10, 11, 12, and a portion of Part 16 with Part 11;
2. Part 16 revised;
3. Section 18.1 of Part 18 amended.

The proposed regulations are as follows:

PART 11—SECURITIES ACT DISCLOSURE RULES

Sec.

AUTHORITY: The provisions of this Part 11 issued under 15 U.S.C. 78*l*, 78m, 78n, 78p, 78w.

REGULATIONS

§ 11.1 Scope of part.

This part is issued by the Comptroller of the Currency (the "Comptroller") pursuant to section 12(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78) (the "Act") and applies to all securities subject to registration pursuant to section 12(b) or section 12(g) of the Act by a national bank or a bank operating under the Code of Law for the District of Columbia (bank).

§ 11.2 **Definitions.**

For the purposes of this part, including all forms and instructions promulgated for use in connection herewith, unless the context otherwise requires:

(a) The terms "exchange," "director," "person," "security," and "equity security" have the meanings given them in section 3(a) of the Act.

(b) The term "affiliate" (whether referred to as an "affiliate" of, or a person "affiliated" with, a specified person) means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(c) The term "amount," when used with respect to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to shares, and the number of units if relating to any other kind of security.

(d) The term "associate," when used to indicate a relationship with any person, means (1) any corporation or organization (other than the bank or a majority-owned subsidiary of the bank) of which such person is an officer or partner or is, directly or indirectly, either alone or together with one or more members of his immediate family, the beneficial owner of 10 percent or more of any class of equity securities, (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person or who is a director or officer of the bank or any of its parents or subsidiaries.

(e) The term "charter" includes articles of incorporation, declarations of trust, articles of association or partnership, or any similar instrument, as amended, effecting (either with or without filing with any governmental agency) the organization or creation of and incorporated or unincorporated person.

(f) The term "control" (including the terms "controlling", "controlled by", and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(g) The term "employee" does not include a director, trustee, or officer.

(h) The term "equity capital accounts" means capital stock, surplus undivided profits, and reserve for contingencies and other capital reserves.

(i) The term "fiscal year" means the annual accounting period or, if no closing date has been adopted, the calendar year ending on December 31.

(j) (1) For the purpose of determining whether the registration requirements of section 12(g)(1) of the Act are applicable, securities shall be deemed to be "held of record" by each person who is identified the owner of such securities on records of security holders maintained by or on behalf of the bank, subject to the following:

(i) In any case where the records of security holders have not been maintained in accordance with accepted practice, any additional person who would be identified as such an owner on such records if they had been maintained in accordance with accepted practice shall be included as a holder of record.

(ii) Securities identified as held of record by a corporation, a partnership, a trust whether or not the trustees are named, or other organization shall be included as so held by one person.

(iii) Securities identified as held of record by one or more persons as trustees, executors, guardians, custodians, or in other fiduciary capacities with respect to a single trust, estate, or account shall be included as held of record by one person.

(iv) Securities held by two or more persons as coowners shall be included as held by one person.

(v) Each outstanding unregistered or bearer certificate shall be included as held of record by a separate person, except to the extent that the bank can establish that, if such securities were registered, they would be held of record, under the provisions of this paragraph, by a lesser number of persons.

(vi) Securities registered in substantially similar names, where the bank has reason to believe because of the address or other indications that such names represent the same person, may be included as held of record by one person.

(2) Notwithstanding subparagraph (1) of this paragraph:

(i) Securities held subject to a voting trust, deposit agreement, or similar arrangement shall be included as held of record by the record holders of the voting trust certificates, certificates of deposit, receipts, or similar evidences of interest in such securities: *Provided, however,* That the bank may rely in good faith on such information as is received in response to its request from a nonaffiliated issuer of the certificates or interests.

(ii) If the bank knows or has reason to know that the form of holding securities of record is used principally to circumvent the provisions of section 12(g)(1) of the Act, the beneficial owners of such securities shall be deemed to be record owners thereof.

(k) The term "immediate family" includes a person's (1) spouse; (2) son, daughter, and descendant of either; (3) father, mother, and ancestor of either; (4) stepson and stepdaughter; and (5) stepfather and stepmother. For the purpose of determining whether any of the foregoing relationships exist, a legally adopted child shall be considered a child by blood.

(l) The term "listed" means admitted to full trading privileges upon application by the bank and includes securities for which authority to add to the list on official notice of issuance has been granted.

(m) The term "majority-owned subsidiary" means a subsidiary more than 50 percent of whose outstanding securities representing the right, other than as affected by events of default, to vote for the election of directors, is owned by the subsidiary's parent and/or one or more of the parent's other majority-owned subsidiaries.

(n) The term "material", when used to qualify a requirement for furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before buying or selling the security registered.

(o) The term "officer" means a Chairman of the Board of Directors, Vice Chairman of the Board, Chairman of the Executive Committee, President, Vice President (except as indicated in the next sentence), Cashier, Treasurer, Secretary, Comptroller, and any other person who participates in major policy-making functions of the bank. In some banks (particularly banks with officers bearing titles such as Executive Vice President, Senior Vice President, or First Vice President as well as a number of "Vice Presidents"), some or all "Vice Presidents" do not participate in major policymaking functions, and such persons are not officers for the purpose of this part.

(p) The term "option" means any option, warrant, or right other than those issued to security holders on a pro rata basis.

(q) The term "parent of a specified person is a person controlling such person directly, or indirectly through one or more intermediaries.

(r) The term "plan includes all plans, contracts, authorizations, or arrangements, whether or not set forth in any formal document.

(s) The term "predecessor means a person the major portion of the business and assets of which another person acquired in a single succession or in a series of related successions.

(t) The terms "previously filed" and "previously reported" mean previously filed with, or reported in, a registration statement under section 12, a report under section 13, or a definitive proxy statement or statement where management does not solicit proxies under section 14 of the Act, which statement or report has been filed with the Comptroller, except that information contained in any such document shall be deemed to have been previously filed with or reported to an exchange only if such document is filed with such exchange.

(u) The term "principal underwriter" means an underwriter in privity of contract with the issuer of the securities as to which he is underwriter.

(v) The term "promoter" includes: (1) any person who, acting alone or in conjunction with one or more other persons, directly or indirectly takes initiative in founding and organizing the bank; (2) any person who, in connection with the founding and organizing of the bank, directly or indirectly receives in

consideration of services or property or both services and property 10 percent or more of any class of securities of the bank or 10 percent or more of the proceeds from the sale of any class of such securities. A persons who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of services or property or ever, be deemed a promoter if such person does not otherwise take part in founding and organizing the bank.

(w) The term "proxy" includes every proxy, consent, or authorization within the meaning of section 14(a) of the Act. The consent or authorization may take the form of failure to object or dissent.

(x) The terms "qualified stock option," "restricted stock option," and "employee stock purchase plan" have the meanings given them in sections 422 through 424 of the Internal Revenue Code of 1954.

(y) The term "share" means a share of stock in a corporation or unit of interest in an unincorporated person.

(z) The term "significant subsidiary" means a subsidiary meeting either of the following conditions:

(1) The investments in the subsidiary by its parent plus the parent's proportion of the investments in such subsidiary by the parent's other subsidiaries, if any, exceed 5 percent of the equity capital accounts of the bank. "Investments" refers to the amount carried on the books of the parent and other subsidiaries or the amount equivalent to the parent's proportionate share in the equity capital accounts of the subsidiary, whichever is greater.

(2) The parent's proportion of the gross operating revenues of the subsidiary exceeds 5 percent of the gross operating revenues of the parent.

(aa) The terms "solicit" and "solocitation" mean (1) any request for a proxy whether or not accompanied by or included in a form of proxy; (2) any request to execute or not to execute, or to revoke, a proxy; or (3) the furnishing of a form of proxy or other communication to security holders under circumstances reasonably calculated to result in the procurement, withholding, or revocation of a proxy. The terms do not apply, however, to the furnishing of a form of proxy to a security holder upon the unsolicited request of such security holder, the performance by the bank of acts required by § 11.5(g), or the performance by any person of ministerial acts on behalf of a person soliciting a proxy.

(bb) A "subsidiary" of a bank is (1) an affiliate controlled by the bank, directly or indirectly, through one or more intermediaries, except where the control (i) exists by reason of ownership or control of voting securities by the bank in a fiduciary capacity or (ii) was obtained by the bank in the course of securing or collecting a debt previously contracted in good faith, or (2) a person a majority of whose voting securities are held in trust for the benefit of the holders of a class of stock of the bank pro rata.

(cc) The term "succession" means the direct acquisition of the assets comprising a going business, whether by merger, consolidation, purchase or other direct transfer. The term does not include the acquisition of control of a business unless followed by the direct acquisition of its assets. The terms "succeed" and "successor" have meanings correlative to the foregoing.

(dd) The term "verified," when used with respect to financial statements, means either (1) certified by an independent public accountant, or (2) signed in accordance with § 11.7(b)(2) by the person principally responsible for the accounting records of the bank (the "principal accounting officer") and by the person principally responsible for the audit procedures of the bank (the "auditor"); except that the term "verified" shall mean certified by an independent public accountant in any case in which the Comptroller so informs the bank concerned, in writing, at least 90 days prior to the end of the fiscal year to which the financial statements will relate.

(ee) The term "voting securities" means securities the holders of which are presently entitled to vote for the election of directors.

(ff) The terms "beneficial ownership," "beneficially owned," and the like, when used with respect to the reporting of ownership of the bank's equity securities in any statement or report required by this part, shall include, in addition to direct and indirect beneficial ownership by the reporting person, ownership of such securities (1) by the spouse (except where legally separated) and minor children of such reporting person, and (2) by any other relative of the reporting person who has the same home as such person.

§ 11.3 Inspection and publication of information filed under the Act.

(a) *Filing of material with the Comptroller.* All papers required to be filed with the comptroller pursuant to the Act or regulations thereunder shall be filed at his office in Washington, D.C. Material may be filed by delivery to the Comptroller, through the mails, or otherwise. The date on which papers are actually received by the Comptroller shall be the date of filing thereof if all of the requirements with respect to the filing have been complied with.

(b) *Inspection.* Except as provided in paragraph (c) of this section, all information filed regarding a security registered with the Comptroller will be available for inspection at the Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC. In addition, copies of the registration statement and reports required by § 11.4 (exclusive of exhibits), the statements required by § 11.5(a), and the annual reports to security holders required by § 11.5(c), will be available for inspection at the Office of the Regional Administrator of National Banks in the national banking region in which the bank filing the statements or reports is located.

(c) *Nondisclosure of certain information filed.* Any persons filing any statement, report, or document under the Act may make written objection to the public disclosure of any information contained therein in accordance with the procedure set forth below:

(1) The person shall omit from the statement, report, or document, when it is filed, the portion thereof that it desires to keep undisclosed (hereinafter called the confidential portion). In lieu thereof, it shall indicate at the appropriate place in the statement, report, or document that the confidential portion has been so omitted and filed separately with the Comptroller.

(2) The person shall file with the copies of the statement, report, or document filed with the Comptroller:

(i) As many copies of the confidential portion, each clearly marked "Confidential Treatment," as there are copies of the statement, report, or document filed with the Comptroller and with each exchange, if any. Each copy shall contain the complete text of the item and notwithstanding that the confidential portion does not constitute the whole of the answer, the entire answer thereto; except that in case the confidential portion is part of a financial statement or schedule, only the particular financial statement or schedule need be included. All copies of the confidential portion shall be in the same form as the remainder of the statement, report, or document.

(ii) An application making objection to the disclosure of the confidential portion. Such application shall be on a sheet or sheets separate from the confidential portion, and shall contain (a) an identification of the portion of the statement, report, or document that has been omitted, (b) a statement of the grounds of objection, and (c) the name of each exchange, if any, with which the statement, report, or document is filed. The copies of the confidential portion and the application filed in accordance with this subparagraph shall be enclosed in a separate envelope marked "Confidential Treatment" and addressed to Comptroller of the Currency, Washington, D.C. 20220.

(3) Pending the determination by the Comptroller as to the objection filed in accordance with subparagraph (2) of this paragraph, the confidential portion will not be disclosed by the Comptroller.

(4) If the Comptroller determines that the objection shall be sustained, a notation to that effect will be made at the appropriate place in the statement, report, or document.

(5) If the Comptroller, shall have determined that disclosure of the confidential portion is in the public interest, a finding and determination to that effect will be entered and notice of the finding and determination will be sent by registered or certified mail to the person.

(6) The confidential portion shall be made available to the public:

(i) Upon the lapse of 15 days after the dispatch of notice by registered or certified mail of the finding and determination of the Comptroller described

in subparagraph (5) of this paragraph, if prior to the lapse of such 15 days the person shall not have filed a written statement that he intends in good faith to seek judicial review of the finding and determination;

(ii) upon the lapse of 60 days after the dispatch of notice by registered or certified mail of the finding and determination of the Comptroller, if the statement described in subdivision (i) of this subparagraph shall have been filed and if a petition for judicial review shall not have been filed within such 60 days; or

(iii) if such petition for judicial review shall have been filed within such 60 days, upon final disposition, adverse to the person, of the judicial proceedings.

(7) If the confidential portion is made available to the public, a copy thereof shall be attached to each copy of the statement, report, or document filed with the Comptroller and with each exchange concerned.

§ 11.4 Registration statements and reports.

(a) *Requirement of registration statement.* On and after March 1, 1972, securities heretofore registered pursuant to § 10.1 of the former regulation and any new securities of a bank shall be registered under the provisions of either section 12(b) or section 12(g) of the Act by filing a statement in conformity with the requirements of Form F–1 (or Form F–10, in the case of registration of an additional class of securities). No registration shall be required under the provisions of section 12(b) or section 12(g) of the Act of any warrant or certificate evidencing a right to subscribe to or otherwise acquire a security of a bank if such warrant or certificate by its terms expires within 90 days after the issuance thereof.

(b) *Registration effective as to class or series.* Depending upon whether the security is to be listed on an exchange, registration shall become effective as provided in section 12(d) or section 12(g)(1) of the Act as to the entire class of such security, then or thereafter authorized. If, however, a class of security is issuable in two or more series with different terms, each such series shall be deemed a separate class for the purposes of this paragraph.

(c) *Acceleration of effectiveness of registration.* A request for acceleration of the effective date of registration shall be made in writing by either the bank, an exchange, or both and shall briefly describe the reasons therefor.

(d) *Exchange certification.* (1) Certification that a security has been approved by an exchange for listing and registration pursuant to section 12(d) of the Act shall be made by the governing committee or other corresponding authority of the exchange.

(2) The certification shall specify (i) the approval of the exchange for listing and registration; (ii) the title of the security so approved; (iii) the date of filing with the exchange of the registration statement and of any amendments thereto; and (iv) any conditions imposed on such certification. The exchange shall promptly notify the Comptroller of the partial or complete satisfaction of any such conditions.

(3) The certification may be made by the telegram but in such case shall be confirmed in writing. All certifications in writing and all amendments thereto shall be filed with the Comptroller in duplicate and at least one copy shall be manually signed by the appropriate exchange authority.

(4) The date of receipt by the Comptroller of the certification approving a security for listing and registration shall be the date on which the certification is actually received by the Comptroller or the date on which the registration statement to which the certification relates is actually received by the Comptroller, whichever date is later.

(5) If an amendment to the registration statement is filed with the exchange and with the Comptroller after the receipt by the Comptroller of the certification of the exchange approving the security for listing and registration, the certification, unless withdrawn, shall be deemed made with reference to the statement as amended.

(6) An exchange may, by notice to the Comptroller, withdraw its certification prior to the time that the registration to which it relates first becomes effective pursuant to paragraph (b) of this section.

(e) *Requirement of annual reports.* Every registrant bank shall file an annual report for each fiscal year after the last full fiscal year for which financial statements were filed with the registration statement (Form F–1). The report, which shall conform to the requirements of Form F–2, shall be filed within 90 days after the close of the fiscal year or within 30 days of the mailing of the bank's annual report to stockholders, whichever occurs first.

(f) *Exception from requirement for annual report.* Notwithstanding paragraph (e) of this section, any bank that has filed, within the period prescribed for filing an annual report pursuant to that paragraph, a registration statement that has become effective and is not subject to any proceeding under section 15(c) or section 19(a) of the Act, or to an order thereunder, need not file an annual report if such statement covers the fiscal period that would be covered by such annual report and contains all of the information, including financial statements and exhibits, required for annual reports.

(g) *Current reports.* (1) After March 1, 1972, every registrant bank shall file a current report in conformity with the requirements of Form F–3 within 10 days after the close of any month during which any of the events specified in that form occurs, unless substantially the same information as required by that form has been previously reported by the bank.

(2) (i) Any person who, after acquiring directly or indirectly the beneficial ownership of any equity security of a national or District bank of a class which is registered pursuant to section 12 of the Act, is directly or indirectly the beneficial owner of more than 5 percent of such class shall, within 10 days after such acquisition, send to the bank at its principal executive office, by registered or certified mail, send to each exchange where the security is traded, and file with the Comptroller a statement containing the information required by Form F–11. Three copies of the statement shall be filed with the Comptroller, one of which shall be manually signed.

(ii) Acquisitions of securities by a security holder who, prior to such acquisition, was the beneficial owner of more than 5 percent of the outstanding securities of the same class as those acquired shall be exempt from the reporting requirements of subdivision (i) of this subparagraph if the following conditions are met: (a) The acquisition is made pursuant to preemptive subscription rights in an offer made to all holders of securities of the class to which the preemptive subscription rights pertain; (b) the purchaser does not, through the exercise of such preemptive rights, acquire more than his or its pro rata share of the securities offered; and (c) the acquisition is duly reported pursuant to section 16(a) of the Act and the provisions of section 11.6.

(3) If any material change occurs in the facts set forth in the statement required by subparagraph (2) of this paragraph, the person who filed such statement shall promptly file with the Comptroller and send to the bank and the exchange an amendment disclosing such change.

(h) *Quarterly reports.* Every registrant bank shall file a quarterly report in conformity with the requirements of Form F–4 for each fiscal quarter ending after the close of the latest fiscal year for which financial statements were filed in a Form F–1 registration statement, except that no report need be filed for the fiscal quarter which coincides with the end of the fiscal year of the bank. Such reports shall be filed not later than 30 days after the end of such quarterly period, except that the report for any period ending prior to the date on which a class of securities of the bank first becomes effectively registered may be filed not later than 30 days after the effective date of such registration.

(i) *Additional information.* In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading.

(j) *Information not available.* Information required need be given only insofar as it is known or reasonably available to the bank. If any required information is unknown and not reasonably available to the bank, either because the obtaining thereof would involve unreasonable effort or expense or because it

rests peculiarly within the knowledge of another person not affiliated with the bank, the information may be omitted, subject to the following conditions:

(1) The bank shall give such information on the subject as it possesses or can acquire without unreasonable effort or expense together with the sources thereof, and

(2) The bank shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to such person for the information. No such request need be made, however, to any foreign government, or an agency or instrumentality thereof, if, in the opinion of the bank, such request would be harmful to existing relationships.

(k) *Disclaimer of control.* If the existence of control is open to reasonable doubt in any instance, the bank may disclaim the existence of control and any admission thereof; in such case, however, the bank shall state the material facts pertinent to the possible existence of control.

(l) *Incorporation by reference.* (1) Matter contained in any part of a statement or report, other than exhibits, may be incorporated by reference in answer or partial answer to any item of the statement or report. Matter contained in an exhibit may be so incorporated to the extent permitted in paragraph (m) of this section. A registration statement for an additional class of securities of the bank may incorporate by reference any item contained in a previous registration statement or report.

(2) Material incorporated by reference shall be clearly identified in the reference. An express statement that the specified matter is incorporated by reference shall be made at the particular place in the statement or report where the information is required. Matter shall not be incorporated by reference in any case where such incorporation would render the statement incomplete, unclear, or confusing.

(m) *Summaries or outlines of documents.* Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made, in succinct and condensed form, as to the most important provisions. In addition to such statement, the summary or outline may incorporate by reference particular items, sections, or paragraphs of any exhibit and may be qualified in its entirety by such reference. Matter contained in an exhibit may be incorporated by reference in answer to an item only to the extent permitted by this paragraph (m).

(n) *Omission of substantially identical documents.* In any case where two or more indentures, contracts, franchises, or other documents required to be filed as exhibits are substantially identical in all material respects except as to the parties thereto, the dates of execution, or other details, the bank need file a copy of only one of such documents, with a schedule identifying the documents omitted and setting forth the material details in which such documents differ from the document of which a copy is filed. The Comptroller may at any time in his discretion require the filing of copies of documents so omitted.

(o) *Incorporation of exhibits by reference.* (1) Any documents or part thereof previously filed with the Comptroller pursuant to this part may, subject to the following limitations, be incorporated by reference as an exhibit to any registration statement or report filed with the Comptroller by the same or any other person. Any document or part thereof filed with an exchange pursuant to the Act may be incorporated by reference as an exhibit to any registration statement or report filed with the exchange by the same or any other person.

(2) Any document incorporated by reference pursuant to this paragraph (o) shall be so incorporated only by reference to the specific document and to the prior filing in which it was physically filed, not to another file which incorporates it by reference.

(3) If any modification has occurred in the text of any document incorporated by reference since the filing thereof, the bank shall file with the reference a statement containing the text of any such modification and the date thereof.

(4) No document which has been on file with the Comptroller pursuant to this part for a period of more than 10 years may be incorporated by reference. This limitation shall not, however, apply to a corporate charter or bylaws if such document has not been amended more than twice since such filing.

(p) *Extension of time for furnishing information.* If the furnishing of any information, document, or report at the time it is required to be filed is impracticable, the bank may file with the Comptroller as a separate document an application (1) identifying the information, document, or report in question, (2) stating why the filing thereof at the time required is impracticable, and (3) requesting an extension of time for filing the information, document, or report to a specified date not more than 60 days after the date it would otherwise have to be filed. The application shall be deemed granted unless the Comptroller, within 10 days after receipt thereof, shall enter an order denying the application.

(q) *Number of copies; signatures; binding.* (1) Except where otherwise provided in a particular form, four copies of each registration statement and report (including financial statements) and two copies of each exhibit and each other document filed as a part thereof, shall be filed with the Comptroller. At least one complete copy of each statement shall be filed with each exchange, if any, on which the securities covered thereby are being registered. At least one copy of each report shall be filed with each exchange, if any, on which the bank has securities registered.

(2) At least one copy of each statement or report filed with the Comptroller and one copy thereof filed with an exchange shall be manually signed. If the statement or report is typewritten, one of the signed copies filed with the Comptroller shall be an original "ribbon" copy. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of such power or other authority shall also be filed with the statement or report.

(3) Each copy of a statement or report filed with the Comptroller or with an exchange shall be bound in one or more parts. Copies filed with the Comptroller shall be bound without stiff covers. The statement or report shall be bound on the left side in such a manner as to leave the reading matter legible.

(r) *Requirements as to paper, printing, and language.* (1) Statements and reports shall be filed on good quality, unglazed, white paper 8½ by 13 inches in size, insofar as practicable. Tables, charts, maps, and financial statements may, however, be on larger paper if folded to that size.

(2) The statement or report and, insofar as practicable, all papers and documents filed as a part thereof, shall be printed, lithographed, mimeographed, xeroxcopied, or typewritten. The statement or report or any portion thereof may, however, be prepared by any similar process that, in the opinion of the Comptroller, produces copies suitable for a permanent record. Irrespective of the process used, all copies of any such material shall be clear, easily readable, and suitable for repeated photocopying. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies.

(3) The body of all printed statements and reports and all notes to financial statements and other tabular data included therein shall be in roman type at least as large as 10-point modern type. To the extent necessary for convenient presentation, however, financial statements and other statistical or tabular data, including tabular data in notes, may be in roman type at least as large and as legible as 8-point modern type. All such type shall be leaded at least 2 points.

(4) Statements and reports shall be in English. If any exhibit or other paper or document filed with a statement or report is in a foreign language, it shall be accompanied by a translation into English.

(s) *Preparation of statement or report.* Each statement and report shall contain the numbers and captions of all items of the appropriate form, but the text of the items may be omitted provided the answers thereto are so prepared as to indicate to the reader the coverage of the items without the necessity of his referring to the text of the items or instructions thereto. Where

any item requires information to be given in tabular form, however, it shall be given in substantially the tabular form specified in the item. All instructions, whether appearing under the items of the form or elsewhere therein, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer thereto is in the negative, an appropriate statement to that effect shall be made.

(t) *Riders, inserts.* Riders shall not be used. If the statement or report is typed on a printed form, and the space provided for the answer to any given item is insufficient, reference shall be made in such space to a full insert page or pages on which the item number and caption and the complete answer are given.

(u) *Amendments.* All amendments shall comply with all pertinent requirements applicable to statements and reports. Amendments shall be filed separately for each separate statement or report amended. Amendments to a statement may be filed either before or after registration becomes effective.

(v) *Title of securities.* Wherever the title of securities is required to be stated, information shall be given that will indicate the type and general character of the securities, including:

(1) In the case of shares, the par or stated value, if any; the rate of dividends, if fixed, and whether cumulative or noncumulative; a brief indication of the preference, if any; and if convertible, a statement to that effect.

(2) In the case of funded debt, the rate of interest; the date of maturity, or if the issue matures serially, a brief indication of the serial maturities, such as "maturing serially from 1970 to 1980"; if payment of principal or interest is contingent, an appropriate indication of such contingency; a brief indication of the priority of the issue; and if convertible, a statement to that effect.

(3) In the case of any other kind of security, appropriate information of comparable character.

(w) *Interpretation of requirements.* Unless the context clearly shows otherwise.

(1) The forms require information only as to the bank.

(2) Whenever any fixed period of time in the past is indicated, such period shall be computed from the date of filing.

(3) Whenever words relate to the future, they have reference solely to present intention.

(4) Any words indicating the holder of a position or office include persons, by whatever titles designated, whose duties are those ordinarily performed by holders of such positions or offices.

(x) *When securities are deemed to be registered.* A class of securities with respect to which an application for registration or a registration statement has been filed pursuant to section 12 of the Act shall be deemed to be registered for the purposes of sections 13, 14, and 16 of the Act and the regulations in this part only when such application or registration statement has become effective as provided in section 12, and securities of said class shall not be subject to sections 13, 14, and 16 of the Act until such application or registration statement has become effective as provided in section 12.

§ 11.5 Proxies, proxy statements, and statements where management does not solicit proxies.

(a) *Requirement of statement.* No solicitation of a proxy with respect to a security of a bank registered pursuant to section 12 of the Act shall be made for use at any meeting of shareholders noticed for August 1, 1971, and thereafter unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information required by Form F–5. If the management of any bank having such a security outstanding fails to solicit proxies from the holders of any such security in such a manner as to require the furnishing of such proxy statement, such bank shall transmit to all holders of record of such security a statement containing the information required by Form F–5. The "information statement" required by the preceding sentence shall be transmitted (i) at least 20 calendar days prior to any annual or other meeting of the holders of such security at which such holders are entitled to vote, or (ii) in the case of corporate action taken with the written authorization or consent of security holders, at least 20 days prior to the earliest date on which the corporate action may be taken. A proxy statement or an information statement required by this paragraph is hereinafter sometimes referred to as a "Statement."

(b) *Exceptions.* The requirements of the first sentence of paragraph (a) of this section shall not apply to the following:

(1) Any solicitation made otherwise than on behalf of the management of the bank where the total number of persons solicited is not more than 10.

(2) Any solicitation by a person in respect to securities carried in his name or in the name of his nominee (otherwise than as voting trustee) or held in his custody, if such person—

(i) Receives no commission or remuneration for such solicitation, directly or indirectly, other than reimbursement of reasonable expenses;

(ii) Furnished promptly to the person solicited a copy of all soliciting material with respect to the same subject matter or meeting received from all persons who will furnish copies thereof for such purpose and who will, if requested, defray the reasonable expenses to be incurred in forwarding such material; and

(iii) In addition, does no more than (*a*) impartially instruct the person solicited to forward a proxy to the person, if any, to whom the person solicited desires to give a proxy, or (*b*) impartially request from the person solicited instructions as to the authority to be conferred by the proxy and state that proxy will be given if no instructions are received by a certain date.

(3) Any solicitation by a person with respect to securities of which he is the beneficial owner.

(4) Any solicitation through the medium of a newspaper advertisement that informs security holders of a source from which they may obtain copies of a proxy statement, form of proxy, and any other soliciting material and does no more than (i) name the bank; (ii) state the reason for the advertisement; and (iii) identify the proposal or proposals to be acted upon by security holders.

(c) *Annual report to security holders to accompany statements.* (1) Any statement furnished on behalf of the management of the bank that relates to an annual meeting of security holders at which directors are to be elected shall be accompanied or preceded by an annual report to such security holders containing such financial statements for the last 2 fiscal years as will, in the opinion of the management, adequately reflect the financial position of the bank at the end of each such year and the results of its operations for each such year. The financial statements included in the annual report may omit details or summarize information if such statements, considered as a whole in the light of other information contained in the report and in the light of the financial statements of the bank filed or to be filed with the Comptroller, will not by such procedure omit any material information necessary to a fair presentation or to make the financial statements not misleading under the circumstances. Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management. This paragraph (c) shall not apply, however, to solicitations made on behalf of management before the financial statements are available if solicitation is being made at the time in opposition to the management and if the management's Statement includes an undertaking in boldfaced type to furnish such annual report to all persons being solicited at least 20 days before the date of the meeting.

NOTES: 1. To reflect adequately the financial position and results of operations of a bank in its annual report to security holders, the financial presentation shall include, but not necessarily be limited, to the following:

(a) Comparative statements of condition at the end of each of the last 2 fiscal years.

(b) Comparative statements of income in a form providing for the determination of "net income" for each fiscal year and per share earnings data.

(c) Comparative statements of changes in capital accounts for each fiscal year similar in form to Form F–9C.

(d) A comparative reconciliation of the "Allowance for Possible Loan Losses" account similar in form to schedule VII, Form F–9D.

(e) Supplemental notes to financial statements to the extent necessary to furnish a fair financial presentation.

2. The financial statements should be prepared on a consolidated basis to the extent required by § 11.7(d). Any differences from the principles of consolidation or other accounting principles or practices, or methods

of applying accounting principles or practices, applicable to the financial statements of the bank filed or to be filed with the Comptroller, which have a material effect on the financial position or results of operations of the bank, shall be noted and the effect thereof reconciled or explained in the annual report to security holders.

3. When financial statements included in the annual report (Form F–2) filed, or proposed to be filed, with the Comptroller are accompanied by an opinion of an independent public accountant, the financial statements in the annual report to security holders should also be accompanied by an opinion of such independent public accountant.

4. The requirement for sending an annual report to each person being solicited will be satisfied with respect to persons having the same address by sending at least one report to a holder of record at that address provided (i) that management has reasonable cause to believe that the record holder to whom the report is sent is the "beneficial owner" (see definition in § 11.2(ff)) of securities registered in the name of such person in other capacities or in the name of other persons at such address, or (ii) the security holders at such address consent thereto in writing. Nothing herein shall be deemed to relieve any person so consenting of any obligation to obtain or send such annual report to any other person.

(2) Four copies of each annual report sent to security holders pursuant to this paragraph (c) shall be sent to the Comptroller not later than (i) the date on which such report is first sent or given to security holders or (ii) the date on which preliminary copies of the management statement are filed with the Comptroller pursuant to paragraph (f), whichever date is later. Such annual report is not deemed to be "soliciting material" or to be "filed" with the Comptroller or otherwise subject to this § 11.5 or the liabilities of section 18 of the Act, except to the extent that the bank specifically requests that it be treated as a part of the proxy soliciting material or incorporates it in the proxy statement by reference.

(d) *Requirements as to proxy.* (1) The form of proxy (i) shall indicate in boldface type whether or not the proxy is solicited on behalf of the management of the bank, (ii) shall provide a specifically designated blank space for dating the proxy, and (iii) shall identify clearly and impartially each matter or group of related matters that management intended to be acted upon, whether proposed by the management or by security holders. No reference need be made, however, to proposals as to which discretionary authority is conferred pursuant to subparagraph (4) of this paragraph.

(2) Means shall be provided in the form of proxy whereby the person solicited is afforded an opportunity to specify by ballot a choice between approval or disapproval of each matter or group of related matters referred to therein as intended to be acted upon, other than elections to office. A proxy may confer discretionary authority with respect to matters as to which a choice is not so specified if the form of proxy states in boldface type how the shares represented by the proxy are intended to be voted in each such case.

(3) A form of proxy which provides both for the election of directors and for action on other specified matters shall be prepared so as clearly to provide, by a box or otherwise, means by which the security holder may withhold authority to vote for the election of directors. Any such form of proxy which is executed by the security holder in such manner as not to withhold authority to vote for the election of directors, shall be deemed to grant such authority, provided the form of proxy so states in boldface type. This paragraph (3) does not apply (i) in the case of a merger, consolidation or other plan if the election of directors is an integral part of the plan and is not to be separately voted upon or (ii) if the only matters to be acted upon are the election of directors and the election, selection, or approval of other persons such as clerks or auditors.

(4) A proxy may confer discretionary authority to vote with respect to any of the following matters:

(i) Matters that the persons making the solicitation do not know, within a reasonable time before the solicitation, are to be presented at the meeting, if a specific statement to that effect is made in the proxy statement or form of proxy;

(ii) Approval of the minutes of the prior meeting if such approval does not amount to ratification of the action taken at that meeting;

(iii) The election of any person to any office for which a bona fide nominee is named in the proxy statement and such nominee is unable to serve or for good cause refuses to serve;

(iv) Any proposal omitted from the proxy statement and form of proxy pursuant to § 11.5(k);

(v) Matters incident to the conduct of the meeting.

(5) No proxy shall confer authority (i) to vote for the election of any person to any office for which a bona fide nominee is not named in the proxy statement, or (ii) to vote at any annual meeting other than the next annual meeting (or any adjournment thereof) to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders. A person shall not be deemed to be a bona fide nominee and he shall not be named as such unless he has consented to being named in the proxy statement and to serve if elected.

(6) The proxy statement or form of proxy shall provide, subject to reasonable specified conditions, that the shares represented by the proxy will be voted and that where the person solicited specifies by means of a ballot provided pursuant to subparagraph (2) of this paragraph, a choice with respect to any matters to be acted upon, the shares will be voted in accordance with the specifications so made.

(e) *Presentation of information in statement.* (1) The information included in the statement shall be clearly presented and the statements made shall be divided into groups according to subject matter and the various groups of statements shall be preceded by appropriate headings. The order of items in the form need not be followed. Where practicable and appropriate, the information shall be presented in tabular form. All amounts shall be stated in figures. Information required by more than one applicable item need not be repeated. No statement need be made in response to any item that is inapplicable.

(2) Any information required to be included in the statement as to terms of securities or other subject matter that from a standpoint of practical necessity must be determined in the future may be stated in terms of present knowledge and intention. To the extent practicable, the authority to be conferred concerning each such matter shall be confined within limits reasonably related to the need for discretionary authority. Subject to the foregoing, information that is not known to the persons on whose behalf the solicitation is to be made and is not reasonably within the power of such persons to ascertain or procure may be omitted, if a brief statement of the circumstances rendering such information unavailable is made.

(3) There may be omitted from a proxy statement any information contained in any other proxy soliciting material that has been furnished to each person solicited in connection with the same meeting or subject matter if a clear reference is made to the particular document containing such information.

(4) All printed statements shall be set in roman type at least as large as 10-point modern type except that to the extent necessary for convenient presentation financial statements and other statistical or tabular matter, but not the notes thereto, may be set in roman type at least as large as 8-point modern type. All type shall be leaded at least 2 points.

(f) *Material required to be filed.* (1) Three preliminary copies of each statement, form of proxy, and other items of soliciting material to be furnished to security holders concurrently therewith, shall be filed with the Comptroller by management or any other person making a solicitation subject to this § 11.5 at least 10 calendar days (or 15 calendar days in the case of other than routine meetings, as defined below) prior to the date such item is first sent or given to any security holders, or such shorter period prior to that date as may be authorized. For the purposes of this subparagraph (1), a routine meeting means a meeting with respect to which no one is soliciting proxies subject to this § 11.5 other than on behalf of management and at which management intends to present no matters other than the election of directors, election of inspectors of election, and other recurring matters. In the absence of actual knowledge to the contrary, management may assume that no other such solicitation of the bank's security holders is being made. In cases

of annual meetings, one additional preliminary copy of the Statement, the form of proxy, and any other soliciting material, marked to show changes from the material sent or given to security holders with respect to the preceeding annual meeting, shall be filed with the Comptroller.

(2) Three preliminary copies of any additional soliciting material, relating to the same meeting or subject matter, furnished to security holders subsequent to the proxy statement shall be filed with the Comptroller at least 2 days (exclusive of Saturdays, Sundays, and holidays) prior to the date copies of such material are first sent or given to security holders, or such shorter period prior to such date as may be authorized upon a showing of good cause therefor.

(3) Four copies of each Statement, form of proxy, and other items of soliciting material, in the form in which such material is furnished to security holders, shall be filed with, or mailed for filing to, the Comptroller not later than the date such material is first sent or given to any security holders. Three copies of such material shall at the same time be filed with, or mailed for filing to, each exchange upon which any security of the bank is listed.

(4) If the solicitation is to be made in whole or in part by personal solicitation, three copies of all written instructions or other material that discusses or reviews, or comments upon the merits of, any matter to be acted upon, and is furnished to the individuals making the actual solicitation for their use directly or indirectly in connection with the solicitation, shall be filed with the Comptroller by the person on whose behalf the solicitation is made at least 5 days prior to the date copies of such material are first sent or given to such individuals, or such shorter period prior to that date as may be authorized upon a showing of good cause therefor.

(5) All copies of material filed pursuant to subparagraphs (1) and (2) of this paragraph shall be clearly marked "Preliminary Copies" and shall be for the information of the Comptroller only except that such material may be disclosed to any department or agency of the U.S. Government and the Comptroller may make such inquiries or investigation with respect to the material as may be necessary for an adequate review thereof. All material filed pursuant to subparagraphs (1), (2), or (3) of this paragraph shall be accompanied by a statement of the date upon which copies thereof are intended to be, or have been, sent or given to security holders. All material filed pursuant to subparagraph (4) of this paragraph shall be accompanied by a statement of the date upon which copies thereof are intended to be released to the individuals who will make the actual solicitation.

(6) Copies of replies to inquiries from security holders requesting further information and copies of communications that do no more than request that forms of proxy theretofore solicited be signed, dated, and returned need not be filed pursuant to this paragraph.

(7) Notwithstanding the provisions of paragraphs (f) (1), (2), and (i) (5), copies of soliciting material in the form of speeches, press releases, and radio or television scripts may, but need not, be filed with the Comptroller prior to use or publication. Definitive copies, however, shall be filed with or mailed for filing to the Comptroller as required by subparagraph (3) of this paragraph not later than the date such material is used or published. The provision of paragraphs (f) (1), (2), and (i) (5) shall apply, however, to any reprints or reproductions of all or any part of such material.

(8) Where any statement, form of proxy, or other material filed pursuant to this paragraph is revised, two of the copies of such revised material filed pursuant to subparagraph (3) of this paragraph shall be marked to indicate clearly the changes. If the revision alters the text of the material, the changes in such text shall be indicated by means of underscoring or in some other appropriate manner.

(9) The date that proxy material is "filed" with the Comptroller for purposes of subparagraphs (1), (2), and (4) of this paragraph is the date of receipt of the material by the Comptroller, not the date of mailing to the Comptroller. In computing the advance filing period for preliminary copies of proxy soliciting material referred to in such subparagraphs, the filing date of the preliminary material is to be counted as the first day of the period and definitive material should not be planned to be mailed or distributed to security holders until after the expiration of such period. Where additional time is required for final printing after receipt of comments, the preliminary proxy material should be filed as early as possible prior to the intended mailing date.

(10) Where preliminary copies of material are filed with the Comptroller pursuant to this subsection, the printing of definitive copies for distribution to security holders should be deferred until the comments of the Comptroller's staff have been received and considered.

(g) *Mailing communications for security holders.* If the management of the bank has made or intends to make any proxy solicitation subject to this § 11.5, the bank shall perform such of the following acts as may be requested in writing with respect to the same subject matter or meeting by any security holder who is entitled to vote on such matter or to vote at such meeting and who shall first defray the reasonable expenses to be incurred by the bank in the performance of the act or acts requested:

(1) The bank shall mail or otherwise furnish to such security holder the following information as promptly as practicable after the receipt of such request:

(i) A statement of the approximate number of holders of record of any class of securities, any of the holders of which have been or are to be solicited on behalf of the management, or any group of such holders that the security holder shall designate;

(ii) If the management of the bank has made or intends to make, through bankers, brokers, or other persons any solicitation of the beneficial owners of securities of any class, a statement of the approximate number of such beneficial owners, or any group of such owners that the security holder shall designate;

(iii) An estimate of the cost of mailing a specified proxy statement, form of proxy, or other communication to such holders, including insofar as known or reasonably available, the estimated handling and mailing costs of the bankers, brokers, or other persons specified in subdivision (ii) of this subparagraph.

(2) (i) Copies of any proxy statement, form of proxy, or other communication furnished by the security holder shall be mailed by the bank to such of the holders of record specified in subparagraph (1) (i) of this paragraph as the security holder shall designate. The bank shall also mail to each banker, broker, or other persons specified in subparagraph (1) (ii) of this paragraph, a sufficient number of copies of such proxy statement, form of proxy, or other communication as will enable the banker, broker, or other person to furnish a copy thereof to each beneficial owner solicited or to be solicited through him:

(ii) Any such material that is furnished by the security holder shall be mailed with reasonable promptness by the bank after receipt of a tender of the material to be mailed, of envelopes or other containers therefor, of postage or payment for postage, and of evidence that such material has been filed with the Comptroller pursuant to paragraph (f) of this section. The bank need not, however, mail any such material that relates to any matter to be acted upon at an annual meeting of security holders prior to the earlier of (a) a day corresponding to the first date on which management proxy soliciting material was released to security holders in connection with the last annual meeting of security holders, or (b) the first day on which solicitation is made on behalf of management. With respect to any such material that relates to any matter to be acted upon by security holders otherwise than at an annual meeting, such material need not be mailed prior to the first day on which solicitation is made on behalf of management;

(iii) Neither the management nor the bank shall be responsible for such proxy statement, form of proxy, or other communication.

(3) In lieu of performing the acts specified above, the bank may, at its option, furnish promptly to such security holder a reasonably current list of the names and addresses of such of the holders of record specified in subparagraph (1) (i) of this paragraph as the security holder shall designate, and a list of the names and addresses of the bankers, brokers, or other persons specified in subparagraph (1) (ii) of this paragraph as the security holder shall designate together with a statement of the

approximate number of beneficial owners solicited or to be solicited through each such banker, broker, or other person and a schedule of the handling and mailing costs of each such banker, broker, or other person, if such schedule has been supplied to the management of the bank. The foregoing information shall be furnished promptly upon the request of the security holder or at daily or other reasonable intervals as it becomes available to the management of the bank.

(h) *False or misleading statements.* (1) No solicitation or communication subject to this section shall be made by means of any Statement, form of proxy, notice of meeting, or other communication, written or oral, containing any statement that, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or that omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter that has become false or misleading. Depending upon particular circumstances, the following may be misleading within the meaning of this paragraph: predictions as to specific future market values, earnings, or dividends; material that directly or indirectly impugns character, integrity, or personal reputation, or directly or indirectly makes charges concerning improper, illegal, or immoral conduct or associations, without factual foundation; failure so to identify a statement, form of proxy, and other soliciting material as clearly to distinguish it from the soliciting material of any other person or persons soliciting for the same meeting or subject matter; claims made prior to a meeting regarding the results of a solicitation.

(2) The fact that a proxy statement, form of proxy, or other soliciting material has been filed with or reviewed by the Comptroller or his staff shall not be deemed a finding by the Comptroller that such material is accurate or complete or not false or misleading, or that the Comptroller has passed upon the merits of or approved any statement therein or any matter to be acted upon by security holders. No representation contrary to the foregoing shall be made.

(i) *Special provisions applicable to election contests*—(1) *Solicitations to which the paragraph applies.* This paragraph applies to any solicitation subject to this § 11.5 by any person or group of persons for the purpose of opposing a solicitation subject to this section by any other person or group of persons with respect to the election or removal of directors at any annual or special meeting of security holders.

(2) *Participant defined.* (i) For purposes of this paragraph the terms "participant" and "participant in a solicitation" include the following:

(*a*) The bank;

(*b*) Any director of the bank, and any nominee for whose election as a director proxies are solicited;

(*c*) Any committee of group that solicits proxies, any member of such committee or group, and any person whether or not named as a member who, acting alone or with one or more other persons, directly or indirectly, takes the initiative in organizing, directing or financing any such committee or group;

(*d*) Any person who finances or joins with another to finance the solicitation of proxies, except persons who contribute not more than $500 and who are not otherwise participants;

(*e*) Any person who lends money or furnishes credit or enters into any other arrangements, pursuant to any contract or understanding with a participant, for the purpose of financing or otherwise inducing the purchase, sale, holding, or voting of securities of the bank by any participant or other person, in support of or in opposition to a participant, except a bank, broker, or dealer who, in the ordinary course of business, lends money or executes orders for the purchase or sale of securities and who is not otherwise a participant;

(*f*) Any other person who solicits proxies.

(ii) Such terms do not include—

(*a*) Any person or organization retained or employed by a participant to solicit security holders, or any person who merely transmits proxy soliciting material or performs ministerial or clerical duties;

(*b*) Any person employed by a participant in the capacity of attorney, accountant, or advertising, public relations, or financial adviser, and whose activities are limited to the performance of his duties in the course of such employment;

(*c*) Any person regularly employed as an officer or employee of the bank or any of its subsidiaries who is not otherwise a participant; or

(*d*) Any officer or director of, or any person regularly employed by, any other participant, if such officer, director, or employee is not otherwise a participant.

(3) *Filing of information required by Form F–6.* (i) No solicitation subject to this paragraph shall be made by any person other than the management of the bank unless at least 5 business days prior thereto, or such shorter period as the Comptroller may authorize upon a showing of good cause therefor, there has been filed with the Comptroller and with each exchange upon which any security of the bank is listed, by or on behalf of each participant in such solicitation, a statement in duplicate containing the information specified by Form F–6.

(ii) Within 5 business days after a solicitation subject to this paragraph is made by the management of the bank or such longer period as the Comptroller may authorize upon a showing of good cause therefor, there shall be filed with the Comptroller and with each exchange upon which any security of the bank is listed, by or on behalf of each participant in such solicitation, other than the bank, a statement in duplicate containing the information specified by Form F–6.

(iii) If any solicitation on behalf of management or any other person has been made, or if proxy material is ready for distribution, prior to a solicitation subject to this paragraph in opposition thereto, a statement in duplicate containing the information specified in Form F–6 shall be filed by or on behalf of each participant in such prior solicitation, other than the bank, as soon as reasonably practicable after the commencement of the solicitation in opposition thereto, with the Comptroller and with each exchange on which any security of the bank is listed.

(iv) If, subsequent to the filing of the statement required by subdivisions (i), (ii), and (iii) of this subparagraph, additional persons become participants in a solicitaton subject to ths paragraph, there shall be filed, with the Comptroller and each appropriate exchange, by or on behalf of each such person a statement in duplicate containing the information specified by Form F–6, within 3 business days after such person becomes a participant, or such longer period as the Comptroller may authorize upon a showing of good cause therefor.

(v) If any material change occurs in the facts reported in any statement filed by or on behalf of any participant, an appropriate amendment to such statement shall be filed promptly with the Comptroller and each appropriate exchange.

(vi) Each statement and amendment thereto filed pursuant to this paragraph shall be part of the official public files of the Comptroller and shall be deemed a communication subject to the provisions of paragraph (h) of this section.

(4) *Solicitations prior to furnishing required statement.* Notwithstanding the provisions of paragraph (a) of this section, a solicitation subject to this paragraph may be made prior to furnishing security holders a written statement containing the information specified in Form F–5 with respect to such solicitation if (i) the statements required by subparagraph (3) of this paragraph are filed by or on behalf of each participant in such solicitation; (ii) no form of proxy is furnished to security holders prior to the time the statement is furnished to security holders, except that this subdivision shall not apply where a statement then meeting the requirements of Form F–5 has been furnished to security holders; (iii) at least the information specified in Items 2(a) and 3(a) of the statement required by subparagraph (3) of this paragraph to be filed by each participant, or an appropriate summary thereof, is included in each communication sent or given to security holders in connection with the solicitation; and (iv) a written statement containing the information specified in Form F–5 with respect to a solicitation is sent or given security holders at the earliest practicable date.

(5) *Solicitations prior to furnishing required statement—Filing requirements.* Three copies of any soliciting material proposed to be sent or given to security holders prior to the furnishing of the proxy statement required by paragraph (a) of this section shall be filed with the

Comptroller in preliminary form, at least 5 business days prior to the date copies of such material are first sent or given to security holders, or such shorter period as the Comptroller may authorize upon a showing of good cause therefor.

(6) *Application of this paragraph to annual report.* Notwithstanding the provisions of paragraph (c) of this section, three copies of any portion of the annual report referred to in that paragraph that comments upon or refers to any solicitation subject to this paragraph, or to any participant in any such solicitation, other than the solicitation by the management, shall be filed with the Comptroller as proxy material subject to this section. Such portion of the annual report shall be filed with the Comptroller in preliminary form at least 5 business days prior to the date copies of the report are first sent or given to security holders.

(7) *Application of paragraph (f) of this section.* The provisions of subparagraphs (3), (4), (5), (6), and (7) of paragraph (f) of this section shall apply, to the extent pertinent, to soliciting material subject to subparagraphs (5) and (6) of this paragraph.

(8) *Use of reprints or reproductions.* In any solicitation subject to this paragraph, soliciting material that includes, in whole or part, any reprints or reproductions of any previously published material shall:

(i) State the name of the author and publication, the date of prior publication, and identify any person who is quoted without being named in the previously published material.

(ii) Except in the case of a public official document or statement, state whether or not the consent of the author and publication has been obtained to the use of the previously published material as proxy soliciting material.

(iii) If any participant using the previously published material, or anyone on his behalf, paid, directly or indirectly, for the preparation or prior publication of the previously published material, or has made or proposes to make any payments or give any other consideration in connection with the publication or republication of such material, state the circumstances.

(j) *Prohibition of certain solicitations.* No person making a solicitation that is subject to this section shall solicit—

(1) Any undated or postdated proxy; or

(2) Any proxy that provides that it shall be deemed to be dated as of any date subsequent to the date on which it is signed by the security holder.

(k) *Proposals of security holders.* (1) If any security holder entitled to vote at a meeting of security holders of the bank shall submit to the management of the bank, within the time hereinafter specified, a proposal which is accompanied by notice of his intention to present the proposal for action at the meeting, the management shall set forth the proposal in its proxy statement and shall identify it in its form of proxy and provide means by which security holders can approve or disapprove the proposal. The management of the bank shall not be required by this section to include the proposal in its proxy statement for an annual meeting unless the proposal is submitted to management not less than 60 days in advance of a day corresponding to the first date on which the management's statement was released to security holders in connection with the preceding annual meeting of security holders. A proposal to be presented at any other meeting shall be submitted to the management of the bank a reasonable time before the solicitation is made. This paragraph (k) shall not apply, however, to elections to office.

(2) If the management opposes the proposal, it shall also, at the written request of the security holder, include in the proxy statement (i) the name and address of the security holder, or a statement that such name and address will be furnished upon request, and (ii) a statement of the security holder (which shall not include such name and address) of not more than 100 words in support of the proposal. The statement and request of the security holder shall be furnished to the management at the same time that the proposal is furnished. Neither the management nor the bank shall be responsible for such statement.

(3) Notwithstanding subparagraphs (1) and (2) of this paragraph, the management may omit a proposal and any statement in support thereof from its proxy statement and form of proxy under any of the following circumstances:

(i) If the proposal is impossible to accomplish or, under applicable law, is not a proper subject for action by security holders; or

(ii) If the proposal consists of a recommendation or request that the management take action with respect to a matter relating to the conduct of the ordinary business operations of the bank; or

(iii) If it appears that the proposal is submitted by the security holder principally for the purpose of enforcing a personal claim or redressing a personal grievance against the bank or its management, or principally for the purpose of promoting general economic, political, racial, religious, social, or similar causes; or

(iv) If the management has at the security holder's request included a proposal in its proxy statement and form of proxy relating to either of the two preceding annual meetings of security holders or any special meeting held subsequent to the earlier of such two annual meetings, and such security holder has failed without good cause to present the proposal, in person or by proxy, for action at the meeting; or

(v) If substantially the same proposal has previously been submitted to security holders in the management's proxy statement and form of proxy relating to any meeting of security holders held within the preceding 5 calendar years, it may be omitted from the proxy statement relating to any meeting of security holders held within the 3 calendar years after the latest such previous submission; *Provided,* That (*a*) if the proposal was submitted at only one meeting during such preceding period, it received less than 5 percent of the total number of votes cast in regard thereto, or (*b*) if the proposal was submitted at only two meetings during such preceding period, it received at the time of its second submission less than 10 percent of the total number of votes cast in regard thereto, or (c) if the proposal was submitted at three or more meetings during such period, it received at the time of its latest submission less than 20 percent of the total number of votes cast in regard thereto; or

(vi) If, prior to the receipt of such proposal, substantially the same proposal has been received by the management from another security holder and is to be included in the bank's proxy soliciting material.

(4) Whenever the management asserts that a proposal and any statement in support thereof may properly be omitted from the proxy statement and form of proxy, it shall file with the Comptroller, not later than 20 days prior to the date the preliminary copies of the proxy statement and form of proxy are filed pursuant to paragraph (f) (1) of this section or such shorter period prior to such date as the Comptroller may permit, a copy of the proposal and any statement in support thereof as received from the security holder, together with a statement of the reasons why the management deems such omissions to be proper in the particular case, and, where such reasons are based on matters of law, a supporting opinion of counsel. The management shall at the same time, if it has not already done so, notify the security holder submitting the proposal of its intention to omit the proposal from its proxy statement and shall forward to him a copy of the statement of the reasons why the management deems the omission of the proposal to be proper and a copy of such supporting opinion of counsel.

(l) *Invitations for tenders.* (1) No person, directly or indirectly, by use of the mails or by any means or instrumentality of interstate commerce or of any facility of a national securities exchange or otherwise, shall make a tender offer for, or a request or invitation for tenders of, any class of any equity security, which is registered pursuant to section 12 of the Act, of a national bank or a bank operating under the Code of Law for the District of Columbia if, after consummation thereof, such person would, directly or indirectly, be the beneficial owner of more than 5 percent of such class, unless, at the time copies of the offer or request or invitation are first published or sent or given to security holders, such person has filed with the Comptroller a statement containing the information and exhibits required by Form F–11.

(2) If any material change occurs in

the facts set forth in the statement required by subparagraph (1) of this paragraph, the person who filed such statement shall promptly file with the Comptroller an amendment disclosing such change.

(3) All requests or invitations for tenders or advertisements making a tender offer or requesting or inviting tenders shall contain the name of the persons making such requests, invitations, or advertisements and the information required by Items 2 (a) and (c), 3, 4, 5, and 6 of Form F–11, or a fair and adequate summary thereof, and shall be filed with the Comptroller as part of the statement required by subparagraph (1) of this paragraph.

(4) Any additional material soliciting or requesting such tender offer subsequent to the initial solicitation or request shall contain the name of the persons making such solicitation or request and the information required by Items 2 (a) and (c), 3, 4, 5, and 6 of Form F–11, or a fair and adequate summary thereof: *Provided, however,* That such material may omit any of such information previously furnished to the persons solicited or requested for tender offers. Copies of such additional material soliciting or requesting such tender offers shall be filed with the Comptroller not later than the time copies of such material are first published or sent or given to security holders.

(5) If any securities to be offered in connection with the tender offer for, or request or invitation for tenders of, securities with respect to which a statement is required to be filed pursuant to subparagraph (1) of this paragraph, have been or are to be registered under the Securities Act of 1933, a copy of the prospectus containing the information required to be included therein under that Act shall be filed as an exhibit to such statement. Any information contained in the prospectus may be incorporated by reference in such statement.

(6) Four copies of the statement required by subparagraph (1) of this paragraph, every amendment to such statement, and all other material required by this section shall be filed with the Comptroller.

(m) *Recommendations as to tender offers.* (1) No solicitation or recommendation to the holders of a security to accept or reject a tender offer or request or invitation for tenders subject to section 14(d) of the Act shall be made unless, at the time copies of the solicitation or recommendation are first published or sent or given to holders of the security, the person making such solicitation or recommendation has filed with the Comptroller a statement containing the information specified by Form F–12; *Provided, however,* That this paragraph shall not apply to (1) a person required by paragraph (1) of this section to file a statement, or (2) a person, other than the bank or the management of the bank, who makes no written solicitations or recommendations other than solicitations or recommendations copies of which have otherwise been filed with the Comptroller.

(2) If any material change occurs in the facts set forth in the statement required by subparagraph (1) of this paragraph, the person who filed such statement shall promptly file with the Comptroller an amendment disclosing such change.

(3) Any written solicitation or recommendation to the holders of a security to accept or reject a tender offer or request or invitation for tenders subject to section 14(d) of the Act shall include the name of the person making such solicitation or recommendation and the information required by Items 1(b), 2(b) of Form F–12, or a fair and adequate summary thereof: *Provided, however,* That such written solicitation or recommendation may omit any of such information previously furnished to the persons to whom the solicitation or recommendation is made.

(n) *Change in majority of directors.* If, pursuant to any arrangement or understanding with the person or persons acquiring securities in a transaction subject to section 13(d) or 14(d) of the Act, any persons are to be elected or designated as directors of the bank, otherwise than at a meeting of security holders, and the persons so elected or designated will constitute a majority of the directors of the bank, then, not less than 10 days prior to the date any such person takes office as a director, or such shorter period prior to that date as the Comptroller may authorize upon a showing of good cause therefor, the bank shall file with the Comptroller and transmit to all holders of record of securities of the bank who would be entitled to vote at a meeting for election of directors, information substantially equivalent to the information which would be required by Items 5 (a), (d), (e), and (f), 6 and 7 of Form F–5 to be transmitted if such person or persons were nominees for election as directors at a meeting of such security holders.

(o) *Solicitation prior to furnishing required proxy statement.* (1) Notwithstanding the provisions of § 11.5(a), a solicitation (other than one subject to § 11.5(i)) may be made prior to furnishing security holders a written proxy statement containing the information specified in Form F–5 with respect to such solicitation if:

(i) The solicitation is made in opposition to a prior solicitation or an invitation for tenders or other publicized activity, which if successful, could reasonably have the effect of defeating the action proposed to be taken at the meeting;

(ii) No form of proxy is furnished to security holders prior to the time the written proxy statement required by § 11.5(a) is furnished to security holders: *Provided, however,* That this subparagraph (ii) shall not apply where a proxy statement then meeting the requirements of Form F–5 has been furnished to security holders by or on behalf of the person making the solicitation;

(iii) The identity of the person or persons by or on whose behalf the solicitation is made and a description of their interests direct or indirect, by security holdings or otherwise, are set forth in each communication sent or given to security holders in connection with the solicitation, and

(iv) A written proxy statement meeting the requirements of this section is sent or given to security holders at the earliest practicable date.

(2) Three copies of any soliciting material proposed to be sent or given to security holders prior to the furnishing of the written proxy statement required by § 11.5(a) shall be filed with the Comptroller in preliminary form at least 5 business days prior to the date definitive copies of such material are first sent or given to security holders, or such shorter period as may be authorized.

§ 11.6 "Insiders'" securities transactions and reports under section 16 of the Act.

(a) *Filing of statements by directors, officers, and principal stockholders.* (1) Initial statements of beneficial ownership of equity securities of a bank required by section 16(a) of the Act, and statements of changes in such beneficial ownership, shall be prepared and filed in accordance with the requirements of Form F–7 and Form F–8, respectively.

(2) A person who is already filing statements with the Comptroller pursuant to section 16(a) need not file an additional statement on Form F–7 when an additional class of equity securities of the same bank becomes registered or when he assumes another or an additional relationship to the bank; for example, when an officer becomes a director.

(3) Any bank that has equity securities listed on more than one national securities exchange may designate one of them as the only exchange with which reports pursuant to section 16(a) need be filed. Such designation shall be filed with the Comptroller and with each national securities exchange on which any equity security of the bank is listed. After the filing of such designation the securities of such bank shall be exempted with respect to the filing of statements pursuant to section 16(a) with any exchange other than the designated exchange.

(b) *Ownership of more than 10 percent of an equity security.* In determining, for the purpose of section 16(a), whether a person is the beneficial owner, directly or indirectly, or more than 10 percent of any class of equity security of a bank, such class shall be deemed to consist of the total amount of such class that has been issued, regardless of whether any part of such amount is held by or for the account of the bank.

(c) *Disclaimer of beneficial ownership.* Any person filing a statement may expressly declare therein that the filing of such statement shall not be construed as an admission that such person is, for the purpose of section 16, the beneficial owner of any equity securities covered by the statement.

(d) *Ownership of securities held in trust.* (1) Beneficial ownership of a bank's securities for the purpose of section 16(a) shall include: (i) The ownership of such securities as a trustee where either the trustee or members of his immediate family have a vested interest in the income or corpus of the trusts, (ii) the ownership of a vested beneficial interest in a trust, and (iii) the ownership of such securities as a settlor of a trust in which the settlor has the power to revoke the trust without obtaining the consent of all beneficiaries.

(2) Except as provided in subparagraph (3) of this paragraph, beneficial ownership of securities of registrant banks solely as a settlor or beneficiary of a trust shall be exempt from the provisions of section 16(a) where less than 20 percent in market value of the securities having a readily ascertainable market value held by such trust (determined as of the ending of the preceding fiscal year of the trusts) consists of equity securities with respect to which reports are required by section 16(a) or would be required but for an exemption by the Securities and Exchange Commission, the Comptroller of the Currency, or the Federal Deposit Insurance Corporation similar to the exemption provided for by this sentence. Exemption from section 16(a) is likewise accorded with respect to any obligation that would otherwise be imposed solely by reason of ownership as settlor or beneficiary of a bank's securities held in trust, where the ownership, acquisition, or disposition of such securities by the trust is made without prior approval by the settlor or beneficiary. No exemption pursuant to this subparagraph shall, however, be acquired or lost solely as a result of changes in the value of the trust assets during any fiscal year or during any time when there is no transaction by the trust in the securities otherwise subject to the reporting requirements of section 16(a).

(3) In the event that 10 percent of any class of any equity security of a bank is held in a trust, that trust and the trustees thereof as such shall be deemed a person required to file the reports specified in section 16(a).

(4) Not more than one report need be filed to report any holdings of a bank's securities or with respect to any transaction in such securities held by a trust, regardless of the number of officers, directors, or 10-percent stockholders who are either trustees, settlors, or beneficiaries of a trust if the report filed discloses the names of all trustees, settlors, and beneficiaries who are officers, directors, or 10-percent stockholders. A person having an interest only as a beneficiary of a trust shall not be required to file any such report so long as he relies in good faith upon an understanding that the trustee of such trust will file whatever reports might otherwise be required of such beneficiary.

(5) In determining, for the purposes of paragraph (a) of this section, whether a person is the beneficial owner, directly or indirectly, of more than 10 percent of any class of equity security of a bank, the interest of such person in the remainder of a trust shall be excluded.

(6) No report shall be required by any person, whether or not otherwise subject to the requirement of filing reports under section 16(a), with respect to his indirect interest in portfolio securities held by (i) any holding company registered under the Public Utility Holding Company Act, (ii) any investment company registered under the Investment Company Act, (iii) a pension or retirement plan holding securities of a bank whose employees generally are the beneficiaries of the plan, (iv) a business trust with over 25 beneficiaries.

(e) *Certain transactions subject to section 16(a).* The acquisition or disposition of any transferable option, put, call, spread, or straddle shall be deemed such a change in the beneficial ownership of the bank's security to which such privilege relates as to require the filing of a statement reflecting the acquisition or disposition of such privilege. Nothing in this paragraph, however, shall exempt any person from filing the statements required upon the exercise of such option, put, call, spread, or straddle.

(f) *Exemption from section 16 of securities purchased or sold by odd-lot dealers.* A bank's securities purchased or sold by an odd-lot dealer (1) in odd lots so far as reasonably necessary to carry on odd-lot transactions, or (2) in round lots to offset odd-lot transactions previously or simultaneously executed or reasonably anticipated in the usual course of business, shall be exempt from the provisions of section 16 with respect to participation by such odd-lot dealer in such transactions.

(g) *Exemption of small transactions from section 16(a).* (1) Any acquisition of a bank's securities shall be exempt from section 16(a) where (i) the person effecting the acquisition does not within 6 months thereafter effect any disposition, otherwise than by way of gift, of securities of the same class, and (ii) the person effecting such acquisition does not participate in acquisitions or in dispositions of securities of the same class having a total market value in excess of $3,000 for any 6-month period during which the acquisition occurs.

(2) Any acquisition or disposition of a bank's securities by way of gift, where the total amount of such gifts does not exceed $3,000 in market value for any 6-month period, shall be exempt from section 16(a) and may be excluded from the computations prescribed in subparagraph (1)(ii) of this paragraph.

(3) Any person exempted by subparagraph (1) or (2) of this paragraph shall include in the first report filed by him after a transaction within the exemption a statement showing his acquisitions and dispositions for each 6-month period or portion thereof that has elapsed since his last filing.

(h) *Temporary exemption of certain persons from section 16 (a) and (b).* During the period of 12 months following their appointment and qualification, a bank's securities held by the following persons shall be exempt from section 16 (a) and (b): (1) Executors or administrators of the estate of a decedent; (2) guardians or committees for an incompetent; and (3) receivers, trustees in bankruptcy, assignees for the benefit of creditors, conservators, liquidating agents, and similar persons duly authorized by law to administer the estate or assets of other persons. After the 12-month period following their appointment and qualification the foregoing persons shall be required to file reports under section 16(a) with respect to a bank's securities held by the estates that they administer and shall be liable for profits realized from trading in such securities pursuant to section 16(b) only when the estate being administered is a beneficial owner of more than 10 percent of any class of equity security of a bank.

(i) *Exemption from section 16(b) of transactions that need not be reported under section 16(a).* Any transaction that has been or shall be exempted by the Comptroller from the requirements of section 16(a) shall, insofar as it is otherwise subject to the provisions of section 16(b), be likewise exempted from section 16(b).

(j) *Exemption from section 16(b) of certain transactions by registered investment companies.* Any transaction of purchase and sale, or sale and purchase, of any equity security of a bank shall be exempt from the operation of section 16(b), as not comprehended within the purchase, of an equity security of a bank tion is effected by an investment company registered under the Investment Company Act of 1940 and both the purchase and sale of such security have been exempted from the provisions of section 17(a) of the Investment Company Act of 1940 by an order of the Securities and Exchange Commission entered pursuant to section 17(b) of that Act.

(k) *Exemption from section 16(b) of certain transactions effected in connection with a distribution.* (1) Any transaction of purchase and sale, or sale and purpose of that section. if the transacthat is effected in connection with the distribution of a substantial block of such securities shall be exempt from the provisions of section 16(b), to the extent specified in this paragraph (k), as not comprehended within the purpose of said section, upon the following conditions:

(i) The person effecting the transaction is engaged in the business of distributing securities and is participating in good faith, in the ordinary course of such business, in the distribution of such block of securities;

(ii) The security involved in the transaction is (*a*) a part of such block of securities and is acquired by the person effecting the transaction, with a view to the distribution thereof, from the bank or other person on whose behalf such securities are being distributed or from a person who is participating in good faith in the distribution of such block of securities, or (*b*) a security purchased in good faith by or for the account of the person effecting the transaction for the purpose of stabilizing the market price

of securities of the class being distributed or to cover an overallotment or other short position created in connection with such distribution; and

(iii) Other persons not within the purview of section 16(b) are participating in the distribution of such block of securities on terms at least as favorable as those on which such person is participating and to an extent at least equal to the aggregate participation of all persons exempted from the provisions of section 16(b) by this paragraph. However, the performance of the functions of manager of a distributing group and the receipt of a bona fide payment for performing such functions shall not preclude an exemption that would otherwise be available under this paragraph.

(2) The exemption of a transaction pursuant to this paragraph with respect to the participation therein of one party thereto shall not render such transaction exempt with respect to participation of any other party therein unless such other party also meets the conditions of this paragraph.

(l) *Exemption from section 16(b) of acquisitions of shares of stock and stock options under certain stock bonus, stock option, or similar plans.* Any acquisition of shares of a bank's stock (other than stock acquired upon the exercise of an option, warrant, or right) pursuant to a stock bonus, profit sharing, retirement, incentive, thrift, savings, or similar plan, or any acquisition of a qualified or restricted stock option pursuant to a qualified or restricted stock option plan, or of a stock option pursuant to an employee stock purchase plan, by a director or officer of the bank issuing such stock or stock option shall be exempt from the operation of section 16(b) if the plan meets the following conditions:

(1) The plan has been duly approved, directly or indirectly, (i) by the holders of a majority of the securities of the bank present, or represented, and entitled to vote at the meeting at which it was approved, or by the written consent of the holders of a majority of the securities of the bank entitled to vote, or (ii) by the holders of a majority of the securities of a predecessor so entitled to vote, if the plan or obligations to participate thereunder were assumed by the bank in connection with the succession.

(2) If the selection of any director of officer of the bank to whom stock may be allocated (or to whom qualified, restricted, or employee stock purchase plan stock options may be granted pursuant to the plan) or the determination of the number or maximum number of shares of stock that may be allocated to any such director or officer (or that may be covered by qualified, restricted, or employee stock purchase plan stock options granted to any such director or officer) is subject to the discretion of any person, then such discretion shall be exercised only as follows:

(i) With respect to the participation of directors (*a*) by the board of directors of the bank, a majority of which board and a majority of the directors acting in the matter are disinterested persons; (*b*) by, or only in accordance with the recommendation of, a committee of three or more persons having full authority to act in the matter, all of the members of which committee are disinterested persons; or (*c*) otherwise in accordance with the plan, if the plan specifies the number or maximum number of shares of stock that directors may acquire (or that may be subject to qualified, restricted, or employee stock purchase plan stock options granted to directors) and the terms upon which and the times at which, or the periods within which, such stock may be acquired (or such options may be acquired and exercised); or sets forth, by formula or otherwise, effective and determinable limitations with respect to the foregoing based upon earnings of the bank, dividends paid, compensation received by participants, option prices, market value of shares, outstanding shares, or percentages thereof outstanding from time to time, or similar factors.

(ii) With respect to the participation of officers who are not directors (*a*) by the board of directors of the bank or a committee of three or more directors; or (*b*) by, or only in accordance with the recommendations of, a committee of three or more persons having full authority to act in the matter, all of the members of which committee are disinterested persons.

For the purposes of this subparagraph (2), a director or committee member shall be deemed to be a disinterested person only if such person is not at the time such discretion is exercised eligible and has not at any time within 1 year prior thereto been eligible for selection as a person to whom stock may be allocated (or to whom qualified, restricted, or employee stock purchase plan stock options may be granted) pursuant to the plan or any other plan of the bank or any of its affiliates entitling the participants therein to acquire stock or qualified, restricted, or employee stock purchase plan stock options of the bank or any of its affiliates.

(3) As to each participant or as to all participants the plan effectively limits the aggregate dollar amount or the aggregate number of shares of stock that may be allocated (or may be subject to qualified, restricted, or employee stock purchase plan stock options granted) pursuant to the plan. The limitations may be established on an annual basis, or for the duration of the plan, whether or not the plan has a fixed termination date. Such limitations may be determined either by fixed or maximum dollar amounts, fixed or maximum numbers of shares, formulas based upon earnings of the bank, dividends paid, compensation received by participants, option prices, market value of shares, outstanding shares or percentages thereof outstanding from time to time, or similar factors that will result in an effective and determinable limitation. Such limitations may be subject to any provisions for adjustment of the plan or of stock allocable (or options outstanding thereunder) to prevent dilution or enlargement of rights.

(m) *Exemption from section 16(b) of long-term profits incident to sales within 6 months of the exercise of an option.* (1) To the extent specified in subparagraph (2) of this paragraph, transactions involving the purchase and sale, or sale and purchase, of any equity security of a bank shall be exempt from the operation of section 16(b), as not comprehended within the purpose of that section, if such purchase is pursuant to the exercise of an option, warrant, or right either (i) acquired more than 6 months before its exercise, or (ii) acquired pursuant to the terms of an employment contract entered into more than 6 months before its exercise.

(2) With respect to transactions specified in subparagraph (1) of this paragraph, the profits inuring to bank pursuant to section 16(b) shall not exceed the difference between the proceeds of sale and the lowest market price of any security of the same class within 6 months before or after the date of sale. Nothing in this paragraph shall be deemed to enlarge the amount of profit that would inure to the bank in the absence of this paragraph.

(3) The disposition of any equity security of a bank shall also be exempt from the operation of section 16(b), as not comprehended within the purpose of that section, if purchased in a transaction specified in subparagraph (1) of this paragraph, pursuant to a plan or agreement for merger or consolidation, or reclassification of the bank's securities, or for the exchange of its securities for the securities of another person that has acquired its assets, where the terms of such plan or agreement are binding upon all stockholders of the bank except to the extent that dissenting stockholders may be entitled, under statutory provisions or provisions contained in the bank's charter, to receive the appraised or fair value of their holdings.

(4) The exemptions provided by this paragraph (m) shall not apply to any transaction made unlawful by section 16(c) or by any regulations thereunder.

(5) The burden of establishing market price of a security for the purpose of this paragraph (m) shall rest upon the person claiming the exemption.

(n) *Exemption of certain securities from section 16(c).* Any equity security of a bank shall be exempt from the operation of section 16(c) to the extent necessary to render lawful under such section the execution by a broker of an order for an account in which he had no direct or indirect interest.

(o) *Exemption from section 16(c) of certain transactions effected in connection with a distribution.* Any equity security of a bank shall be exempt from the operation of section 16(c) to the extent necessary to render lawful under such section any sale made by or on behalf of a dealer in connection with a distribution of a substantial block of the bank's securities, upon the following conditions:

(1) The sale is made with respect to an overallotment in which the dealer is participating as a member of an underwriting group, or the dealer or a person

acting on his behalf intends in good faith to offset such sale with a security to be acquired by or on behalf of the dealer as a participant in an underwriting, selling, or soliciting-dealer group of which the dealer is a member at the time of the sale, whether or not the security to be so acquired is subject to a prior offering to existing security holders or some other class of persons; and

(2) Other persons not within the purview of section 16(c) are participating in the distribution of such block of securities on terms at least as favorable as those on which such dealer is participating and to an extent at lease equal to the aggregate participation of all persons exempted from the provisions of section 16(c) by this paragraph. The performance of the functions of manager of a distributing group and the receipt of a bona fide payment for performing such functions shall not however, preclude an exemption that would otherwise be available under this paragraph.

(p) *Exemption of sales of securities to be acquired.* (1) Whenever any person is entitled, as an incident to his ownership of an issued equity security of a bank and without the payment of consideration, to receive another security of the bank "when issued" or "when distributed", the security to be acquired shall be exempt from the operation of section 16(c) if (i) the sale is made subject to the same conditions as those attaching to the right of acquisition, (ii) such person exercises reasonable diligence to deliver such security to the purchaser promptly after his right of acquisition matures, and (iii) such person reports the sale on the appropriate form for reporting transactions by persons subject to section 16(a).

(2) This paragraph shall not be construed as exempting transactions involving both a sale of a security "when issued" or "when distributed" and a sale of the security by virtue of which the seller expects to receive the "when-issued" or "when-distributed" security, if the two transactions combined result in a sale of more units than the aggregate of those owned by the seller plus those to be received by him pursuant to his right of acquisition.

(q) *Arbitrage transactions under section 16.* It shall be unlawful for any director or officer of a bank to effect any foreign or domestic arbitrage transactions in any equity security of the bank unless he shall include such transaction in the statements required by section 16(a) of the Act and paragraph (a) of this section and shall account to such bank for the profits arising from such transaction, as provided in section 16(b). The provisions of section 16(c) shall not apply to such arbitrage transactions. The provisions of paragraph (a) of this section and of section 16 shall not apply to any bona fide foreign or domestic arbitrage transaction insofar as it is effected by any person other than such director or officer of the bank issuing such security.

§ 11.7 Form and content of financial statements.

(a) *Principles of financial reporting.* Financial statements filed with the Comptroller pursuant to this part shall be prepared in accordance with generally accepted accounting principles and practices applicable to banks. The Comptroller may from time to time issue releases on accounting principles and practices to be used with respect to specific areas.

(b) *Verification*—(1) *General.* (i) Every verification with respect to financial statements filed pursuant to this part shall be dated, shall be signed manually, and shall identify without detailed enumeration the financial statements covered by the verification.

(ii) If the person or persons making a verification considers that he must take exceptions or express qualifications with respect thereto, each such exception or qualification shall be stated specifically and clearly and, to the extent practicable, shall indicate the effect of the matter on the financial statements to which it relates.

(2) *Opinions to be expressed by principal accounting officer and auditor.* Every verification by a bank's principal accounting officer and auditor shall state:

(i) The opinions of such persons with respect to the financial statements covered by the verification and the accounting principles and practices reflected therein; and

(ii) The opinions of such persons as to any material changes in accounting principles or practices or in the method of applying the accounting principles or practices, or adjustments of the accounts, required to be set forth by paragraph (c)(5) of this section.

(3) *Certification by independent public accountants*—(i) *Qualifications of independent public accountants.* (a) The Comptroller will not recognize any person as an independent public accountant who is not registered or licensed to practice as a public accountant by a regulatory authority of a State and in good standing with such authority as such an accountant.

(b) The Comptroller will not recognize as independent a public accountant who is not in fact independent. For example, an accountant will be considered not independent with respect to any person in which he has, or had during the period of report, any direct financial interest or material indirect financial interest; or with which he is, or was during such period, connected as a promoter, underwriter, voting trustee, director, officer, or employee.

(c) In determining whether a public accountant is, in fact, independent with respect to a particular person, the Comptroller will give appropriate consideration to all relevant circumstances, including evidence bearing on all relationships between the accountant and that person or any affiliate thereof, and will not confine itself to the relationships existing in connection with the filing of reports with the Comptroller.

(ii) *Representations as to the audit.* The independent public accountant's certificate—

(*a*) Shall state whether the audit was made in accordance with generally accepted auditing standards; and

(*b*) Shall designate any auditing procedures generally recognized as normal (or deemed necessary by the accountant under the circumstances of the particular case) that have been omitted, and the reasons for their omission, but no procedure that independent accountants ordinarily employ in the course of an audit made for the purpose of expressing the opinions required by subdivision (iii) of this subparagraph shall be omitted.

(iii) *Opinions to be expressed.* The independent public accountant's certificate shall state:

(*a*) The opinion of the accountant with respect to the financial statements covered by the certificate and the accounting principles and practices reflected therein:

(*b*) The opinion of the accountant as to any material changes in accounting principles or practices or in the method of applying the accounting principles or practices, or adjustments of the accounts required to be set forth by paragraph (c)(5) of this section; and

(*c*) The nature of, and the opinion of the accountant as to, any material differences between the accounting principles and practices reflected in the financial statements and those reflected in the accounts after the entry of adjustments for the period under review.

(iv) *Certification of financial statements by more than one independent public accountant.* If, with respect to the certification of the financial statements of any bank, the principal independent public accountant relies on an examination made by another independent public accountant of certain of the accounts of such bank or its affiliates, the certificate of such other accountant shall be filed (and the provisions of this subparagraph shall be applicable thereto); however, the certificate of such other accountant need not be filed (*a*) if no reference is made directly or indirectly to such other accountant's examination in the principal accountant's certificate, or (*b*) if, having referred to such other accountant's examination, the principal accountant states in his certificate that he assumes responsibility for such other accountant's examination in the same manner as if it had been made by him.

(c) *Provisions of general applications.*—(1) *Requirements as to form.* Financial statements shall be prepared in accordance with the applicable requirements of Forms 9 A, B, C, and D. All

money amounts required to be shown in financial statements may be expressed in even dollars or thousands of dollars. If shown in even thousands, an indication to that effect shall be inserted immediately beneath the caption of the statement or schedule, or at the top of each money column. The individual amounts shown need not be adjusted to the nearest dollar or thousand if the failure of the items to add to the totals shown is stated in a note as due to the dropping of amounts of less than $1 or $1,000, as appropriate.

(2) *Items not material.* If the amount that would otherwise be required to be shown with respect to any item is not material, it need not be separately set forth.

(3) *Inapplicable captions and omission of unrequired or inapplicable financial statements.* No caption need be shown in any financial statement required by the forms set forth in this part as to which the items and conditions are not present. Financial statements not required or inapplicable because the required matter is not present need not be filed, but the statements omitted and the reasons for their omission shall be indicated in the list of financial statements required by the applicable form.

(4) *Additional information.* In addition to the information required with respect to any financial statement, such further information shall be furnished as is necessary to make the required statements, in the light of the circumstances under which they are made, not misleading.

(5) *Changes in accounting principles and practices and retroactive adjustments of accounts.* Any change in accounting principle or practice, or in the method of applying any accounting principle or practice, made during any period for which financial statements are filed that affects comparability of such financial statements with those of prior or future periods, and the effect thereof upon the net income for each period for which financial statements are filed, shall be disclosed in a note to the appropriate financial statement. Any material retroactive adjustment made during any period for which financial statements are filed, and the effect thereof upon net income of prior periods, shall be disclosed in a note to the appropriate financial statement.

(6) *Summary of accounting principles and practices.* Information required in notes as to accounting principles and practices reflected in the financial statements may be presented in the form of a single statement. In such a case specific references shall be made in the appropriate financial statements to the applicable portion of such single statement.

(7) *Foreign currencies.* The basis of conversion of all items in foreign currencies shall be stated, and the amount and disposition of the resulting unrealized profit or loss shown. Disclosure should be made as to the effect, insofar as this can be reasonably determined, of foreign exchange restrictions upon the consolidated financial position and operating results of the bank and its subsidiaries.

(8) *Commitments.* If material in amount, the pertinent facts relative to firm commitments for the acquisition, directly or indirectly, or fixed assets and for the purchase, repurchase, construction, or rental of assets under long-term leases shall be stated briefly in the balance sheet or in footnotes referred to therein. Where the rentals or obligations under long-term leases are material there shall be shown the amounts of annual rentals under such leases with some indication of the periods for which they are payable, together with any important obligation assumed or guarantee made in connection therewith. If the rentals are conditional, the minimum annual amounts shall be stated, unless inappropriate in the circumstances.

(9) *General notes to balance sheets.* If present with respect to the person for which the statement is filed, the following shall be set forth in the balance sheet or in referenced notes thereto:

(i) *Assets subject to lien.* The amounts of assets mortgaged, pledged, or otherwise subject to a lien or security interest shall be designated and the obligation secured thereby, if any, shall be identified briefly.

(ii) *Intercompany profits and losses.* The effect upon any balance sheet item of profits or losses resulting from transactions with affiliated companies not consolidated shall be stated. If impracticable of accurate determination without unreasonable effort or expense, an estimate or explanation shall be given.

(iii) *Preferred shares.* (*a*) If callable, the date or dates and the amount per share at which such shares are callable shall be stated; (*b*) Arrears in cumulative dividends per share and in total for each class of shares shall be stated; (*c*) Preferences on involuntary liquidation, if other than the par or stated value, shall be shown. When the excess involved is material, there shall be shown the difference between the aggregate preference on involuntary liquidation and the aggregate par or stated value, a statement that this difference (plus any arrears in dividends) exceeds the sum of the par or stated value of the junior capital shares, surplus, and undivided profits if such is the case, and a statement as to the existence (or absence) of any restrictions upon surplus and/or undivided profits growing out of the fact that upon involuntary liquidation the preference of the preferred stock exceeds its par or stated value.

(iv) *Pension and retirement plans.* (*a*) A brief description of the essential provisions of any employee pension or retirement plan shall be given; (*b*) The estimated annual cost of the plan shall be stated; (*c*) If a plan has not been funded or otherwise provided for, the estimated amount that would be necessary to fund or otherwise provide for the past-service cost of the plan shall be disclosed.

(v) *Capital stock optioned to officers and employees.* (*a*) A brief description of the terms of each option arrangement shall be given, including the title and amount of securities subject to the option, the year or years during which the options were granted, and the year or years during which the optionees became, or will become, entitled to exercise the options;

(*b*) There shall be stated the number of shares under option at the balance sheet date, and the option price and the fair value thereof (per share and in total) at the dates the options were granted; the number of shares with respect to which options became exercisable during the period, and the option price and the fair value thereof (per share and in total) at the dates the options became exercisable; and the number of shares with respect to which options were exercised during the period, and the option price and the fair value thereof (per share and in total) at the dates the options were exercised. The required information may be summarized as appropriate with respect to each of the categories referred to in this subclause (*b*);

(*c*) The basis of accounting for such option arrangements and the amount of charges, if any, reflected in income with respect thereto shall be stated.

(vi) *Restrictions that limit the availability of surplus and/or undivided profits for dividend purposes.* Any such restriction, other than as reported in subparagraph (9) (iii) of this paragraph shall be described, indicating briefly its source, its pertinent provisions, and, where appropriate and determinable, the amount of the surplus and/or undivided profits restricted.

(vii) *Contingent liabilities.* A brief statement as to contingent liabilities not reflected in the balance sheet shall be made.

(10) *General notes to statements of income.* If present with respect to the person for which the statement is filed, the following shall be set forth in the statement of income or in referenced notes thereto:

(i) *Intercompany profits and losses.* The amount of any profits or losses resulting from transactions between unconsolidated affiliated companies shall be stated. If impracticable of determination without unreasonable effort and expense, an estimate or explanation shall be given.

(ii) *Depreciation and amortization.* For the period for which statements of income are filed, there shall be stated the policy followed with respect to: (*a*) The provision for depreciation of physical properties or valuation allowances created in lieu thereof, including the methods and, if practicable, the rates used in computing the annual amounts; (*b*) The provision for depreciation and amortization of intangibles, or valuation allowances created in lieu thereof, including the methods and, if practicable,

the rates used in computing the annual amounts; (c) The accounting treatment for maintenance, repairs, renewals, and improvements; and (d) The adjustment of the accumulated valuation allowances for depreciation and amortization at the time the properties were retired or otherwise disposed of, including the disposition made of any profit or loss on sale of such properties.

(d) *Consolidated financial statements.* (1) Consolidated statements generally present more meaningful information to the investor than unconsolidated statements. Except where good reason exists, consolidated statements of the bank and its majority-owned significant subsidiaries should be filed.

(2) Every majority-owned bank-premises subsidiary and every majority-owned subsidiary operating under the provisions of section 25 or section 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations") shall be consolidated with that of the reporting bank irrespective of whether such subsidiary is a significant subsidiary.

(3) If the financial statements of a subsidiary are as of a date or for periods different from those of the bank, such statements may be used as the basis for consolidation of the subsidiary only if the date of such statements is not more than 93 days from the date of the close of the bank's fiscal year; the closing date of the subsidiary is specified; the necessity for the use of different closing dates is explained briefly; and any changes in the respective fiscal periods of the bank and the subsidiary made during the period of report are indicated clearly.

(4) There shall be set forth in a note to each consolidated balance sheet filed a statement of any difference between the investment in subsidiaries consolidated, as shown by the bank's books, and the bank's equity in the net assets of such subsidiaries as shown by the subsidiaries' books. If any such difference exists, there shall be set forth the amount of the difference and the disposition made thereof in preparing the consolidated statements, naming the balance sheet captions and stating the amount included in each.

(5) *Minority interests.* Minority interests in the net assets of subsidiaries consolidated shall be shown in each consolidated balance sheet. The minority interest in the capital stock and in the surplus and undivided profits shall be stated separately. The aggregate amount of profit or loss accruing to minority interests shall be stated separately in each consolidated statement of income.

(6) *Intercompany items and transactions.* In general, intercompany items and transactions shall be eliminated. If not eliminated, a statement of the reasons for inclusion and the methods of treatment shall be made.

(e) *Statements of changes in capital accounts.* A statement of changes in capital accounts shall be filed with each statement of income filed pursuant to this part.

(f) *Schedules to be filed.* (1) The following schedules shall be filed with each balance sheet filed pursuant to this part: Schedule I—U.S. Government Obligations and Obligations of States and Political Subdivisions; Schedule II—Other Securities; Schedule III—Loans; Schedule IV—Bank Premises and Equipment; Schedule V—Investments in Income from Dividends, and Equity in Earnings and Loss of Unconsolidated Subsidiaries; and Schedule VI—Other Liabilities for Borrowed Money.

(2) The following schedule shall be filed with each statement of income filed pursuant to this part: Schedule VII—Allowance for Possible Loan Losses.

(3) Reference to the schedules referred to in subparagraphs (1) and (2) of this paragraph shall be made against the appropriate captions of the balance sheet or statement of income.

FORMS

§ 11.41 Form for registration of securities of a bank pursuant to section 12(b) or section 12(g) of the Securities Exchange Act of 1934 (Form F–1).

FORM F–1

FORM FOR REGISTRATION OF SECURITIES OF A BANK

PURSUANT TO SECTION 12(B) OR SECTION 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934

(Exact name of bank as specified in charter)

(Address of principal office)

*Title of each class of securities being registered pursuant to section 12(b) of the Act:**

Title of class	Name of each exchange on which class is being registered
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*Title of each class of securities being registered pursuant to section 12(g) of the Act:**

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*If none, so state.

GENERAL INSTRUCTION

This form is not to be used as blank form to be filled in but only as a guide in the preparation of a registration statement. Particular attention should be be given to the definitions in § 11.2 and the general requirements in § 11.4. Unless otherwise stated, the information required shall be given as of a date reasonably close to the date of filling the statement. The statement shall contain the numbers and captions of all items, but the text of the items may be omitted if the answers with respect thereto are prepared in the manner specified in § 11.4(s).

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1—General Information.

State the year in which the bank was organized. If organized as a State bank, state the year of conversion into a national bank. Indicate the approximate number of holders of record of each class of equity securities of the bank.

Item 2—Parents and Subsidiaries of the bank.

(a) List all parents of the bank, showing the basis of control and, as to each parent, the percentage of voting securities owned or other basis of control by its immediate parent, if any.

(b) Furnish a list or diagram of all subsidiaries of the bank and, as to each subsidiary, indicate (1) the State or other jurisdicton under the laws of which it was organized, and (2) the percentage of voting securities owned or other basis of control by its immediate parent. Designate (i) subsidiaries for which separate financial statements are filed; (ii) subsidiaries included in consolidated financial statements; and (iii) subsidiaries for which no financial statements are filed, indicating briefly why statements of such subsidiaries are not filed.

Instructions. 1. Include the bank and show clearly the relationship of each person named to the bank and the other persons named, including the percentage of voting securities of the bank owned or other basis of control by its immediate parent. The names of particular subsidiaries may be omitted if the unnamed subsidiaries considered in the aggregate as a single subsidiary would not constitute a significant subsidiary.

2. In case of the bank owns, directly or indirectly, approximately 50 percent of the voting securities of any person and approximately 50 percent of the voting securities of such person are owned directly or indirectly by another single interest, such person shall be deemed to be a subsidiary for the purpose of this item.

Item 3—Description of Business.

Describe briefly the business done by the bank and any significant developments or trends in such business occurring over the preceding 5 years. Information should be furnished as to any mergers, consolidations, or other acquisitions of assets of any other person that were consummated during such period. State the number of banking offices in each city (or county) in the United States in which the bank has offices and the number of banking offices located in each foreign country or jurisdiction. In describing the business done by the bank, the business of its subsidiaries should be included only insofar as the same is important to be an understanding of the character and development of the business conducted by the total enterprise.

Item 4—Description of Bank Premises and Other Real Estate.

Describe briefly, individually or by categories, (a) properties held in fee, by the bank and its subsidiaries, in which the banking offices are located, indicating any major encumbrances with respect thereto, and (b) other real estate of material value that is owned by the bank. In the event aggregate annual rentals paid during the bank's last fiscal year exceeded 5 percent of its operating expenses, state the amount of such rentals and the average term of the leases pursuant to which such rentals were paid.

Item 5—Organization Within 5 Years.

If the bank was organized within the past 5 years, furnish the following information:

(a) State the names of the promoters, the nature and amount of anything of value (including money, property, contracts, options, or rights of any kind) received or to be received by each promoter directly or indirectly from the bank, and the nature and amount of any assets, services, or other consideration therefor received or to be received by the bank.

(b) As to any assets acquired or to be acquired by the bank from a promoter, state the amount at which acquired or to be acquired and the principle followed in determining the amount. Identify the persons making the determination and state their relationship, if any, with the bank or any promoter. If the assets were acquired by

the promoter within 2 years prior to their transfer to the bank, state the cost thereof to the promoter.

Item 6—Pending Legal Proceedings.

Describe briefly any material pending legal proceedings, other than ordinary routine proceedings incidental to the business, to which the bank or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings were instituted, the date instituted, and the principal parties thereto.

Instruction. 1. No information need to be given with respect to proceedings that involve principally claims for damages if the aggregate amount involved does not exceed 10 percent of the equity capital accounts of the bank. If, however, any proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

2. Any material proceedings to which any director, officer, or affiliate of the bank, any security holder named in answer to Item 11(a), or any associate of any such director, officer, or security holder, is a party adverse to the bank or any of its subsidiaries shall also be described.

Item 7—Directors and Officers.

List all directors and officers of the bank and all persons chosen to become directors or officers. Indicate all positions and offices with the bank held by each person named and his principal occupations during the past 5 years. (The term "officer" is defined in § 11.2(o).)

Item 8—Indemnification of Directors and Officers.

State the general effect of any charter provision, bylaw, contract, arrangement, or statute under which any director or officer of the bank is insured or indemnified in any manner against any liability that he may incur in his capacity as such.

Item 9—Remuneration of Directors and Officers.

(a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the bank and its subsidiaries during the bank's latest fiscal year to the following person for services in all capacities:

(1) Each director, and each of the two highest paid officers of the bank whose annual total direct remuneration exceeded $30,000, naming each such person.

(2) All directors and officers of the bank as a group, without naming them, but stating the number of persons included.

(A)	(B)	(C)
Name of individual or number of persons in group	Capacities in which remuneration was received	Aggregate remuneration

Instructions. 1. This item applies to any person who was a director or officer of the bank at any time during said fiscal year. Information need not, however, be given for any portion of that period during which such person was not a director or officer.

2. The information is to be given on an accrual basis, if practicable. The tables required by this paragraph and paragraph (b) may be combined if the bank so desires.

3. Do not include remuneration paid to a partnership in which any director or officer was a partner. But see Item 12, below.

4. If the bank has not completed a full fiscal year since its organization or if it acquired or is to acquire the majority of its assets from a predecessor within the current fiscal year, the information shall be given for the current fiscal year, estimating future payments, if necessary. To the extent that such remuneration is to be computed upon the basis of a percentage of earnings or profits, the percentage may be stated without estimating the amount of such profits to be paid.

5. If any part of the remuneration shown in response to this item was paid pursuant to a material bonus or profit-sharing plan, describe briefly the plan and the basis upon which directors or officers participate therein.

(b) Furnish the following information, in substantially the tabular form indicated below, as to all pension or retirement benefits proposed to be paid under any existing plan in the event of retirement at normal retirement date, directly or indirectly, by the bank or any of its subsidiaries to each director or officer named in answer to paragraph (a)(1):

(A)	(B)	(C)
Name of individual	Amounts set aside or accrued during bank's last fiscal year	Estimated annual benefits upon retirement

Instructions. 1. Column (B) need not be answered with respect to amounts computed on an actuarial basis under any plan that provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

2. The information called for by Column (C) may be given in a table showing the annual benefits payable upon retirement to persons in specified salary classifications.

3. In the case of any plan (other than those specified in Instruction 1) where the amount set aside each year depends upon the amount of earnings or profits of the bank or its subsidiaries for such year or a prior year (or where otherwise impracticable to state the estimated annual benefits upon retirement) there shall be set forth, in lieu of the information called for by Column (C), the aggregate amount set aside or accrued to date, unless impracticable to do so, in which case the method of computing such benefits shall be stated.

(c) Describe briefly all remuneration payments (other than payments reported under paragraph (a) or (b) of this item) proposed to be made in the future, directly or indirectly, by the bank or any of its subsidiaries pursuant to any existing plan to (i) each director or officer named in answer to paragraph (a)(1), naming each such person, and (ii) all directors and officers of the bank as a group, without naming them.

Instruction. Information need not be included as to payments to be made for, or benefits to be received from, group life or accident insurance, group hospitalization, or similar group payments or benefits. If impractical to state the amount of remuneration payments proposed to be made, the aggregate amount set aside or accrued to date in respect of such payments should be stated, together with an explanation of the basis for future payments.

Item 10—Options to Purchase Securities.

Furnish the following information as to options to purchase securities from the bank or any of its subsidiaries that are outstanding as of a specified date within 30 days prior to the date of filing.

(a) Describe the options, stating the material provisions including the consideration received and to be received for such options by the grantor thereof and the market value of the securities called for on the granting date. If, however, the options are "qualified stock options" or "restricted stock options" or options granted pursuant to a plan qualifying as an "employee stock purchase plan" as those terms are defined in sections 422 through 424 of the Internal Revenue Code of 1954 only the following is required: (i) A statement to that effect, (ii) a brief description of the terms and conditions of the options or of the plan pursuant to which they were issued, and (iii) a statement of the provisions of the plan or options with respect to the relationship between the option price and the market price of the securities at the date when the options were granted, or with respect to the terms of any variable price option.

(b) State (i) the title and amount of the securities called for by such options; (ii) the purchase prices of the securities called for and the expiration dates of such options; and (iii) the market value of the securities called for by such options as of the latest practicable date.

Instruction. In case a number of options are outstanding having different prices and expiration dates, the options may be grouped by prices and dates. If this produces more than five separate groups then there may be shown only the range of the expiration dates and the average purchase prices, i.e., the aggregate purchase prices of all securities of the same class called for by all outstanding options to purchase securities of that class divided by the number of securities of such class so called for.

(c) Furnish separately the information called for by paragraph (b) above for all options held by (i) each director or officer named in answer to paragraph (a)(1) of Item 9, naming each such person, and (ii) all directors and officers as a group without naming them.

Instructions. 1. The extension or renewal of options shall be deemed the granting of options within the meaning of this item.

2. Where the total market value of securities called for by all outstanding options as of the specified date referred to in this item does not exceed $10,000 for any officer or director named in answer to paragraph (a)(1) of Item 9, or $30,000 for all officers and directors, as a group or for all option holders as a group, this item need not be answered with respect to options held by such person or group.

Item 11—Principal Holders of Securities.

Furnish the following information as of a specified date within 90 days prior to the date of filing in substantially the tabular form indicated:

(a) As to the voting securities of the bank owned of record or beneficially by each person who owns of record, or is known by the bank to own beneficially, more than 10 percent of any class of such securities. Show in Column (C) whether the securities are owned both of record and beneficially, or record only, or beneficially only, and show in Columns (D) and (E) the respective amounts and percentage owned in each such manner:

(A)	(B)	(C)	(D)	(E)
Name and address	Title of class	Type of ownership	Amount owned	Percent of class

(b) As to each class of equity securities of the bank or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned directly or indirectly by all directors and officers of the bank, as a group, without naming them.

(A) Title of class	(B) Amount beneficially owned	(C) Percent of class

Instructions. 1. The percentages are to be calculated on the basis of the amount of securities outstanding, excluding securities held by or for the account of the bank. In any case where the amount owned by directors and officers as a group is less than 1 percent of the class, the percent of the class owned by them may be omitted.

2. If, to the knowledge of the bank, more than 10 percent of any class of voting securities of the bank are held or to be held subject to any voting trust or other similar agreement, state the title of such securities, the amount held or to be held, and the duration of the agreement. Give the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

Item 12—Interest of Management and Others in Certain Transactions.

Describe briefly, and where practicable state the approximate amount of, any material interest, direct or indirect, of any of the following persons in any material transactions during the last 3 years, or in any material proposed transactions, to which the bank or any of its subsidiaries was, or is to be, a party:

(a) Any director or officer of the bank;

(b) Any security holder named in answer to Item 11(a); or

(c) Any associate of any of the foregoing persons.

Instructions. 1. See Instruction 1 to Item 9(a). Include the name of each person whose interest in any transaction is described and the nature of the relationship by reason of which such interest is required to be described. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction shall be indicated.

2. As to any transaction involving the purchase or sale of assets by or to the bank or any subsidiary, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within 2 years prior to the transaction.

3. This item does not apply to any interest arising from the ownership of securities of the bank where the security holder receives no extra or special benefit not shared on a pro rata basis by all other holders of the same class.

4. No information need be given in answer to this item as to any remuneration not received during the bank's last fiscal year or as to any remuneration or other transaction reported in response to Item 9 or 10.

5. Information should be included as to any material underwriting discounts and commissions upon the sale of securities by the bank where any of the specified persons was or is to be a principal underwriter or is a controlling person or member of a firm that was or is to be a principal underwriter. Information need not be given concerning ordinary management fees paid by underwriters to a managing underwriter pursuant to an agreement among underwriters the parties to which do not include the bank or its subsidiaries.

6. No information need be given in answer to this item as to any transaction or any interest therein where:

(i) The rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(ii) The interest of the specified person in the transaction is solely that of a director of another corporation that is a party to the transaction;

(iii) The specified person is subject to this Item 12 solely as a director of the bank (or associate of a director) and his interest in the transaction is solely that of a director and/or officer of another corporation that is a party to the transaction;

(iv) The transaction does not involve remuneration for services, directly or indirectly, and (A) the interest of the specified persons arises from the ownership individually and in the aggregate of less than a 10 percent interest in another person that is a party to the transaction, (B) the transaction is in the ordinary course of business of the bank or its subsidiaries, and (C) the amount of such transaction or series of transactions is less than 10 percent of the equity capital accounts of the bank;

(v) The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or other similar service;

(vi) The interest of the specified person, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed $30,000.

7. Information shall be furnished in answer to this item with respect to transactions not excluded above that involve remuneration, directly or indirectly, to any of the specified persons for services in any capacity unless the interest of such persons arises solely from the ownership individually and in the aggregate of less than a 10 percent interest in another person furnishing the services to the bank or its subsidiaries.

Item 13—Capital Stock Being Registered.

If capital stock is being registered, state the title of the class and furnish the following information:

(a) Outline briefly (1) dividend rights; (2) voting rights; (3) liquidation rights; (4) preemptive rights; (5) conversion rights; (6) redemption provisions; (7) sinking fund provisions; and (8) liability to further calls or to assessment by the bank.

(b) If the rights of holders of such stock may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class, so state and explain briefly.

(c) Outline briefly any restriction on the repurchase or redemption of shares by the bank while there is any arrearage in the payment of dividends or sinking fund installments. If there is no such restriction, so state.

Instructions. 1. This item requires only a brief summary of the provisions that are pertinent from an investment standpoint. A complete legal description of the provisions referred to is not required and should not be given. Do not set forth the provisions of the governing instruments verbatim; only a succinct resume is required.

2. If the rights evidenced by the securities being registered are materially limited or qualified by the rights of any other class of securities, include such information regarding such other securities as will enable investors to understand the rights evidenced by securities being registered. If any securities being registered are to be offered in exchange for other securities, an appropriate description of such other securities shall be given. No information need be given, however, as to any class of securities all of which will be redeemed and retired if appropriate steps to assure such redemption and retirement will be taken prior to registration of the securities being registered.

Item 14—Long-Term Debt Being Registered.

If long-term debt is being registered, outline briefly such of the following as are relevant:

(a) Provisions with respect to interest, conversion, maturity, redemption, amortization, sinking fund, or retirement.

(b) Provisions restricting the declaration of dividends or the creation or maintenance of reserves.

(c) Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against such issuance, the incurring of additional debt, the modification of the terms of the security, and similar provisions.

(d) The name of the trustee and the nature of any material relationship with the bank or any of its affiliates; the percentage of securities of the class necessary to require the trustee to take action, and what indemnification the trustee may require before proceeding to enforce the lien.

Instruction. The instructions to Item 13 shall apply to this item.

Item 15—Other Securities Being Registered.

If securities other than capital stock or long-term debt are being registered, outline briefly the rights evidenced thereby. If subscription warrants or rights are being registered, state the title and amount of securities called for, the period during which and the price at which the warrants or rights are exercisable.

Instruction. The instructions to Item 13 shall also apply to this item.

Item 16—Recent Sales of Securities.

Furnish the following information as to all securities of the bank sold by the bank within the past 3 years, or presently proposed to be sold. Include securities issued in exchange for property, services, or other securities.

(a) Give the date of sale, title, and amount of securities sold.

(b) Give the names of the principal underwriters, if any. As to any securities sold privately, name the persons or identify the class of persons to whom the securities were sold.

(c) As to securities sold for cash, state the aggregate offering price and the aggregate underwriting discounts or commissions. As to any securities sold otherwise than for cash, state the nature of the transaction and the nature and aggregate amount of consideration received by the bank.

Instructions. (1) Information need not be set forth as to notes, drafts, bills of exchange, or bank acceptances that mature not later than 18 months from the date of issuance.

(2) If the sales were made in a series of transactions, the information may be given by such totals and periods as will reasonably convey the information required.

Item 17—Financial Statements and Exhibits.

List all financial statements and exhibits filed as a part of the registration statement.

(a) Financial statements.

(b) Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

(Name of bank)

By ---
(Name and title of signing officer)

Date ---

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

These instructions specify the balance sheets and statements of income required to be filed as a part of a registration state-

ment on this form. Section 11.7 of this part governs the verification, form, and content of the balance sheets and statements of income required, including the basis of consolidation, and prescribes the statement of changes in capital accounts and the schedules to be filed in support thereof.

A. Financial Statements of the Bank

1. *Balance Sheets.*

(a) The bank shall file a verified balance sheet as of the close of its latest fiscal year unless such fiscal year has ended within 90 days prior to the date of filing the registration statement, in which case the balance sheet may be as of the close of the preceding fiscal year.

(b) If the latest fiscal year of the bank has ended within 90 days prior to the date of filing the registration statement and the balance sheet required by paragraph (a) is filed as of the end of the preceding fiscal year, there shall be filed as an amendment to the registration statement, within 120 days after the date of filing, a verified balance sheet of the bank as of the end of the latest fiscal year.

2. *Statements of Income.*

(a) The bank shall file verified statements of income for each of the 3 fiscal years preceding the date of the balance sheet required by Instruction 1(a).

(b) There shall be filed with each balance sheet filed pursuant to Instruction 1(b) a verified statement of income of the bank for the fiscal year immediately preceding the date of the balance sheet.

3. *Omission of Bank's Financial Statements in Certain Cases.*

Notwithstanding Instructions 1 and 2, the individual financial statements of the bank may be omitted if consolidated statements of the bank and one or more of its subsidiaries are filed.

B. Consolidated Statements

4. *Consolidated Balance Sheets.*

(a) There shall be filed a verified consolidated balance sheet of the bank and its majority-owned (i) bank premises subsidiaries, (ii) subsidiaries operating under the provisions of section 25 or section 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations"), and (iii) significant subsidiaries, as of the close of the latest fiscal year of the bank, unless such fiscal year has ended within 90 days prior to the date of filing the registration statement, in which case this balance sheet may be as of the close of the preceding fiscal year.

(b) If the latest fiscal year of the bank has ended within 90 days prior to the date of filing the registration statement, and the balance sheet required by paragraph (a) is filed as of the end of the preceding fiscal year, there shall be filed as an amendment to the registration statement, within 120 days after the date of filing, a verified consolidated balance sheet of the bank and such subsidiaries as of the end of the latest fiscal year.

5. *Consolidated Statement of Income.*

(a) There shall be filed verified statements of income of the bank and its majority-owned (i) banks premises subsidiaries, (ii) subsidiaries operating under the provisions of section 25 or section 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations"), and (iii) significant subsidiaries, for each of the 3 fiscal years preceding the date of the consolidated balance sheet required by Instruction 4(a).

(b) There shall be filed with each balance sheet filed pursuant to Instruction 4(b), a verified consolidated statement of income of the bank and such subsidiaries for the fiscal year immediately preceding the date of the balance sheet.

C. Unconsolidated Subsidiaries and Other Persons

6. *Separate Statements of Unconsolidated Subsidiaries and Other Persons.*

There shall be filed such other verified financial statements with respect to unconsolidated subsidiaries and other persons as are material to a proper understanding of the financial position and results of operations of the total enterprise.

D. Special Provisions

7. *Succession to Other Businesses.*

(a) If during the period for which its statements of income are required, the bank has by merger, consolidation, or otherwise succeeded to one or more businesses, the additions, eliminations, and other changes effected in the succession shall be appropriately set forth in a note or supporting schedule to the balance sheets filed. In addition, statements of income for each constituent business, or combined statements, if appropriate, shall be filed for such period prior to the succession as may be necessary when added to the time, if any, for which statements of income after the succession are filed to cover the equivalent of the period specified in Instructions 2 and 5 above.

(b) If the bank by merger, consolidation, or otherwise is about to succeed to one or more businesses, there shall be filed for the constituent businesses financial statements, combined if appropriate, that would be required if they were registering securities under the Act. In addition, there shall be filed a balance sheet of the bank giving effect to the plan of succession. These balance sheets shall be set forth in such form, preferably columnar, as will show in related manner the balance sheets of the constituent businesses, the changes to be effected in the succession and the balance sheet of the bank after giving effect to the plan of succession. By a footnote or otherwise, a brief explanation of the changes shall be given.

(c) This instruction shall not apply with respect to the bank's succession to the business of any majority-owned subsidiary or to any acquisition of a business by purchase.

8. *Acquisition of Other Businesses.*

(a) There shall be filed for any business directly or indirectly acquired by the bank after the date of the balance sheet filed pursuant to Part A or B above and for any business to be directly or indirectly acquired by the bank, the financial statements that would be required if such business were a registrant.

(b) The acquisition of securities shall be deemed to be the acquisition of a business if such securities give control of the business or combined with securities already held give such control. In addition, the acquisition of securities that will extend the bank's control of a business shall be deemed the acquisition of the business if any of the securities being registered hereunder are to be offered in exchange for the securities to be acquired.

(c) No financial statements need be filed, however, for any business acquired or to be acquired from a majority-owned subsidiary. In addition, the statements of any one or more businesses may be omitted if such businesses, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

9. *Filing of Other Statements in Certain Cases.*

The Comptroller may, upon the request of the bank, and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution therefor of appropriate statements of comparable character. The Comptroller may also require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

E. Historical Financial Information

10. *Scope of Part E.*

The information required by Part E shall be furnished for the 7-year period preceding the period for which statements of income are filed, as to the accounts of each person whose balance sheet is filed. The information is to be given as to all of the accounts specified whether they are presently carried on the books or not. Part E does not call for verification, but only for a survey or review of the accounts specified. It should not be detailed beyond a point material to an investor.

11. *Revaluations of Assets.*

(a) If there were any material increases or decreases resulting from revaluing of assets, state (1) in what year or years such revaluations were made; (2) the amounts of such increases or decreases, and the accounts affected, including all related entries; and (3) if in connection with such revaluations any related adjustments were made in reserve accounts, the accounts and amounts with explanations.

(b) Information is not required as to adjustments made in the ordinary course of business, but only as to major revaluations made for the purpose of entering on the books current values, reproduction cost, or any values other than original cost.

(c) No information need be furnished with respect to any revaluation entry that was subsequently reversed or with respect to the reversal of a revaluation entry recorded prior to the period if a statement as to the reversal is made.

12. *Capital Shares.*

(a) If there were any material restatements of capital shares that resulted in transfers from capital share liability to surplus, undivided profits, or reserves, state the amount of each such restatement and all related entries. No statement need be made as to restatements resulting from the declaration of share dividends.

(b) If there was an original issue of capital shares, any part of the proceeds of which was credited to accounts other than capital stock accounts, state the title of the class, the accounts, and the respective amounts credited thereto.

13. *Debt Discount and Expense Written Off.*

If any material amount of debt discount and expense, on long-term debt still outstanding was written off earlier than as required under any periodic amortization plan, give the following information: (1) title of the securities, (2) date of the writeoff, (3) amount written off, and (4) to what account charged.

14. *Premiums and Discount and Expense on Securities Retired.*

If any material amount of long-term debt or preferred shares was retired, and if either the retirement was made at a premium or there remained, at the time of retirement, a material amount of unamortized discount and expense applicable to the securities retired, state for each class (1) title of the securities retired, (2) date of retirement, (3) amount of premium paid and of unamortized discount and expense, (4) to what account

charged, and (5) whether being amortized and, if so, the plan of amortization.

15. *Other Changes in Surplus or Undivided Profits.*

If there were any material increases or decreases in surplus or undivided profits, other than those resulting from transactions specified above, the closing of the income account, or the declaration or payment of dividends, state (1) the year or years in which such increases or decreases were made; (2) the nature and amounts thereof; and (3) the accounts affected, including all material related entries. Instruction 11(c) above also applies here.

16. *Predecessors.*

The information shall be furnished, to the extent material, as to any predecessor of the bank from the beginning of the period to the date of succession, not only as to the entries made respectively in the books of the predecessor or the successor, but also as to the changes effected in the transfer of the assets from the predecessor. No information need be furnished, however, as to any one or more predecessors that, considered in the aggregate, would not constitute a significant predecessor.

17. *Omission of Certain Information.*

(a) No information need be furnished as to any subsidiary, whether consolidated or unconsolidated, for the period prior to the date on which the subsidiary became a majority-owned subsidiary of the bank or of a predecessor for which information is required above.

(b) No information need be furnished hereunder as to any one or more unconsolidated subsidiaries for which separate financial statements are filed if all subsidiaries for which the information is so omitted, considered in the aggregate, would not constitute a significant subsidiary.

(c) Only the information specified in Instruction 11 need be given as to any predecessor or any subsidiary thereof if immediately prior to the date of succession thereto by a person for which information is required, the predecessor or subsidiary was in insolvency proceedings.

INSTRUCTIONS AS TO EXHIBITS

Subject to provisions regarding incorporation by reference, the following exhibits shall be filed as a part of the registration statement. Exhibits shall be appropriately lettered or numbered for convenient reference. Exhibits incorporated by reference may bear the designation given in the previous filing. Where exhibits are incorporated by reference the reference shall be made in the list of exhibits in Item 17.

1. Copies of the charter (or a composite or restatement thereof) and the bylaws (or instruments corresponding thereto) as presently in effect.

2. Copies of any plan of acquisition, reorganization, readjustment, or succession described in answer to Item 3 or 16.

3. (a) Specimens or copies of all securities being registered hereunder, and copies of all constituent instruments defining the rights of holders of long-term debt of the bank and of all subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.

(b) There need not be filed, however, (1) any instrument with respect to long-term debt not being registered hereunder if the total amount of securities authorized thereunder does not exceed 25 percent of the equity capital accounts of the bank and its subsidiaries on a consolidated basis, (2) any instrument with respect to any class of securities if appropriate steps to assure the redemption or retirement of such class will be taken prior to or upon delivery by the bank of the securities being registered, or (3) copies of instruments evidencing scrip certificates for fractions of shares.

4. Copies of all pension, retirement, or other deferred compensation plans, contracts, or arrangements. If any such plan, contract, or arrangement is not set forth in a formal document, furnish a reasonably detailed description thereof. Copies of any booklet or other description of any such plan, contract, or arrangement shall also be filed.

5. Copies of any plan setting forth the terms and conditions upon which outstanding options, warrants, or rights to purchase securities of the bank or its subsidiaries from the bank or its affiliates have been issued, together with specimen copies of such options, warrants, or rights; or, if they were not issued pursuant to such a plan, copies of each such option, warrant, or right.

6. Copies of any voting trust agreement referred to in answer to Item 11.

7. (a) Copies of every material contract not made in the ordinary course of business that is to be performed in whole or in part at or after the filing of the registration statement or that was made not more than 2 years before such filing and performance of which has not been completed. Only contracts need be filed as to which the bank or a subsidiary is a party or has succeeded to a party by assumption or assignment, and in which the bank or such subsidiary has a beneficial interest.

(b) If the contract is such as ordinarily accompanies the kind of business conducted by the bank and its subsidiaries, it is made in the ordinary course of business and need not be filed, unless it falls within one or more of the following categories, in which case it should be filed except where immaterial in amount or significance:

(1) Directors, officers, promoters, voting trustee, or security holders named in answer to Item 11(a) are parties thereto except where the contract merely involves purchase or sale of current assets having a determinable market price, at such price.

(2) It calls for the acquisition or sale of fixed assets for a consideration exceeding 50 percent of the value of all fixed assets of the bank and its subsidiaries.

(3) It is a lease under which a significant part of the property described under Item 4 is held by the bank, or

(4) The amount of the contract, or its importance to business of the bank and its subsidiaries, is material, and the terms and conditions are of a nature of which investors reasonably should be informed.

(c) Any bonus or profit-sharing plan, contract, or arrangement shall be deemed material and shall be filed.

§ 11.42 Form for annual report of bank (Form F–2).

FORM F–2—ANNUAL REPORT

(Pursuant to section 13 of the Securities Exchange Act of 1934)

For the fiscal year ended _____

_____

(Exact name of bank as specified in charter)

_____

(Address of principal office)

GENERAL INSTRUCTIONS

A. *Preparation of report.* This form is not to be used as a blank form to be filled in but only as a guide in the preparation of an annual report. The report shall contain the numbers and captions of all items required to be answered, but the text of such items may be omitted if the answers with respect thereto are prepared in the manner specified in § 11.4(s) of this part. Particular attention should be given to the definitions in § 11.2 and the general requirements in § 11.4 of this part. Except as otherwise stated, the information required shall be given as of the end of the bank's fiscal year, or as of the latest practicable date subsequent thereto.

B. *Reports by banks filing proxy statements and statements where management does not solicit proxies.* Items 4 through 6 shall not be restated or answered by any bank that since the close of its fiscal year, has filed with the Comptroller, with respect to an election of directors, a proxy statement or statement where management does not solicit proxies pursuant to § 11.5(a) of this part. The incorporation of such statement by reference in answer to such items is not required. Any financial statements contained in such statement or in an annual report to security holders furnished to the Comptroller pursuant to § 11.5(c) of this part may be incorporated by reference if such financial statements substantially meet the requirements of this form.

C. *Reports by banks not filing proxy statements or statements where management does not solicit proxies.* Information contained in an annual report to security holders furnished to the Comptroller pursuant to Instruction D below, by any bank not subject to Instruction B, may be incorporated by reference in answer or partial answer to any item of this form. In addition, any financial statements contained in any such annual report may be incorporated by reference if such financial statements substantially meet the requirements of this form.

D. *Annual reports to stockholders.* Every bank that files an annual report on this form shall furnish to the Comptroller for its information four copies of any annual report to security holders covering such registrant bank's latest fiscal year, unless copies thereof are furnished to the Comptroller pursuant to § 11.5 of this part. Such report shall be mailed to the Comptroller not later than the date on which it is first sent or given to security holders, but shall not be deemed to be "filed" with the Comptroller or otherwise subject to the liabilities of section 18 of the Act, except to the extent that the bank specifically requests that it be treated as a part of its annual report on the form or incorporates it herein by reference. If no annual report is submitted to security holders for the bank's latest fiscal year, the Comptroller shall be so advised.

INFORMATION REQUIRED IN REPORT

Item 1—Securities registered. As to each class of securities of the bank that is registered pursuant to section 12 of the Act, state the title of such class, the name of the exchange, if any, on which registered, and the number of holders of record of such class.

Item 2—Parents and subsidiaries of the bank. Furnish a list or diagram showing the relationship of the bank to all parents and subsidiaries, and as to each person named indicate the percentage of voting securities owned, or other basis of control, by its immediate parent.

Instructions. 1. This item need not be answered if there has been no change in the list or diagram as last previously reported.

2. The list or diagram shall include the bank and shall be so prepared as to show clearly the relationship of each person named to the bank and to the other persons named. If any person is controlled by means of the direct ownership of its securities by two or more persons so indicate by appropriate cross reference.

3. Designate by appropriate symbols (a) subsidiaries for which separate financial statements are filed; (b) subsidiaries included in the respective consolidated financial statements; and (c) other subsidiaries, indicating briefly why statements of such subsidiaries are not filed.

4. Indicate the name of the country in which each foreign subsidiary was organized.

5. The names of particular subsidiaries may be omitted if the unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

6. A person, approximately 50 percent of whose voting securities are owned, directly or indirectly, by the bank, and approximately 50 percent of whose voting securities are owned, directly or indirectly, by another person, shall be considered a subsidiary for the purpose of this item.

Item 3—Change in business. Describe briefly any material changes during the fiscal year, not previously reported, in the business of the bank and its subsidiaries.

Item 4—Principal holders of voting securities. If, to the knowledge of the bank, any person individually, or together with his associates, owns of record or beneficially more than 10 percent of the outstanding voting securities of the bank, name each such person, state the approximate amount of such securities owned of record but not owned beneficially, the approximate amount owned beneficially and the percentage of outstanding voting securities represented by the amount so owned in each such manner.

Instruction. To the extent that the information required by this term is given in answer to Item 2, a reference to such item will suffice.

Item 5—Directors of bank. Furnish the following information, in tabular form to the extent practicable, with respect to each director of the bank:

(a) Name each such director, state the date on which his present term of office will expire and list all other positions and offices with the bank presently held by him.

(b) State his present principal occupation or employment and give the name and principal business of any corporation or other organization in which such employment is carried on. If not previously reported, furnish similar information as to all of his principal occupations or employments during the last 5 years.

(c) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the bank, or any of its parents or subsidiaries, "beneficially owned" (as defined in section 206.2 (ff)) directly or indirectly by him. If he is not the beneficial owner of any such securities, make a statement to that effect.

Item 6—Remuneration of director and officers and related matters. Set forth the same information as to remuneration of officers and directors and their transactions with management and others as is required to be funished by Item 7 of Form F–5.

Item 7—Financial statements and exhibits. List below all financial statements and exhibits filed as a part of the annual report:

(a) Financial statements.

(b) Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Name of bank)

by---

(Name and title of signing officer)

Date---

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

These instructions specify the balance sheets and statments of income required to be filed as a part of annual reports on this form. Section 11.7 of this part governs the verification, form, and content of the balance sheets and statements of income required, including the basis of consolidation, and prescribes the statement of changes in capital accounts and the schedules to be filed in support thereof.

1. *Financial statements of the bank.* (a) There shall be filed for the bank, in comparative columnar form, verified balance sheets as of the close of the last 2 fiscal years and verified statements of income for such fiscal years.

(b) Notwithstanding paragraph (a), the individual financial statements of the bank may be omitted if consolidated statements of the bank and one or more of its subsidiaries are filed.

2. *Consolidated statements.* There shall be filed for the bank and its majority-owned (i) bank premises subsidiaries, (ii) subsidiaries operating under the provisions of section 25 or section 25(a) of the Federal Reserve Act ("Agreement Corporations" and "Edge Act Corporations"), and (iii) significant subsidiaries, in comparative columnar form, verified consolidated balance sheets as of the close of the last 2 fiscal years of the bank and verified consolidated statements of income for such fiscal years.

3. *Separate statements of unconsolidated subsidiaries and other persons.* There shall be filed such other verified financial statements with respect to unconsolidated subsidiaries and other persons as are material to a proper understanding of the financial position and results of operations of the total enterprise.

4. *Filing of other statements in certain cases.* The Comptroller may, upon the requests of the bank and where consistent with the protection of investors, permit the omission of one or more of the statements herein required or the filing in substitution therefor of appropriate statements of comparable character. The Comptroller may also require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

INSTRUCTIONS AS TO EXHIBITS

Subject to provisions regarding incorporation by reference, the following exhibits shall be filed as part of the report:

1. Copies of all amendments or modifications, not previously filed, to all exhibits previously filed (or copies of such exhibits as amended or modified).

2. Copies of all documents of the character required to be filed as an exhibit to an original form for registration of securities of a bank which have been executed or otherwise put into effect during the fiscal year and not previously filed.

§ 11.43 Form for current report of a bank (Form F–3).

FORM F–3

CURRENT REPORT

PURSUANT TO SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934

For the Month of ----------, 19----

(Exact name of bank as specified in charter)

(Address of principal office)

GENERAL INSTRUCTIONS

A. *Preparation of Report.*

This form is not to be used as a blank form to be filled in but only as a guide in the preparation of the report. The report shall contain the numbers and captions of all applicable items, but the text of such items may be omitted if the answers with respect thereto are prepared in the manner specified in § 11.4(s). All items which are not required to be answered in a particular report may be omitted and no reference thereto need be made in the report. Particular attention should be given to the definitions in § 11.2 and the general requirements in § 11.4.

B. *Events To Be Reported.*

A report on this form is required to be filed upon the occurrence of any one or more of the events specified in the items of this form. Reports are to be filed within 10 days after the close of each month during which any of the specified events occurs. However, if substantially the same information as that required by this form has been previously reported by the bank, an additional report of the information on this form need not be made.

C. *Incorporation by Reference to Proxy Statement, Statement Where Management Does Not Solicit Proxies, or Annual Report to Security Holders.* Information contained in any statement previously filed with the Comptroller pursuant to § 11.5(a) or in an annual report to security holders furnished to the Comptroller pursuant to § 11.5(c) may be incorporated by reference in answer or partial answer to any item or items of this form. In addition, any financial statements contained in any such statement or annual report may be incorporated by reference provided such financial statements substantially meet the requirements of this form.

INFORMATION TO BE INCLUDED IN REPORT

Item 1—Changes in Control of Bank.

(a) If any person has become a parent of the bank, give the name of such person, the date and a brief description of the transaction or transactions by which the person became such a parent and the percentage of voting securities of the bank owned by the parent or other basis of control by the parent over the bank.

(b) If any person has ceased to be a parent of the bank, give the name of such person and the date and a brief description of the transaction or transactions by which the persons ceased to be such a parent.

(c) If securities of a bank or any of its parents have been pledged under such circumstances that a default may result in a change of control of the bank, state the names of the pledgor and pledgee and the title and amount of securities pledged.

Instruction. Where, pursuant to a previously reported pledge agreement, additional securities are pledged on the same terms, no report is necessary unless there is a significant change in the percentage of voting securities pledged.

Item 2—Acquisition or Disposition of Assets.

If the bank or any of its significant subsidiaries has acquired or disposed of a significant amount of assets, otherwise than in the ordinary course of business, state the date and manner of acquisition or disposition and briefly describe the assets involved, the nature and amount of consideration given or received therefor, the principle followed in determining the amount of such consideration, the identity of the persons from whom the assets were acquired or to whom they were sold and the nature of any material relationship between such persons and the bank or any of its affiliates, any director or officer of the bank, or any associate of any such director or officer.

Instructions. 1. No information need be given as to (i) any transaction between any person and any wholly owned subsidiary of such person; i.e., a subsidiary substantially all of whose outstanding voting securities are owned by such person and/or its other

wholly owned subsidiaries; (ii) any transaction between two or more wholly owned subsidiaries of any person; or (iii) the redemption or other acquisition of securities from the public, or the sale or other disposition of securities to the public, by the bank of such securities.

2. The term "acquisition" includes every purchase, acquisition by lease, exchange, merger, consolidation, succession or other acquisition; provided that such term does not include the construction or development of property by or for the bank or its subsidiaries or the acquisition of materials for such purpose, and does not include the acquisition of assets acquired (i) in collecting a debt previously contracted in good faith or (ii) in a fiduciary capacity. The term "disposition" includes every sale, disposition by lease, exchange, merger consolidation, mortgage, or hypothecation of assets, assignment, abandonment, destruction, or other disposition, but does not include disposition of assets required (i) in collecting a debt previously contracted in good faith or (ii) in a fiduciary capacity.

3. The information called for by this item is to be given as to each transaction or series of related transactions of the size indicated. The acquisition or disposition of securities shall be deemed the indirect acquisition or disposition of the assets represented by such securities if it results in the acquisition or disposition of control of such assets.

4. An acquisition or disposition shall be deemed to involve a significant amount of assets (i) if the net book value of such assets or the amount paid or received therefor upon such acquisition or disposition exceeded 5 percent of the equity capital account of the bank, or (ii) if it involved the acquisition or disposition of a business whose gross operating revenues for its last fiscal year exceed 5 percent of the gross operating revenues of the bank and its consolidated subsidiaries for the bank's latest fiscal year.

5. Where assets are acquired or disposed of through the acquisition or disposition of control of a person, the person from whom such control was acquired or to whom it was disposed of shall be deemed the person from whom the assets were acquired or to whom they were disposed of, for the purposes of this item. Where such control was acquired from or disposed of to not more than five persons, their names shall be given, otherwise it will suffice to identify in an appropriate manner the class of such persons.

6. Attention is directed to the requirements at the end of the form with respect to the filling of financial statements for businesses acquired.

Item 3—Legal Proceednigs.

(a) Briefly describe any material legal proceedings, other than ordinary routine proceedings incidental to the business, to which the bank or any of its subsidiaries has become a party or of which any of their property has become the subject. Include the name of the court or agency in which the proceedings were instituted, the date instituted, and the principal parties thereto.

(b) If any such proceeding previously reported has been terminated, identify the proceeding, state the date and nature of such termination and the general effect thereof with respect to the bank and its subsidiaries.

Instructions. 1. No. information need be given with respect to any proceeding which involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10 percent of the equity capital accounts of the bank. However, if any proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

2. Any material proceeding to which any director, officer, or affiliate of the bank, any holder of more than 10 percent of any class of its equity securities, or any associate of any such director, officer, or security holder, is a party adverse to the bank or any of its subsidiaries, shall also be described.

Item 4—Changes in Securities.

(a) If the instruments defining the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved and state briefly the general effect of such modification upon the rights of holders of such securities.

(b) If the rights evidenced by any class of registered securities have been materially limited or qualified by the issuance or modification of any other class of securities, state briefly the general effect of the issuance or modification of such other class of securities upon the rights of the holders of the registered securities.

Instruction. Working capital restrictions and other limitations upon the payment of dividends are to be reported hereunder.

Item 5—Defaults Upon Senior Securities.

(a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days, with respect to any indebtedness of the bank or any of its significant subsidiaries exceeding 5 percent of the equity capital accounts of the bank, identify the indebtedness and state the nature of the default. In the case of such a default in the payment of principal, interest, or a sinking or purchase fund installment, state the amount of the default and the total arrearage on the date of filing this report.

Instruction. This paragraph refers only to events which have become defaults under the governing instruments, i.e., after the expiration of any period of grace and compliance with any notice requirements.

(b) If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the bank which is registered or which ranks prior to any class of registered securities, or with respect to any class of preferred stock of any significant subsidiary of the bank, give the title of the class and state the nature of the arrearage or delinquency. In the case of an arrearage in the payment of dividends, state the amount and the total arrearage on the date of filing this report.

Item 6—Increase in Amount of Securities Outstanding.

If the amount of securities of the bank outstanding has been increased through the issuance of any new class of securities or through the issuance or reissuance of any additional securities of a class outstanding and the aggregate amount of all such increases not previously reported exceeds 5 percent of the previously outstanding securities of the class, furnish the following information:

(a) Title of class, the amount outstanding at last previously reported, and the amount presently outstanding (as of a specified date).

(b) A brief description of the transaction or transactions resulting in the increase and a statement of the aggregate net cash proceeds or the nature and aggregate amount of any other consideration received or to be received by the bank.

(c) The names of the principal underwriters, if any, indicating any such underwriters which are affiliates of the bank.

(d) A reasonably itemized statement of the purposes, so far as determinable, for which the net proceeds have been or are to be used and the approximate amounts used or to be used for each such purpose.

Instructions. 1. This item does not apply to notes, drafts, bills of exchange, or bank acceptances which mature not later than 18 months from the date of issuance. No report need be made where the amount not previously reported, although in excess of 5 percent of the amount previously outstanding, does not exceed $100,000 face amount of indebtedness or 1,000 shares or other units.

2. This item includes the reissuance of treasury securities and securities held for the account of the issuer thereof. The extension of the maturity date of indebtedness shall be deemed to be the issuance of new indebtedness for the purpose of this item. In the case of such an extension, the percentage shall be computed upon the basis of the principal amount of the indebtedness extended.

Item 7—Decrease in Amount of Securities Outstanding.

If the amount of any class of securities of the bank outstanding has been decreased through one or more transactions and the aggregate amount of all such decreases not previously reported exceeds 5 percent of the amount of securities of the class previously outstanding, furnish the following information:

(a) Title of the class, the amount outstanding as last previously reported, and the amount presently outstanding (as of a specified date).

(b) A brief description of the transaction or transactions involving the decrease and a statement of the aggregate amount of cash or the nature and aggregate amount of any other consideration paid or to be paid by the bank in connection with such transaction or transactions.

Instruction. Instruction 1 to Item 6 shall also apply to this item. This item need not be answered as to decreases resulting from ordinary sinking fund operations, similar periodic decreases made pursuant to the terms of the constituent instruments, decreases resulting from the conversion of securities or decreases resulting from the payment of indebtedness at maturity.

Item 8—Options To Purchase Securities.

If any options to purchase securities of the bank or any of its subsidiaries from the bank or any of its subsidiaries have been granted or extended and the amount of securities called for by all such options the granting or extension of which has not been previously reported exceeds 5 percent of the outstanding securities of the class, furnish the following information:

(a) The dates on which the options were granted or extended;

(b) The total amount of securities called for by such options;

(c) The consideration for the granting or extension of the options;

(d) The exercise prices;

(e) The market value of the securities on the granting or extension dates;

(f) The expiration dates of the options; and

(g) Any other material conditions to which the options were subject.

Instruction. This item need not be answered where the amount not previously reported, although in excess of 5 percent of the amount previously outstanding, does not exceed $100,000 face amount of indebtedness or 1,000 shares or other units of other securities.

Item 9—Revaluation of Assets or Restatement of Capital Stock Account.

(a) If there has been a material revaluation of the assets of the bank or any of its significant subsidiaries involving a write-up, write-down, writeoff, or abandonment, state the date of the revaluation, the amount involved and the accounts affected, including all related entries. If any adjustment was made in any related reserve account in connection with the revaluation, state the account and amounts involved and explain the adjustment.

(b) If there has been a material restatement of the capital stock account of the bank resulting in a transfer from capital stock to surplus, undivided profits, or reserves, or vice versa, state the date, purpose, and amount of the restatement and give a brief explanation of all related entries in connection with the restatement.

Item 10—Submission of Matters to a Vote of Security Holders.

If any matter has been submitted to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

(a) The date of the meeting and whether it was an annual or special meeting.

(b) If the meeting involved the election of directors, state the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

(c) Briefly describe each other matter voted upon at the meeting and state the number of affirmative votes and the number of negative votes cast with respect to each such matter.

Instructions. 1. If any matter has been submitted to a vote of security holders otherwise than at a meeting of such security holders, corresponding information with respect to such submission shall be furnished. The solicitation of any authorization or consent (other than a proxy to vote at a security holders' meeting) with respect to any matter shall be deemed a submission of such matter to a vote of security holders within the meaning of this item.

2. Paragraph (a) need be answered only if paragraph (b) or (c) is required to be answered.

3. Paragraph (b) need not be answered if (i) a proxy statement, or statement where management does not solicit proxies, with respect to the meeting was filed with the Comptroller pursuant to § 11.5(a), (ii) there was no solicitation in opposition to the management's nominees as listed in such statement, and (iii) all of such nominees were elected.

4. Paragraph (c) need not be answered as to procedural matters or as to the selection or approval of auditors.

5. If the bank has published a report containing all of the information called for by this item, the item may be answered by a reference to the information contained in such report, provided copies of such report are filed as an exhibit to the report on this form.

Item 11—Other Materially Important Events.

The bank may, at its option, report under this item any events that the bank deems of material importance to security holders, even though information as to such events is not otherwise called for by this form.

Item 12—Financial Statements and Exhibits.

List below the financial statements and exhibits, if any, filed as a part of this report:

(a) Financial statements.

(b) Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

_____
(Name of bank)

By _____
(Name and title of signing officer)

Date _____

FINANCIAL STATEMENTS OF BUSINESS ACQUIRED

1. *Business for which statements are required.*

The financial statements specified below shall be filed for any business the acquisition of which by the bank or any of its majority-owned subsidiaries is required to be described in answer to Item 2 above.

2. *Statements required.*

(a) There shall be filed a balance sheet of the business as of a date reasonably close to the date of acquisition. The balance sheet need not be verified, but if it is not verified there shall also be filed a verified balance sheet as of the close of the preceding fiscal year.

(b) Statements of income of the business shall be filed for each of the last 3 full fiscal years and for the period, if any, between the close of the latest of such fiscal years and the date of the latest balance sheet filed. These statements of income shall be verified up to the date of the verified balance sheet.

(c) If the business was in insolvency proceedings immediately prior to its acquisition, the balance sheets required above need not be verified. In such case, the statements of income required shall be verified to the close of the latest full fiscal year.

(d) No supporting schedules need be filed.

3. *Filing of other statements in certain cases.*

The Comptroller may, upon the informal written request of the bank, and where consistent with the protection of investors, permit the omission of one or more of the statements herein required of the filing in substitution therefor of appropriate statements of comparable character. The Comptroller may also by informal written notice require the filing of other statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person for which financial statements are required, or whose statements are otherwise necessary for the protection of investors.

EXHIBITS

Subject to the rules as to incorporation by reference, the following documents shall be filed as exhibits to this report.

1. Copies of any contract, plan, or arrangement for any acquisition or disposition described in answer to Item 2, including any plan of reorganization, readjustment, exchange, merger, consolidation, or succession in connection therewith.

2. Copies of any judgment or any document setting forth the terms of any settlement described in answer to Item 3.

3. Copies of the amendments to all constituent instruments and other documents described in answer to Item 4.

4. Copies of all constituent instruments defining the rights of the holders of any new class of securities referred to in answer to Item 7.

5. Copies of the plan pursuant to which the options referred to in answer to Item 8 were granted, or if there is no such plan, specimen copies of the options.

6. Copies of any material amendments to the bank's charter or bylaws, not otherwise required to be filed.

§ 11.44 Form for quarterly report of bank (Form F–4).

FORM F-4—QUARTERLY REPORT OF

_____
(Name of bank)

_____
(City and State)

Item	3 months ending		Fiscal year to date (.. months ending .....)	
	19..... (current year)	19..... (prior year)	19..... (current year)	19..... (prior year)
1. Operating income:				
(a) Interest and fees on loans				
(b) Interest and dividends on securities				
(c) Other operating income				
(d) Total operating income				
2. Operating expenses:				
(a) Salaries and other compensation				
(b) Interest expense				
(c) Other operating expenses				
(d) Total operating expenses				
3. Income before income taxes and securities gains (losses)				
4. Applicable income taxes				
5. Income before securities gains (losses)				
6. Net security gains (losses), less related tax effect				
7. Net income				

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this quarterly report to be signed on its behalf by the undersigned, thereunto duly authorized.

_____
(Name of bank)

Date _____

By _____
(Name and title of signing officer)

(a) *Use of Form F–4.* Form F–4 is a guide for use in preparation of the quarterly report to be filed with the Comptroller.

(b) *Persons for whom the information is to be given.* The required information is to be given as to the registrant bank or, if the bank files consolidated financial statements with the annual reports filed with the Comptroller, it shall cover the bank and its consolidated subsidiaries. If the information is given as to the bank and its consolidated subsidiaries, it need not be given separately for the bank.

(c) *Presentation of information.* The form calls only for the items of information specified. It is not necessary to furnish a formal statement of income. The information is not required to be verified (see § 11.7(b) of this

part). The report may carry a notation to that effect and any other qualification considered necessary or appropriate. Amounts may be stated in thousands of dollars if a notation to that effect is made.

(d) *Incorporation by reference to published statements.* If the bank makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a financial statement containing the information required by this form, such information may be incorporated by reference to such published statement if copies thereof are filed as an exhibit to this report.

(e) *Extraordinary items.* If present with respect to any interim period reported herein, extraordinary items less applicable income tax effect shall be appropriately segregated and included in the determination of net income. (See Form F-9B, Statement of Income.)

§ 11.45 Form for amendment to registration statement or periodic report of bank (Form F-20).

FORM F-20

AMENDMENT TO REGISTRATION STATEMENT OR PERIODIC REPORT OF BANK

GENERAL INSTRUCTIONS

A. The form set forth hereinafter is not to be used as a blank form to be filled in but is intended solely as a guide in the preparation of an amendment to a previously filed registration statement or report. Attention should be given to the general requirements governing amendments. which are prescribed in § 11.4(u).

B. The amendment shall contain the number and caption of each item being amended and each such item shall be restated, as amended, in its entirety. Where a financial statement or a note or schedule related thereto, is being amended, such statement, note, or schedule likewise shall be restated in its entirety.

THE COMPTROLLER OF THE CURRENCY
WASHINGTON, D.C. 20220

Amendment Number ------
to
----------[1]
on
Form F-------[2]
Pursuant to Section 12 or 13 of the Securities Exchange Act of 1934

(Exact name of bank as specified in charter)

(Address of principal office)

The undersigned bank hereby amends the following items, financial statements or exhibits, constituting part of the aforesaid statement or report, as set forth in the pages attached hereto:

(List all such items, financial statements, exhibits, or other portions amended.)

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

(Name of bank)

By ----------
(Print name and title of signing officer under signature)

Date----------

---

[1] Indicate appropriate designation of statement or report being amended, such as "Registration Statement" or "Annual Report for year ended December 31, 19--."

[2] Indicate the number of the form on which the statement or report was filed, such as "Form F-1."

§ 11.46 Form for registration of additional class of securities of a bank pursuant to section 12(b) or section 12(g) of the Securities Exchange Act of 1934 (Form F-10).

FORM F-10—REGISTRATION STATEMENT FOR ADDITIONAL CLASSES OF SECURITIES OF A BANK

PURSUANT TO SECTION 12(b) OR SECTION 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

(Exact name of bank as specified in charter)

(Address of principal office)

Securities being registered pursuant to section 12(b) of the Act:

Title of class	*Name of each exchange on which class is being registered.*
----------	----------

Title of each class of equity securities being registered pursuant to section 12(g) of the Act:

GENERAL INSTRUCTIONS

1. *Applicability of This Form.*

This form may be used for registration of the following securities pursuant to the Securities Exchange Act of 1934:

(a) For registration pursuant to section 12(g) of the Act of any class of equity securities of a bank which has one or more other classes of securities registered pursuant to either section 12 (b) or (g) of the Act.

(b) For registration on a national securities exchange pursuant to section 12(b) of the Act of any class of securities of a bank which has one or more other classes of securities so registered on the same securities exchange.

2. *Preparation of Registration Statement.*

This form is not to be used as a blank form to be filled in but only as a guide in the preparation of a registration statement. Particular attention should be given to the general requirements in § 11.4 of Part 11 of the Comptroller's regulations. The statement shall contain the numbers and captions of all items, but the text of the items may be omitted if the answers with respect thereto are prepared in the manner specified in § 11.4(s).

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1—Stock To Be Registered.

If stock is being registered, state the title of the class and furnish the following information (see Instruction 1):

(a) Outline briefly (1) dividend rights; (2) Voting rights; (3) liquidation rights; (4) preemptive rights; (5) conversion rights; (6) redemption provision; (7) sinking fund provisions, and (8) liability to further calls or to assessment.

(b) If the rights of holders of such stock may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class, so state and explain briefly.

(c) Outline briefly any restriction on the repurchase or redemption of shares by the bank while there is any arrearage in the payment of dividends or sinking fund installments. If there is no such restriction, so state.

Instructions. 1. If a description of the securities comparable to that required here is contained in any other document filed with the Comptroller, such description may be incorporated by reference to such other filing in answer to this item. If the securities are to be registered on a national securities exchange and the description has not previously been filed with such exchange, copies of the description shall be filed with copies of the registration statement filed with the exchange.

2. This item requires only a brief summary of the provisions which are pertinent from an investment standpoint. A complete legal description of the provisions referred to is not required and should not be given. Do not set forth the provisions of the governing instruments verbatim; only a succinct résumé is required.

3. If the rights evidenced by the securities to be registered are materially limited or qualified by the rights evidenced by any other class of securities or by the provisions of any contract or other document, include such information regarding such limitation or qualification as will enable investors to understand the rights evidenced by the securities to be registered.

Item 2.—Debt Securities To Be Registered.

If the securities to be registered hereunder are bonds, debentures or other evidences of indebtedness, outline briefly such of the following as are relevant;

(a) Provisions with respect to interest, conversion, maturity, redemption, amortization, sinking fund, or retirement.

(b) Provisions with respect to the kind and priority of any lien, securing the issue, together with a brief identification of the principal properties subject to such lien.

(c) Provisions restricting the declaration of dividends or requiring the maintenance of any ratio of assets, the creation or maintenance of reserves or the maintenance of properties.

(d) Provisions permitting or restricting the issuance of additional securities, the withdrawal of cash deposited against such issuance, the incurring of additional debt, the release or substitution of assets securing the issue, the modification of the terms of the security, and similar provisions.

Instruction 1. Provisions permitting the release of assets upon the deposit of equivalent funds or the pledge of equivalent property, the release of property no longer required in the business, obsolete property or property taken by eminent domain, the application of insurance moneys, and similar provisions, need not be described.

(e) The name of the trustee and the nature of any material relationship with the bank or any of its affiliates; the percentage of securities of the class necessary to require the trustee to take action, and what indemnification the trustee may require before proceeding to enforce the lien.

(f) The general type of event which constitutes a default and whether or not any periodic evidence is required to be furnished as to the absence of default or as to compliance with the terms of the indenture.

Instruction 2. The instruction to Item 1 also apply to this item.

Item 3—Other Securities To Be Registered.

If securities other than those referred to in Items 1 and 2 are to be registered hereunder, outline briefly the rights evidenced thereby. If subscription warrants or rights are to be registered, state the title and amount of securities called for, and the period during which and the price at which the warrants or rights are exercisable.

Instruction. The instructions to Item 1 also apply to this item.

Item 4—Exhibits.

List all exhibits filed as a part of the registration statement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the bank has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Date ----------

Name of Bank

By ----------
(Name and title of signing officer)

INSTRUCTIONS AS TO EXHIBITS

Subject to § 11.4(o) of Part 11 regarding the incorporation of exhibits by reference, the exhibits enumerated hereinafter shall be filed as a part of the registration statement. Exhibits shall be appropriately lettered or numbered for convenient reference. Exhibits incorporated by reference may bear the designation given in the previous filing. Where exhibits are incorporated by reference, the reference shall be made in the list of exhibits in Item 4.

1. Specimens or copies of each security to be registered hereunder.

2. Copies of all constituent intruments defining the rights of the holders of each class of such securities, including any contracts or other documents which limit or qualify the rights of such holders.

§ 11.47 Form for statement to be filed pursuant to § 11.4(g)(2) or § 11.5(1) of Part 11 (Form F–11).

THE COMPTROLLER OF THE CURRENCY
FORM F–11

STATEMENT TO BE FILED PURSUANT TO § 11.4(g)(2) OR § 115(1) OF PART 11

General Instructions

The item numbers and captions of the items shall be included but the text of the items may be omitted. The answers to the items shall be so prepared as to indicate clearly the coverage of the items without referring to the text of the items. Answer every item. If an item is inapplicable or the answer is in the negative, so state.

If the statement is filed by a partnership, limited partnership, syndicate, or other group, the information called for by Items 2 to 6, inclusive, shall be given with respect to (1) each partner or any partnership or limited partnership, (2) each member of such syndicate or group and (3) each person controlling such partner or member. If a person referred to in (1), (2), or (3) is a corporation or the statement is filed by a corporation, the information called for by the above-mentioned items shall be given with respect to each principal officer and director of such corporation and each person controlling such corporation.

Item 1—Security and bank. State the title of the class of equity securities to which this statement relates and the name and address of the bank which issued such securities.

Item 2—Identity and background. State the following with respect to the person filing this statement:

(a) Name and business address;

(b) Residence address;

(c) Present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is carried on;

(d) Material occupations, positions, offices or employments during the last 10 years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; and

(e) Whether or not, during the last 10 years, such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and, if so, give the dates, nature of conviction, name and location of court, and penalty imposed, or other disposition of the case.

Item 3—Source and amount of funds or other consideration. State the source and amount of funds or other consideration used or to be used in making the purchases, and if any part of the purchase price or proposed purchase price is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading the securities, a description of the transaction and the names of the parties thereto.

Instruction. If the source of funds is a loan made in the ordinary course of business by a bank, the person filing the statement may, at his option, omit the name of the bank, provided it is furnished to the Comptroller in a letter requesting confidential treatment as to such information. Pursuant to section 13(d)(1)(B) of the Act, such information shall not be made available to the public.

Item 4—Purpose of transaction. If the purpose of the purchases or prospective purchases is to acquire control of the bank, describe any plans or proposals which such persons may have to liquidate such bank, to sell its assets to or merge it with any other persons, or to make any other major change in its business or corporate structure.

Item 5—Interest in securities of the bank. State the number of shares of the security which are beneficially owned, and the number of shares concerning which there is a right to acquire, directly or indirectly, by (i) such person, and (ii) each associate of such person, giving the name and address of each such associate.

Item 6—Contracts, arrangements, or understandings with respect to securities of the bank. Furnish information as to any contracts, arrangements, or understandings with any person with respect to any securities of the bank, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or guaranties of profits, division of losses or profits, or the giving or withholding of proxies, naming the persons with whom such contracts, arrangements, or understandings have been entered into, and giving the details thereof.

Item 7—Persons retained, employed or to be compensated. Where this statement relates to a tender offer, or request or invitation for tenders, identify all persons and classes of persons employed, retained or to be compensated by the person filing this statement, or by any person on his behalf, to make solicitations or recommendations to security holders and describe briefly the terms of such employment, retainer or arrangement for compensation.

Item 8—Material to be filed as exhibits. Copies of all requests or invitations for tenders or advertisements making a tender offer or requesting or inviting tenders, additional material soliciting or requesting such tender offers, solicitations or recommendations to the holders of the security to accept or reject a tender offer or request or invitation for tenders shall be filed as an exhibit.

SIGNATURE

I certify that to the best of my knowledge and belief the information set forth in this statement is true, complete, and correct.

(Date)	(Signature)

If the statement is signed on behalf of a person by an authorized representative, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement.

§ 11.51 Form for proxy statement; statement where management does not solicit proxies (Form F–5).

FORM F–5—PROXY STATEMENT: STATEMENT WHERE MANAGEMENT DOES NOT SOLICIT PROXIES

GENERAL INSTRUCTIONS

Each statement required under § 11.5(a) of this part shall, to the extent applicable, include the information called for under each of the items below. In the preparation of the statement, particular attention should be given to the definitions in § 11.2 of this part.

This form is not to be used as a blank form to be filled in nor is it intended to prescribe a form for presentation of material in the statement. Its purpose is solely to prescribe the information required to be set forth in the statement; any additional information that management or the soliciting persons deem appropriate may be included.

INFORMATION REQUIRED IN STATEMENT

Item 1.—Revocability of proxy. State whether the person giving the proxy has the power to revoke it. If the right of revocation before the proxy is exercised is limited or is subject to compliance with any formal procedure, briefly describe such limitation or procedure.

Item 2.—Dissenters' rights of appraisal. Outline briefly the rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon and indicate any statutory procedure required to be followed by dissenting security holders in order to perfect such rights. Where such rights may be exercised only within a limited time after the date of the adoption of a proposal, the filing of a charter amendment or other similar act, state whether the person solicited will be notified of such date.

Instruction. Indicate whether a security holder's failure to vote against a proposal will constitute a waiver of his appraisal or similar rights and whether a vote against a proposal will be deemed to satisfy any notice requirements under State law with respect to appraisal rights. If the State law is unclear, state what position will be taken in regard to those matters.

Item 3.—Persons making the solicitation. (a) Solicitations not subject to § 11.5(i).

(1) If the solicitation is made by the management of the bank, so state. Give the name of any director of the bank who has informed the management in writing that he intends to oppose any action intended to be taken by the management and indicate the action which he intends to oppose.

(2) If the solicitation is made otherwise than by the management of the bank, so state and give the names of the persons by whom and the persons on whose behalf it is made.

(3) If the solicitation is to be made otherwise than by the use of the mails, describe the methods to be employed. If the solicitation is to be made by specially engaged employees or paid solicitors, state (i) the material features of any contract or arrangement for such solicitation and identify the parties, and (ii) the cost or anticipated cost thereof.

(4) State the names of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly.

(b) Solicitations subject to § 11.5(i).

(1) State by whom the solicitation is made and describe the methods employed and to be employed.

(2) If regular employees of the bank or any other participants in a solicitation have been or are to be employed to solicit security holders, describe the class or classes of employees to be so employed, and the manner and nature of their employment for such purpose.

(3) If specially engaged employees, representatives, or other persons have been or are to be employed to solicit security holders, state (i) the material features of any contract or arrangement for such solicitation and identify the parties, (ii) the cost or anticipated cost thereof, and (iii) the approximate number of such employees or employees of any other person (naming such other person) who will solicit security holders.

(4) State the total amount estimated to be spent and the total expenditures to date for, in furtherance of, or in connection with, the solicitation of security holders.

(5) State by whom the cost of the solicitation will be borne. If such cost is to be borne initially by any person other than the bank, state whether reimbursement will be sought from the bank, and, if so, whether the question of such reimbursement will be submitted to a vote of security holders.

Instruction. With respect to solicitations subject to § 11.5(i), costs and expenditures within the meaning of this Item 3 shall include fees for attorneys, accountants, public relations, or financial advisers, solicitors, advertising, printing, transportation, litigation, and other costs incidental to the solicitation, except that the bank may exclude the amounts of such costs represented by the amount normally expended for a solicitation for an election of directors in the absence of a contest, and costs represented by salaries and wages of regular employees and officers, provided a statement to that effect is included in the proxy statement.

Item 4—Interest of certain persons in matters to be acted upon. (a) Solicitations not subject to § 11.5(i). Describe briefly any substantial interest, direct or indirect, by security holdings or otherwise, of each of the following persons in any matter to be acted upon, other than elections to office:

(1) If the solicitation is made on behalf of management, each person who has been a director or officer of the bank at any time since the beginning of the last fiscal year.

(2) If the solicitation is made otherwise than on behalf of management, each person on whose behalf the solicitation is made. Any person who would be a participant in a solicitation for purposes of § 11.5(i) as defined in subparagraph 2(i), (c), (d), (e), and (f) thereof shall be deemed a person on whose behalf the solicitation is made for purposes of this paragraph (a).

(3) Each nominee for election as a director of the bank.

(4) Each associate of the foregoing persons.

Instruction. Except in the case of a solicitation subject to § 11.5 of this part made in opposition to another solicitation subject to § 11.5 of this part, this subitem (a) shall not apply to any interest arising from the ownership of securities of the bank where the security holder receives no extra or special benefit not shared on a pro rata basis by all other holders of the same class.

(b) Solicitations subject to § 11.5(i).

(1) Describe briefly any substantial interest, direct or indirect, by security holdings or otherwise, of each participant as defined in § 11.5(i)(2)(i), (b), (c), (d), and (e), in any matter to be acted upon at the meeting, and include with respect to each participant the information, or a fair and adequate summary thereof, required by Items 2(a), 2(d), 3, 4(b), and 4(c) of Form F–6.

(2) With respect to any person named in answer to Item 6(b), described any substantial interest, direct or indirect, by security holdings or otherwise, that he has in any matter to be acted upon at the meeting, and furnish the information called for by Item 4(b) and (c) of Form F–6.

Item 5—Voting securities and principal holders thereof. (a) State, as to each class of voting securities of the bank entitled to be voted at the meeting, the number of shares outstanding and the number of votes to which each class is entitled.

(b) Give the date as of which the record of security holders entitled to vote at the meeting will be determined. If the right to vote is not limited to security holders of record on that date, indicate the conditions under which other security holders may be entitled to vote.

(c) If action is to be taken with respect to the election of directors and if the persons solicited have cumulative voting rights, make a statement that they have such rights and state briefly the conditions precedent to the exercise thereof.

(d) If to the knowledge of the persons on whose behalf the solicitation is made, any person, individually, or together with his associates, owns of record or beneficially more than 10 percent of the outstanding voting securities of the bank, name such person or persons, state the approximate amount of such securities owned of record but not owned beneficially, and the approximate amount owned beneficially, and the percentage of outstanding voting securities represented by the amount of securities so owned in each such manner.

(e) If to the knowledge of the persons on whose behalf the solicitation is made, a change in control of the bank was occurred since the beginning of its last fiscal year, state the name of the person or persons who acquired such control, the basis of such control, the date and a description of the transaction or transactions in which control was acquired and the percentage of voting securities of the bank now owned by such person or persons.

(f) Describe any contractual arrangements, including any pledge of securities of the bank or any of its parents, known to the persons on whose behalf the solicitation is made, the operation of the terms of which may at a subsequent date result in a change in control of the bank.

Instruction. Paragraph (f) does not require a description of ordinary default provisions contained in the charter, trust indentures or other governing instruments relating to securities of the bank.

Item 6—Nominees and directors. (a) If action is to be taken with respect to the election of directors, furnish the following information, in tabular form to the extent practicable, with respect to each person nominated for election as a director and each other person whose term of office as a director will continue after the meeting:

(1) Name each such person, state when his term of office or the term of office for which he is a nominee will expire, and all other positions and offices with the bank presently held by him, and indicate which persons are nominees for election as directors at that meeting.

(2) State his present principal occupation or employment and give the name and principal business of any corporation or other organization in which such employment is carried on. Furnish similar information as to all of his principal occupations or employments during the last 5 years, unless he is now a director and was elected to his present term of office by a vote of security holders at a meeting with respect to which a proxy statement or statement where management does not solicit proxies was submitted to security holders pursuant to § 11.5(a) of this part.

(3) If he is or has previously been a director of the bank state the period or periods during which he has served as such.

(4) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the bank, or any of its parents or subsidaires "beneficially owned" (as defined in § 11.2(ff)) directly or indirectly by him. If he disclaims beneficial ownership of any such securities, make a statement to that effect.

(b) If any nominee for election as a director is proposed to be elected pursuant to any arrangement or understanding between the nominee and any other person or persons, except the directors and officers of the bank acting solely in that capacity, name such other person or persons and described briefly such arrangement or understanding.

(c) If fewer nominees are named than the number fixed by or pursuant to the governing instruments, state (1) the reasons for this procedure, and (2) that the proxies cannot be voted for a greater number of persons than the number of nominees named.

Item 7.—Remuneration and other transactions with management and others. Furnish the information called for by this item if action is to be taken with respect to (i) the election of directors, (ii) any bonus, profit sharing, or other remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the bank will participate, (iii) any pension or retirement plan in which any such person will participate, or (iv) the granting or extension to any such person of any options, warrants, or rights to purchase any securities, other than warrants or rights issued to security holders, as such, on a pro rata basis. However, if the solicitation is made on behalf of persons other than the management, the information required need be furnished only as to nominees for election as directors and as to their associates.

(a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the bank and its subsidiaries during the bank's latest fiscal year to the following persons for services in all capacities:

(1) Each director of the bank whose aggregate direct remuneration exceeded $30,000, and each of the two highest paid officers of the bank whose aggregate direct remuneration exceeded that amount, naming each such director and officer.

(2) All directors and officers of the bank as a group, without naming them, but stating the number of persons included.

(A)	(B)	(C)
Name of individual or number of persons in group	Capacities in which remuneration was received	Aggregate direct remuneration

Instructions. 1. This item applies to any person who was a director or officer of the bank at any time during the period specified. However, information need not be given for any portion of the period during which such person was not a director or officer.

2. The information is to be given on an accrual basis, if practicable. The tables required by this paragraph and paragraph (b) may be combined if the bank so desires.

3. Do not include remuneration paid to a partnership in which any director or officer was a partner. But see paragraph (f) below.

(b) Furnish the following information, in substantially the tabular form indicated, as to all pension or retirement benefits proposed to be paid under any existing plan in the event of retirement at normal retirement date, directly or indirectly, by the bank or any of its subsidiaries to each director or officer named in answer to paragraph (a)(1):

(A)	(B)	(C)
Name of individual	Amount set aside or accrued during bank's last fiscal year	Estimated annual benefits upon retirement

Instructions. 1. Column (B) need not be answered with respect to payments computed on an actuarial basis under any plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

2. The information called for by column (C) may be given in a table showing the annual benefits payable upon retirement to persons in specified salary classifications.

3. In the case of any plan (other than those specified in Instruction 1) where the amount set aside each year depends upon the amount of earnings of the bank or its subsidiaries for such a year or a prior year (or where otherwise impracticable to state the estimated annual benefits upon retirement) there shall be set forth, in lieu of the information called for by column (C), the aggregate amount set aside or accrued to date, unless impracticable to do so, in which case the method of computing such benefits shall be stated. In addition, furnish a brief description of the material terms of the plan, including the method used in computing the bank's contribution, and the amount set aside or accrued during the bank's last fiscal year for all officers and directors as a group, indicating the number of persons in such group without naming them.

(c) Describe briefly all remuneration payments (other than payments reported under paragraph (a) or (b) of this item) proposed to be made in the future, directly or indirectly, by the bank or any of its subsidiaries pursuant to any existing plan or arrangement to (i) each director or officer named in answer to paragraph (a)(1), naming each such person, and (ii) all directors and officers of the bank as a group, without naming them.

Instruction. Information need not be included as to payments to be made for, or benefits to be received from, group life or accident insurance, group hospitalization, or similar group payments or benefits. If it is impracticable to state the amount of remuneration payments proposed to be made, the aggregate amount set aside or accrued to date in respect of such payments shall be stated, together with an explanation of the basis for future payments.

(d) Furnish the following information as to all options to purchase securities, from the bank or any of its subsidiaries, which were granted to or exercised by the following persons since the beginning of the bank's last fiscal year and as to all options held by such persons as of the latest practicable date: (i) Each director or officer named in answer to paragraph (a)(1), naming each such person; and (ii) all directors and officers of the bank as a group, without naming them;

(1) As to options granted, state (i) the title and amount of securities called for; (ii) the prices, expiration dates, and other material provisions; and (iii) the market value of the securities called for on the granting date.

(2) As to options exercised, state (i) the title and amount of securities purchased; (ii) the aggregate purchase price; and (iii) the aggregate market value of the securities purchased on the date of purchase.

(3) As to all unexercised options held as of the latest practicable date, regardless of when such options were granted, state (i) the title and aggregate amount of securities called for; (ii) the range of option prices; and (iii) the per share market prices of the securities subject to option, as of the latest practicable date.

Instructions. 1. The extension, regranting, or material amendment of options shall be deemed the granting of options within the meaning of this paragraph.

2. This item need not be answered with respect to options granted, exercised, or outstanding, as may be specified therein, where the total market value (i) on the granting date of the securities called for by all options granted during the period specified, (ii) on the dates of purchase of all securities purchased through the exercise of options during the period specified, or (iii) as of the latest practicable date of the securities called for by all options held at such time, does not exceed $10,000 for any officer or director named in answer to paragraph (a)(1), or $30,000 for all officers and directors as a group.

3. The information for all directors and officers as a group regarding market value of the securities on the granting date of the options and on the purchase date may be given in the form of price ranges for each calendar quarter during which options were granted or exercised.

(e) If to the knowledge of management any indebtedness to the bank has arisen since the beginning of the bank's last fiscal year under section 16(b) of the Securities Exchange Act of 1934, as a result of transactions in the bank's stock (or other equity securities) by any director, officer, or security holder named in answer to Item 5(d), which indebtedness has not been discharged by payment, state the amount of any profit realized and whether suit will be brought or other steps taken to recover such profit. If, in the opinon of counsel, a question reasonably exists as to the recoverability of such profit, only facts necessary to describe the transactions, including the prices and number of shares involved, need be stated.

(f) Describe briefly, and where practicable state the approximate amount of, any material interest, direct or indirect, of any of the following persons in any material transactions since the beginning of the bank's last fiscal year, or in any material proposed transactons, to which the bank or any of its subsidiaries was or is to be a party:

(1) Any director or officer of the bank;

(2) Any nominee for election as a director;

(3) Any security holder named in answer to Item 5(d); or

(4) Any associate of any of the foregoing persons.

Instructions. 1. See Instruction 1 to paragraph (a). Include the name of each person whose interest in any transaction is described and the nature of the relationship by reason of which such interest is required to be described. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction shall be indicated.

2. As to any transaction involving the purchase or sale of assets by or to the bank or any subsidiary, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost thereof to the seller if acquired by the seller within 2 years prior to the transaction.

3. The instruction to Item 4 shall apply to this item.

4. No information need be given under this paragraph as to any remuneration or other transaction reported in response to (a), (b), (c), (d), or (e) of this item.

5. No information need be given under this paragraph as to any transaction or any interest therein where:

(i) The rates of charges involved in the transaction are fixed by law or determined by competitive bids;

(ii) The interest of the specified person in the transaction is solely that of a director of another corporation which is a party to the transaction;

(iii) The specified person is subject to this Item 7(f) solely as a director of the bank (or associate of a director) and his interest in the transaction is solely that of a director, officer of, and/or owner of less than a 10 percent interest in, another person that is a party to the transaction.

(iv) The transaction consists of extensions of credit by the bank in the ordinary course of its business that (A) are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other than specified persons, (B) at no time exceed 10 percent of the equity capital accounts of the bank, or $10 million, whichever is less, and (C) do not involve more than the normal risk of collectibility or present other unfavorable features. Notwithstanding the foregoing, if aggregate extensions of credit to the specified persons, as a group, exceeded 20 percent of the equity capital accounts of the bank at any time during the preceding year, (1) the aggregate amount of such extensions of credit shall be disclosed, and (2) a statement shall be included, to the extent applicable, that the bank has had, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, principal stockholders, and their associates, on the same terms, including interest rates and collateral on loans, as those prevailing at the same time for comparable transactions with others. For the purpose of determining "aggregate extensions of credit" in this instruction, transactions which are exempted from disclosure pursuant to other instructions to this Item may be excluded.

(v) The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or other similar services; or

(vi) The interest of the specified person, including all periodic installments in the case of any lease or other agreement providing for periodic installments, does not exceed $30,000.

6. Information shall be furnished under this paragraph with respect to transactions not excluded above which involve remuneration, directly or indirectly, to any of the specified persons for services in any capacity unless the interest of such persons arises solely from the ownership, individually and in the aggregate, of less than a 10 percent interest in another person furnishing the services to the bank or its subsidiaries.

Item S—Selection of auditors. If action is to be taken with respect to the selection or approval of auditors, or if it is proposed that particular auditors shall be recommended by any committee to select auditors for whom votes are to be cast, name the auditors and describe briefly any direct financial interest or any material indirect financial interest in the bank or any of its parents or subsidiaries, or any connection during the past 3 years with the bank or any of its parents or subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer, or employee.

Item 9—Bonus, profit-sharing, and other remuneration plans. If action is to be taken with respect to any bonus, profit-sharing, or other remuneration plan, furnish the following information:

(a) Describe briefly the material features of the plan, identify each class of persons who will participate therein, indicate the approximate number of persons in each such class and state the basis of such participation.

(b) State separately the amounts which would have been distributable under the plan during the last fiscal year of the bank (1) to directors and officers, and (2) to employees, if the plan had been in effect.

(c) State the name and position with the bank of each person specified in Item 7(a) who will participate in the plan and the amount which each such person would have received under the plan for the last fiscal year of the bank if the plan had been in effect.

(d) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 2 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan, and (iii) all employees, if employees may participate in the plan.

(e) If the plan to be acted upon can be amended otherwise than by a vote of stockholders to increase the cost thereof to the bank or to alter the allocation of the benefits as between the groups specified in (b), state the nature of the amendments which can be so made.

(f) If action is to be taken with respect to the amendment or modification of an existing plan, this item shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

Instruction. If the plan is set forth in a formal plan, contract, or arrangement, three copies thereof shall be filed with the Board at the time preliminary copies of the Statement are filed pursuant to section 206.5(f).

Item 10—Pension and retirement plans. If action is to be taken with respect to any pension or retirement plan, furnish the following information:

(a) Describe briefly the material features of the plan, identify each class of persons who will be entitled to participate therein, indicate the aproximate number of persons in each such class, and state the basis of such participation.

(b) State (1) the approximate total amount necessary to fund the plan with respect to past services, the period over which such amount is to be paid, and the estimated annual payments necessary to pay the total amount over such period, (2) the estimated annual payments to be made with respect to current services, and (3) the amount of such annual payments to be made for the benefit of (i) directors and officers, and (ii) employees.

(c) State (1) the name and position with the bank of each person specified in Item 7(a) who will be entitled to participate in the plan, (2) the amount which would have been paid or set aside by the bank and its subsidiaries for the benefit of such person for the last fiscal year of the bank if the plan had been in effect, and (3) the amount of the annual benefits estimated to be payable to such person in the event of retirement at normal retirement date.

(d) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 2 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan, and (iii) all employees, if employees may participate in the plan.

(e) If the plan to be acted upon can be amended otherwise than by a vote of stockholders to increase the cost thereof to the bank or alter the allocation of the benefits as between the groups specified in (b)(3), state the nature of the amendments which can be so made.

(f) If action is to be taken with respect to the amendment or modification of an existing plan, this item shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

Instructions. 1. The information called for by paragraph (b)(3) or (c)(2) need not be given as to payments made on an actuarial basis pursuant to any group pension plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

2. The instruction to Item 9 shall apply to this item.

Item 11—Options, warrants, or rights. If action is to be taken with respect to the granting, extension or amendment of any options, warrants, or rights to purchase securities of the bank or any subsidiary, furnish the following information:

(a) State (i) the title and amount of securities called for or to be called for by such options, warrants or rights; (ii) the prices, expiration dates, and other material conditions upon which the options, warrants, or rights may be exercised; and (iii) in the case of options, the Federal income tax consequences of the issuance and exercise of such options to the recipient and to the bank.

(b) State separately the amount of options, warrants, or rights received or to be received by the following persons, naming each such person: (i) Each director or officer named in answer to Item 7(a); (ii) each nominee for election as a director of the bank; (iii) each associate of such directors, officers, or nominees; and (iv) each other person who received or is to receive 5 percent or more of such options, warrants or rights. State also the total amount of such options, warrants, or rights received or to be received by all directors and officers of the bank as a group, without naming them.

(c) Furnish such information, in addition to that required by this item and Item 7, as may be necessary to describe adequately the provisions already made pursuant to all bonus, profit-sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past 2 years, for (i) each director or officer named in answer to Item 7(a) who may participate in the plan to be acted upon; (ii) all directors and officers of the bank as a group, if any director or officer may participate in the plan, and (iii) all employees, if employees may participate in the plan.

Instruction. 1. Paragraphs (b) and (c) do not apply to warrants or rights to be issued to security holders as such on a pro rata basis.

2. The Instruction to Item 9 shall apply to paragraph (c) of this item.

3. Include in the answer to paragraph (c) as to each director or officer named in answer to Item 7(a) and as to all directors and officers as a group (i) the amount of securities acquired during the past 2 years through the exercise of options granted during the period or prior thereto, (ii) the amount of securities sold during such period of the same class as those acquired through the exercise of such options, and (iii) the amount of securities subject to all unexercised options held as of the latest practicable date.

Item 12—Authorization or issuance of securities otherwise than for exchange. If action is to be taken with respect to the authorization or issuance of any securities otherwise than in exchange for outstanding securities of the bank, furnish the following information:

(a) State the title and amount of securities to be authorized or issued.

(b) Furnish a description of the material provisions of the securities such as would be required in a registration statement filed pursuant to this part. If the terms of the securities cannot be stated or estimated with respect to any or all of the securities to be authorized, because no offering thereof is contemplated in the proximate future, and if no further authorization by security holders for the issuance thereof is to be obtained, it should be stated that the terms of the securities to be authorized, including dividend or interest rates, conversion prices, voting rights, redemption prices, maturity dates, and similar matters will be determined by the board of directors of the bank. If the securities are additional shares of common stock of a class outstanding, the description may be omitted.

(c) Describe briefly the transaction in which the securities are to be issued, including a statement as to (1) the nature and approximate amount of consideration received or to be received by the bank, and (2) the approximate amount devoted to each purpose so far as determinable, for which the net proceeds have been or are to be used. If it is impracticable to describe the transaction in which the securities are to be issued, indicate the purpose of the authorization of the securities, and state (i) whether further authorization for the issuance of the securities by a vote of security holders will be solicited prior to such issuance and (ii) whether present security holders will have preemptive rights to purchase such securities.

Item 13.—Modification or exchange of securities. If action is to be taken with respect to the modification of any class of securities of the bank, or the issuance or authorization for issuance of securities of the bank in exchange for outstanding securities of the bank, furnish the following information:

(a) If outstanding securities are to be modified, state the title and amount thereof. If securities are to be issued in exchange for outstanding securities, state the title and amount of securities to be so issued, the title and amount of outstanding securities to be exchanged therefor, and the basis of the exchange.

(b) Describe any material differences between the outstanding securities and the modified or new securities with respect to any of the matters concerning which information would be required in the description of the securities in a registration statement filed pursuant to this part.

(c) State the reasons for the proposed modification or exchange and the general effect thereof upon the rights of existing security holders.

(d) Furnish a brief statement as to arrears in dividends or as to defaults in principal or interest with respect to the outstanding securities which are to be modified or exchanged and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

(e) Outline briefly any other material features of the proposed modification or exchange.

(f) The instruction to Item 9 shall apply to this item.

Item 14—Mergers, consolidations, acquisitions, and similar matters. If action is to be taken with respect to any plan for (i) the merger or consolidation of the bank into or with any other person, or of any other person into or with the bank, (ii) the acquisition by the bank or any of its subsidiaries of securities of another bank, (iii) the acquisition by the bank of any other going business or of the assets thereof, (iv) the sale or other transfer of all or any substantial part of the

assets of the bank, or (v) the voluntary liquidation or dissolution of the bank:

(a) Outline briefly the material features of the plan. State the reasons therefore and the general effect thereof upon the interests of existing security holders. If the plan is set forth in a written document, file three copies thereof with the Board when preliminary copies of the statement are filed pursuant to § 11.5(f).

(b) Furnish the following information as to the bank and each person (other than subsidiaries substantially all of the stock of which is owned by the bank) which is to be merged into the bank, or into or with which the bank is to be merged or consolidated, or the business or assets of which are to be acquired, or which is the issuer of securities to be acquired by the bank or any of its subsidiaries in exchange for all or a substantial part of its assets:

(1) A brief description of the business and property of each such person in substantially the manner required by Items 3 and 4 of Form F–1.

(2) A brief statement as to defaults in principal or interest with respect to any securities of the bank or of such person, and as to the effect of the plan thereon and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

(3) Such information with respect to the proposed management of the surviving bank as would be required by Items 6 and 7 of this Form F–5. Information concerning remuneration of management may be projected for the current year based on remuneration actually paid or accrued by each of the constituent persons during the last calendar year. If significantly different, proposed compensation arrangements should also be described.

(4) A tabular presentation of the existing and pro forma capitalization.

(5) In columnar form, for each of the last 3 fiscal years, a historical summary of earnings. Such summary is to be concluded by indicating per share amounts of income before securities gains (losses), net income, and dividends declared for each period reported (Extraordinary items, if any, should be appropriately reported and per share amounts of securities gains (losses) should be included.)

(6) In columnar form, for each of the last 3 fiscal years, a combined pro forma summary of earnings, as appropriate in the circumstances, similar in structure to the historical summary of earnings. If the transaction establishes a new basis of accounting for assets of any of the persons included therein, the pro forma summary of earnings shall be furnished only for the most recent fiscal year and interim period and shall reflect appropriate pro forma adjustments resulting from such new basis of accounting.

(7) A tabular presentation of comparative per share data of the constituent banks or other persons pertaining to:

(A) (i) Income before securities gains, (losses), (ii) net income, and (iii) dividends declared, for each of the last 3 fiscal years; and

(B) Book value per share, at the date of the Balance Sheets included in the statement.

The comparative per share data shall be presented on a historical and pro forma basis (except dividends which are to be furnished on historical basis only) and equated to a common basis in exchange transactions.

(8) To the extent material for the exercise of prudent judgment, the historical and pro forma earnings data specified in (5), (6), and (7) above for the latest available interim period of the current and prior fiscal years.

Instructions. 1. Historical statements of income in their entirety, as required by Item 15, may be furnished in lieu of the summary of earnings specified in paragraph (5). If summary earnings information is presented, show, as a minimum, operating revenues, operating expenses, income before income taxes and security gains (losses), applicable income taxes, income before securities gains (losses), securities gains (losses), and net income. The summary shall reflect retroactive adjustments of any material items affecting the comparability of the results.

2. In connection with any interim period or periods between the end of the last fiscal year and the balance sheet date, and any comparable prior period, a statement shall be made that all adjustments necessary to a fair statement of the results for such interim period or periods have been included, and results of the interim period for the current year are not necessarily indicative of results for the entire year. In addition, there shall be furnished in such cases, as supplemental information but not as a part of the proxy statement, a letter describing in detail the nature and amount of any adjustments, other than normal recurring accruals, entering into the determination of the results shown.

3. The information required by this Item 14(b) is required in a statement of the "acquiring" or "surviving" bank only where a "significant" merger or acquisition is to be voted upon. For purposes of this item, the term "significant" merger or acquisition shall mean a transaction where either (1) the net book value of assets to be acquired or the amount paid therefore exceed 5 percent of the equity capital accounts of the acquiring bank, or (2) in an exchange transaction, the number of shares to be issued exceeds 5 percent of the outstanding shares of the acquiring bank, or (3) gross operating revenues for the last fiscal year of the person to be acquired exceeded 5 percent of the gross operating revenues for the last fiscal year of the acquiring bank. If less than a "significant" merger acquisition is to be voted upon, such information need only be included to the extent necessary for the exercise of prudent judgment with respect thereto.

(c) As to each class of securities of the bank, or of any person specified in paragraph (b), which is admitted to dealing on a national securities exchange or with respect to which a market otherwise exists, and which will be materially affected by the plan, state the high and low sale prices (or, in the absence of trading in a particular period, the range of the bid and asked prices) for each quarterly period within 2 years. This information may be omitted if the plan involves merely the voluntary liquidation or dissolution of the bank.

Item 15.—Financial statements. (a) If action is to be taken with respect to any matter specified in Item 12, 13, or 14 above, furnish verified financial statements of the bank and its subsidiaries such as would be required in a registration statement filed pursuant to this part. In addition, the latest available interim date balance sheet and statement of income for the interim period between the end of the last fiscal year and the interim balance sheet date, and comparable prior period, shall be furnished. All schedules, except Schedule VII—"Allowance for Possible Loan Losses," may be omitted.

(b) If action is to taken with respect to any matter specified in Item 14(b), furnish for each person specified therein, other than the bank, financial statements such as would be required in a registration statement filed pursuant to this part. In addition, the latest available interim date balance sheet and statement of income for the interim period between the end of the last fiscal year and the interim balance sheet date, and comparable prior period, shall be furnished. However, the following may be omitted: (1) All schedules, except Schedule VII—"Allowance for Possible Loan Losses"; and (2) statements for a subsidiary, all of the stock of which is owned by the bank, that is included in the consolidated statement of the bank and its subsidiaries. Such statements shall be verified, if practicable.

(c) Notwithstanding paragraphs (a) and (b) above, any or all of such financial statements which are not material for the exercise of prudent judgment in regard to the matter to be acted upon may be omitted. Such financial statements are deemed material to the exercise of prudent judgment in the usual case involving the authorization or issuance of any material amount of senior securities, but are not deemed material in cases involving the authorization or issuance of common stock, otherwise than in an exchange, merger, consolidation, acquisition, or similar transaction.

(d) The statement may incorporate by reference any financial statements contained in an annual report sent to security holders pursuant to § 11.5(c) with respect to the same meeting as that to which the statement relates, provided such financial statements substantially meet the requirements of this item.

Item 16—Action with respect to reports. If action is to be taken with respect to any report of the bank or of its directors, officers, or committees or any minutes of a meeting of its security holders, furnish the following information:

(a) State whether or not such action is to constitute approval or disapproval of any of the matters referred to in such reports of minutes.

(b) Identify each of such matters which it is intended will be approved or disapproved, and furnish the information required by the appropriate item or items of this schedule with respect to each such matter.

Item 17—Matters not required to be submitted. If action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders, state the nature of such matter, the reasons for submitting it to a vote of security holders and what action is intended to be taken by the management in the event of a negative vote on the matter by the security holders.

Item 18—Amendment of charter, bylaws, or other documents. If action is to be taken with respect to any amendment of the banks' charter, bylaws, or other documents as to which information is not required above, state briefly the reasons for and general effect of such amendment.

Item 19—Other proposed action. If action is to be taken with respect to any matter not specifically referred to above, describe briefly the substance of each such matter in substantially the same degree of detail as is required by Items 5 to 18, inclusive, above.

Item 20—Vote required for approval. As to each matter which is to be submitted to a vote of security holders, other than elections to office or the selection or approval of auditors, state the vote required for its approval.

§ 11.52 Form for statement in election contests (Form F–6).

FORM F–6

STATEMENT IN ELECTION CONTEST

GENERAL INSTRUCTIONS

The statement shall contain the number and captions of all items, but the text of the items may be omitted. If an item is applicable

or the answer is in the negative, so state. The information called for by Items 2(a) and 3(a) or a fair summary thereof is required to be included in all preliminary soliciting materials by § 11.5(1) of this part.

Item 1—Bank. State the name and address of the bank.

Item 2—Identity and Background of Participant.

(a) State the following:

(1) Your name and business address.

(2) Your present principal occupation or employment and the name, principal business, and address of any corporation or other organization in which such employment is carried on.

(b) State the following:

(1) Your residence address.

(2) Information as to all material occupations, positions, offices, or employment during the last 10 years, giving starting and ending dates of each and the name, principal business, and address of any business corportation or other business organizaton in which each such occupation, position, office, or employment was carried on.

(c) State whether or not you are or have been a participant in any other proxy contest involving the bank or other corporations within the past 10 years. If so, identify the principals, the subject matter and your relationship to the parties and the outcome.

(d) State whether or not, during the past 10 years, you have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and, if so, give dates, nature of conviction, name and location of court, and penalty imposed or other disposition of the case. A negative answer to this subitem need not be included in the statements or other proxy soliciting material.

Item 3—Interests in Securities of the Bank.

(a) State the amount of each class of securities of the bank that you own beneficially, directly, or indirectly.

(b) State the amount of each class of securities of the bank that you own of record but not beneficially.

(c) State with respect to the securities specified in (a) and (b) the amounts acquired within the past 2 years, the dates of acquisition and the amounts acquired on each date.

(d) If any part of the purchase price or market value of any of the shares specified in paragraph (c) is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such securities, so state and indicate the amount of the indebtedness as of the latest practicable date. If such funds were borrowed or obtained otherwise than pursuant to a margin account or bank loan in the regular course of business of a bank, broker, or dealer, briefly describe the transaction, and state the names of the parties.

(e) State whether or not you are a party to any contracts, arrangements or understandings with any person with respect to any securities of the bank, including but not limited to joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. If so, name the persons with whom such contracts, arrangements, or understandings exist and give the details thereof.

(f) State the amount of securities of the bank owned beneficially, directly or indirectly, by each of your associates and the name and address of each such associate.

(g) State the amount of each class of securities of any parent or subsidiary of the bank which you own beneficially, directly or indirectly.

Item 4—Further Matters.

(a) Describe the time and circumstances under which you became a participant in the solicitation and state the nature and extent of your activities or proposed activities as a participant.

(b) Furnish for yourself and your associates the information required by Item 7(f) of Form F–5.

(c) State whether or not you or any of your associates have any arrangement or understanding with any person.

(1) with respect to any future employment by the bank or its affiliates; or

(2) with respect to any future transactions to which the bank or any of its affiliates will or may be a party. If so, describe such arrangement or understanding and state the names of the parties thereto.

Item 5—Signature.

The statement shall be dated and signed in the following manner:

I certify that the statements made in this statement are true, complete, and correct, to the best of my knowledge and belief.

(Date)

(Signature of participant or authorized representative)

Instruction. If the statement is signed on behalf of a participant by the latter's authorized representative, evidence of the representative's authority to sign on behalf of such participant shall be filed with the statement.

§ 11.53 Form for statement to be filed pursuant to § 11.5(m) of Part 11 (Form F–12).

THE COMPTROLLER OF THE CURRENCY
FORM F–12

STATEMENT TO BE FILED PURSUANT TO § 11.5(m) OF PART 11

General Instructions

The item numbers and captions of the items shall be included but the text of the items may be omitted. The answers to the items shall be so prepared as to indicate clearly the coverage of the items without referring to the text of the items. Answer every item. If an item is inapplicable or the answer is in the negative, so state.

Item 1—Security and bank. (a) State the title of the class of equity securities to which this statement relates and the name and address of the bank which issued such securities.

(b) Identify the tender offer or request or invitation for tenders to which this statement relates and state the reasons for the solicitation or recommendation to security holders to accept or reject such tender offer, requests, or invitation for tenders.

Item 2—Identity and background. (a) State the name and business address of the person filing this statement.

(b) Describe any arrangement or understanding in regard to the solicitation with (i) the bank or the management of the bank or (ii) the maker of the tender offer or request or invitation for tender of securities of the class to which this statement relates.

Item 3—Persons retained, employed or to be compensated. Identify any person or class or persons employed, retained or to be compensated, by the person filing this Form F–12, or by any person on his behalf, to make solicitations or recommendations to security holders and describe briefly the terms of such employment, retainer or arrangement for compensation.

Item 4—Material to be filed as exhibits. Copies of all solicitations or recommendations to accept or to reject a tender offer or request or invitation for tenders of the securities specified in Item 1 shall be filed as an exhibit.

SIGNATURE

I certify that to the best of my knowledge and belief the information set forth in this statement is true, complete and correct.

(Date) (Signature)

If the statement is signed on behalf of a person by an authorized representative, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement.

§ 11.61 Form for initial statement of beneficial ownership of equity securities (Form F–7).

FORM F–7

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

FILED PURSUANT TO SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

(Name of bank)

(Name of person whose ownership is reported)

(Business address of such person)

Relationship of such person to the bank. (See Instruction 5) ---

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Date of event which requires the filing of this statement. (See Instruction 6) ---

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EQUITY SECURITIES BENEFICIALLY OWNED (SEE INSTRUCTION 7)

Title of security (see instruction 8)	Nature of ownership (see instruction 9)	Amount owned beneficially (see instruction 10)

Remarks: (See Instruction 11)

Date of statement ---

(Signature)

INSTRUCTIONS

1. *Persons Required To File Statements.* A statement on this form is required to be filed by every person who, at the time any class of equity securities of a bank becomes registered pursuant to section 12 of the Securities Exchange Act of 1934 (the Act), (i) is directly or indirectly the beneficial owner of more than 10 percent of such class or (ii) is a director or officer of the bank which is the issuer of such securities, and by every person who thereafter becomes such a beneficial owner, director, or officer. The term "officer" means a Chairman of the Board of Directors, Vice Chairman of the Board, Chairman of the Executive Committee, President, Vice President (except as indicated in the next sentence) Cashier, Treasurer, Secretary, Comptroller, and any other person who participates in major policymaking functions of the bank. In some banks (particularly banks with officers bearing titles such as Executive Vice President, Senior Vice President, or First Vice President as well as a number of "Vice Presidents"), some or all "Vice Presidents" do not participate in major

policymaking functions, and such persons are not officers for the purpose of this statement.

2. *When Statements Are To Be Filed.*

(a) Persons who hold any of the relationships specified in Instruction 1 when any class of equity securities of the bank becomes registered pursuant to section 12 of the Act are required to file a statement on this form within 10 days after the date such registration becomes effective. Persons who subsequently assume any of the relationships specified in Instruction 1 are required to file a statement within 10 days after assuming such relationship. Statements are not deemed to have been filed with the Comptroller or an exchange until they have actually been received by the Comptroller or such exchange.

(b) Any director or officer who is required to file a statement on Form F–7 with respect to any change in his beneficial ownership of equity securities which occurs within 6 months after he became a director or officer of the issuer of such securities, or within 6 months after equity securities of such issuer first become registered pursuant to section 12 of the Act, shall include in the first such statement the information called for by Form F–7 with respect to all changes in his beneficial ownership of equity securities of such issuer which occurred within 6 months prior to the date of the changes which requires the filing of such statement.

(c) Any person who has ceased to be a director or officer of an issuer which has equity securities registered pursuant to section 12 of the Act, or who is a director or officer of an issuer at the time it ceased to have any equity securities so registered, shall file a statement on Form F–8 with respect to any change in his beneficial ownership of equity securities of such issuer which shall occur on or after the date on which he ceased to be such director or officer, or the date on which the issuer ceased to have any equity securities so registered, as the case may be, if such change shall occur within 6 months after any change in his beneficial ownership of such securities prior to such date. The statement on Form F–8 shall be filed within 10 days after the end of the month in which the reported change in beneficial ownership occurs.

3. *Where and How Statements Are To Be Filed.*

One signed copy of each statement shall be filed with the Comptroller of the Currency, Washington, D.C. 20220. One signed copy thereof shall also be filed with each exchange on which any class of equity securities of the bank is listed. However, if such bank has, in accordance with § 11.6(a)(3) of Part 11, designated a single exchange to receive statements, the statement need only be filed with the Comptroller and the designated exchange.

4. *Separate Statement for Each Bank.*

A separate statement shall be filed with respect to the equity securities of each bank.

5. *Relationship of Reporting Person to Bank.*

Indicate clearly the relationship of the reporting person to the bank; for example, "Director," "Director and Vice President," "Beneficial owner of more than 10 percent of the bank's common stock," etc.

6. *Date as of Which Beneficial Ownership Is To Be Given.*

The information as to beneficial ownership of securities shall be given as of the date on which the event occurred which requires the filing of a statement on this form. For example, when registration of equity securities of the bank becomes effective pursuant to section 12 of the Act or when the person whose ownership is reported becomes a director or officer of the bank or becomes the beneficial owner of more than 10 percent of a class of registered equity securities of the bank.

7. *Securities To Be Reported.*

Persons specified in Instruction 1 above shall include information as to their beneficial ownership of all classes of equity securities of the bank, even though one or more of such classes may not be registered pursuant to section 12 of the Act.

8. *Title of Equity Security.*

The statement of the title of an equity security should clearly distinguish it from any securities of other classes issued by the bank.

9. *Nature of Ownership.*

Under "Nature of ownership", state whether ownership of the equity securities is "direct" or "indirect". If the ownership is indirect, i.e., through a partnership, corporation, trust, or other entity, indicate in a footnote or other appropriate manner, the name or identity of the medium through which the securities are indirectly owned. The fact that equity securities are held in the name of a broker or other nominee does not, of itself, constitute indirect ownership. Equity securities owned indirectly shall be reported on separate lines from those owned directly and also from those owned through a different type of indirect ownership.

10. *Statement of Amount Owned.*

In stating the amount of equity securities beneficially owned, give the face amount of convertible debt securities or the number of shares of stock or other units of other securities. In the case of equity securities owned indirectly, the entire amount of equity securities owned by the partnership, corporation, trust, or other entity shall be stated. The person whose ownership is reported may, if he so desires, also indicate in a footnote or other appropriate manner the extent of his interest in the partnership, corporation, trust, or other entity.

11. *Inclusion of Additional Information.*

A statement may include any additional information or explanation deemed relevant by the person filing the statement.

12. *Signature.*

If the statement is filed for a corporation, partnership, trust, etc., the name of the organization shall appear over the signature of the officer or other person authorized to sign the statement. If the statement is filed for an individual, it shall be signed by him or specifically on his behalf by a person authorized to sign for him.

§ 11.62 Form for statement of changes in beneficial ownership of equity securities (Form F–8).

FORM F–8

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

FILED PURSUANT TO SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

(Name of bank)

(Name of person whose ownership is reported)

(Business address of such person)

Relationship of such person to the bank (See instruction 5) ----------

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Statement for Calendar Month of ----------, 19----.

CHANGES DURING MONTH AND MONTH-END OWNERSHIP (SEE INSTRUCTION 6)

Title of equity security (see instruction 7)	Date of transaction (see instruction 8)	Amount bought or otherwise acquired (see instruction 9)	Amount sold or otherwise disposed of (see instruction 9)	Nature of ownership (see instruction 10)	Amount owned beneficially at end of month (see instruction 9)

Remarks: (See instructions 11 and 12.)

Date of statement ----------

(Signature)

INSTRUCTIONS

1. *Persons Required To File Statements.*

A statement on this form is required to be filed by every person who at any time during any calendar month was (i) directly or indirectly the beneficial owner of more than 10 percent of any class of equity securities of a bank registered pursuant to section 12 of the Securities Exchange Act of 1934 (the Act), or (ii) a director or officer of the bank which is the issuer of such securities, and who during such month had any change in the nature or amount of his beneficial ownership of any class of equity securities of such bank. The term "officer" means a Chairman of the Board of Directors, Vice Chairman of the Board, Chairman of the Executive Committee, President, Vice President (except as indicated in the next sentence), Cashier, Treasurer, Secretary, Comptroller, and any other person who participates in major policymaking functions of the bank. In some banks (particularly banks with officers bearing titles such as Executive Vice President, Senior Vice President, or First Vice President, as well as a number of "Vice Presidents"), some or all "Vice Presidents" do not participate in major policymaking functions, and such persons are not officers for the purposes of this statement.

2. *When Statements Are To Be Filed.*

Statements are required to be filed on or before the 10th day after the end of each calendar month in which any change in the nature or amount of beneficial ownership has occurred. Statements are not deemed to have been filed with the Comptroller or an exchange until they have actually been received by the Comptroller or such exchange.

3. *Where Statements Are To Be Filed.*

One signed copy of each statement shall be filed with the Comptroller of the Currency, Washington, D.C. 20220. One signed copy thereof shall also be filed with each exchange on which any class of equity securities of the bank is listed. However, if such bank has, in accordance with § 11.6(a)(3) of Part 11, designated a single exchange to receive statements, the statement need only be filed with the Comptroller and the designated exchange.

4. *Separate Statement for Each Bank.*

A separate statement shall be filed with respect to the equity securities of each bank.

5. *Relationship of Reporting Person to Bank.*

Indicate clearly the relationship of the reporting person to the bank; for example, "Director", "Director and Vice President", "Beneficial owner of more than 10 percent of the bank's common stock", etc.

6. *Transactions and Holdings To Be Reported.*

Persons required to file statements on this form shall include in their statements all

changes during the calendar month in their beneficial ownership, and their beneficial ownership at the end of the month, of all classes of equity securities of the bank, even though one or more of such classes may not be registered pursuant to section 12 of the Act.

Every change in beneficial ownership shall be reported even though purchases and sales during the month are equal or the change involves only the nature of beneficial ownership (for example, from direct to indirect ownership or from one type of indirect ownership to another). Beneficial ownership at the end of the month of all classes of equity securities of the bank shall be shown even though there has been no reportable change during the month in the ownership of equity securities of a particular class.

7. *Title of Equity Security.*

The statement of the title of an equity security should clearly distinguish it from any securities of other classes issued by the bank.

8. *Date of Transaction.*

The exact date (month, day, and year) of each transaction shall be stated opposite the amount involved in the transaction.

9. *Statement of Amounts of Equity Securities.*

In stating the amount of equity securities acquired, disposed of, or beneficially owned, give the face amount of convertible debt securities or the number of shares of stock or other units of other securities. In the case of equity securities owned indirectly, the entire amount of equity securities involved in the transaction or owned by the partnership, corporation, trust, or other entity shall be stated. The person whose ownership is reported may, if he so desires, also indicate in a footnote or other appropriate manner, the extent of his interest in the transaction or holdings of the partnership, corporation, trust, or other entity.

10. *Nature of Ownership.*

Under "Nature of ownership", state whether ownership of the equity securities is "direct" or "indirect". If the ownership is indirect, i.e., through a partnership, corporation, trust, or other entity, indicate in a footnote or other appropriate manner, the name or identity of the medium through which the securities are indirectly owned, the fact that equity securities are held in the name of the broker or other nominee does not, of itself, constitute indirect ownership. Equity securities owned indirectly shall be reported on separate lines from those owned directly and also from those owned through a different type of indirect ownership.

11. *Character of Transaction.*

If the transaction in equity securities was with the bank, so state. If it involved the purchase of equity securities through the exercise of warrants or options, so state, give the termination date of the option or warrant, and give the exercise price per share. If any other purchase or sale was effected otherwise than in the open market, that fact shall be indicated. If the transaction was not a purchase or sale, indicate its character; for example, gift or stock dividend, stock split, or other type of pro rata distribution, etc., as the case may be. The foregoing information may be appropriately set forth in the table or under "Remarks" below the table.

12. *Inclusion of Additional Information.*

A statement may include any additional information or explanation deemed relevant by the person filing the statement.

13. *Signature.*

If the statement is filed for a corporation, partnership, trust, etc., the name of the organization shall appear over the signature of the officer or other person authorized to sign the statement. If the statement is filed for an individual, it shall be signed by him or specifically on his behalf by a person authorized to sign for him.

§ 11.71 Forms for financial statements (Forms F–9, A, B, C, and D).

FORM F-9: FINANCIAL STATEMENTS

A. BALANCE SHEET (FORM F-9A)

B. STATEMENT OF INCOME (FORM F-9B)

C. STATEMENT OF CHANGES IN CAPITAL ACCOUNTS (FORM F-9C)

D. SCHEDULES (FORM F-9D)

GENERAL INSTRUCTIONS

1. *Preparation of forms.* The forms for financial statements are not to be used as blank forms to be filled in but only as guides in the preparation of financial statements. The requirements with respect to the filing of balance sheets and statements of income are contained in the instructions as to certain other forms required by this part. Particular attention should be given to the general requirements as to financial statements in § 11.7 of this part, including paragraphs (e) and (f) thereof, which prescribe when statements of changes in capital accounts and schedules will be filed. Although inapplicable items specified in the forms for financial statements should be omitted, the detailed instructions that relate to applicable items shall be followed.

2. *Accrual accounting.* Financial statements shall generally be prepared on the basis of accrual accounting whereby all revenues and all expenses shall be recognized during the period earned or incurred regardless of the time received or paid, with certain exceptions: (a) where the results would be only insignificantly different on a cash basis, or (b) where accrual is not feasible. Statements with respect to the first fiscal year that a bank reports on the accrual basis shall indicate clearly, by footnote or otherwise, the beginning-of-year adjustments that were necessary and their effect on prior financial statements filed under this part.

A. BALANCE SHEET

ASSETS

1. Cash and due from banks
2. Investment securities:
   (a) U.S. Treasury securities
   (b) Securities of other U.S. Government agencies and corporations
   (c) Obligations of States and political subdivisions
   (d) Other securities
3. Trading account securities
4. Federal funds sold and securities purchased under agreements to resell
5. Other loans
6. Bank premises and equipment
7. Other real estate owned
8. Investments in subsidiaries not consolidated
9. Customers' acceptance liability
10. Other assets
11. Total assets

LIABILITIES

12. Deposits:
    (a) Demand deposits in domestic offices
    (b) Savings deposits in domestic offices
    (c) Time deposits in domestic offices
    (d) Deposits in foreign offices
13. Federal funds purchased and securities sold under agreements to repurchase
14. Other liabilities for borrowed money
15. Bank's acceptances outstanding
16. Mortgages payable
17. Other liabilities
18. Total liabilities
19. Minority interests in consolidated subsidiaries

RESERVES

20. Allowance for possible loan losses

CAPITAL ACCOUNTS

21. Capital notes and debentures
22. Equity capital:
    (a) Capital stock:
        Preferred stock
        Common stock
    (b) Surplus
    (c) Undivided profits
    (d) Reserve for contingencies and other capital reserves
23. Total capital accounts
24. Total liabilities, reserves, and capital

ASSETS

1. *Cash and due from banks.* (a) State the total of (1) currency and coin (A) owned and held in the bank's vaults and (B) in transit to or from a Federal Reserve Bank; (2) the bank's total reserve balance with the Federal Reserve Bank as shown by the bank's books; (3) demand and time balances with other banks; and (4) cash items in process of collection.

(b) Reciprocal demand balances with banks in the United States, except those of private banks and American branches of foreign banks, shall be reported net.

(c) Do not include unavailable balances with closed or liquidating banks. Such balances should be reported in "other assets".

(d) Cash items in process of collection include: (1) Checks in process of collection drawn on another bank, private bank, or any other banking institution that are payable immediately upon presentation (including checks with a Federal Reserve Bank in process of collection and checks on hand that will be presented for payment or forwarded for collection on the following business day; (2) Government checks and warrants drawn on the Treasurer of the United States that are in process of collection; and (3) such other items in process of collection, including redeemed U.S. savings bonds, payable immediately upon presentation in the United States, as are customarily cleared or collected by banks as cash items.

(e) Checks drawn on a bank other than the reporting bank (or offices or branches of such bank) and have been forwarded for collection to other offices or branches of the reporting bank are cash items in the process of collection.

(f) Do not include commodity or bill-of-lading drafts payable upon arrival of goods against which drawn, whether or not deposit credit therefor has been given to a customer. If deposit credit has been given, such drafts should be reported as "loans"; but if the drafts were received by the reporting bank on a collection basis they should not be included in the reporting bank's statement until such time as the funds have been actually collected.

(g) Unposted debits should preferably be deducted from the appropriate deposit liability caption. If such items are included hereunder, the amount shall be stated parenthetically.

2. *Investment securities.* (a) State separately book value of (1) U.S. Treasury securities; (2) securities of other U.S. Government agencies and corporations; (3) obligations of States and political subdivisions; and (4) other securities owned by the bank; include securities pledged, loaned, or sold under repurchase agreements and similar arrangements.

(b) Book value with respect to investment quality securities reported in paragraph (a) shall be cost adjusted for amortization of premium and, at the option of the bank, for accretion of discount. There shall be set forth in a note to financial statements (1) the basis of accounting for book value, and (2) if bond discount is systematically accrued and amounts to 5 percent or more of interest and dividends on investments, the total of accretion income and deferred income taxes applied thereto.

(c) Include in category (3) of paragraph (a) obligations, including warrants and tax anticipation notes, of the States of the United States and their political subdivisions, agencies, and instrumentalities; also obligations of territorial and insular possessions of the United States. Do not include obligations of foreign states.

(d) Do not include borrowed securities or securities purchased under resale agreements or similar arrangements.

3. *Trading account securities.* State the aggregate value at the balance sheet date, of securities of all types carried by the bank in a dealer trading account (or accounts) that are held principally for resale to customers. Indicate parenthetically, or otherwise in a note to financial statements, whether the inventory is valued at (1) cost, (2) lower of cost or market, or (3) market. If cost basis of valuation is used, furnish aggregate market value of the trading account inventory at the current fiscal year balance sheet date.

4. *Federal funds sold and securities purchased under agreements to resell.* (a) State the aggregate value of Federal funds sold and securities purchased under resale agreement or similar arrangements. All securities purchased under transactions of this type should be included regardless of (1) whether they are called simultaneous purchases and sales, buybacks, turnarounds, overnight transactions, delayed deliveries, etc., and (2) whether the transactions are with the same or different institutions if the purpose of the transactions is to resell identical or similar securities.

(b) Federal funds sold and purchases of securities under resale agreements should be reported gross and not netted against purchases of Federal funds and sales of securities under repurchase agreements.

5. *Other Loans.* (a) State the aggregate gross value of all loans including (1) acceptances of other banks and commercial paper purchased in the open market; (2) acceptances executed by or for the account of the reporting bank and subsequently acquired by it through purchase or discount; (3) customers' liability to the reporting bank on drafts paid under letters of credit for which the bank has not been reimbursed; and (4) "cotton overdrafts" or "advances," and commodity or bill-of-lading drafts payable upon arrival of goods against which drawn, for which the reporting bank has given deposit credit to customers.

(b) Include (1) paper rediscounted with the Federal Reserve or other banks; and (2) paper pledged as collateral to secure bills payable, as marginal collateral to secure bills rediscounted, or for any other purpose.

(c) Do not include contracts of sale or other loans indirectly representing bank premises or other real estate; these should be included in "bank premises" or "other real estate".

(d) Do not deduct bona fide deposits accumulated by borrowers for the payment of loans.

6. *Bank premises and equipment.* (a) State the aggregate cost of (1) bank premises owned, (2) leasehold improvements, and (3) equipment less any accumulated depreciation or amortization with respect to such assets.

(b) All fixed assets acquired subsequent to June 30, 1967, shall be stated at cost less accumulated depreciation or amortization.

(c) All fixed assets acquired prior to July 1, 1967, that are not presently accounted for by the bank on the basis of cost less accumulated depreciation or amortization, may be stated at book value. Any such assets that are still in use and would not have been fully depreciated on an acceptable method of accounting for depreciation if the bank had recorded depreciation on such basis shall be described briefly in a footnote, together with an explanation of the accounting that was used with respect to such assets.

(d) The term "leasehold improvements" comprehends two types of situations: (1) where the bank erects a building on leased property; and (2) where a bank occupies leased quarters or uses leased parking lots and appropirately capitalizes disbursements for vaults, fixed machinery and equipment directly related to such leased quarters, or resurfacing or other improvements directly related to such parking lots that will become an integral part of the property and will revert to the lessor on expiration of the lease.

(e) Bank premises includes vaults, fixed machinery and equipment, parking lots owned adjoining or not adjoining the bank premises that are used by customers or employees, and potential building sites.

(f) Equipment includes all movable furniture and fixtures of the bank.

7. *Other real estate owned.* (a) State the aggregate cost of all real estate owned by the bank that is not a part of bank premises.

(b) With respect to real estate acquired through default of a loan, aggregate cost shall include the unpaid balance on the defaulted loan plus the bank's out-of-pocket costs in acquiring clear title to the property. Any adjustments from aggregate cost shall be explained in a footnote.

(c) The aggregate market value of all real estate owned by the bank that is not a part of bank premises shall be set forth in a footnote, together with an explanation of the method of determining such market value.

8. *Investments in subsidiaries not consolidated.* State the aggregate investment, including advances, in subsidiaries not consolidated.

9. *Customers' acceptance liability.* (a) State the liability to the reporting bank of its customers on drafts and bills of exchange that have been accepted by the reporting bank or by other banks for its account and that are outstanding—that is, not held by the bank, on the reporting date. (If held by the reporting bank, they should be reported as "loans".)

(b) In case a customer anticipates his liability to the bank on outstanding acceptances by paying the bank either the full amount of his liability or any part thereof in advance of the actual maturity of the acceptance, the bank should decrease the amount of the customer's liability on outstanding acceptances. If such funds are not received for immediate application to the reduction of the indebtedness to the bank or the receipt thereof does not immediately reduce or extinguish the indebtedness, then such funds held to meet acceptances must be reported in "demand deposits".

(c) Do not include customer's liability on unused commercial and travelers' letters of credit issued under guaranty or against the deposit of security—that is, not issued for money or its equivalent.

10. *Other assets.* State separately, if material, (1) income earned but not collected; (2) prepaid expenses; (3) property acquired for the purpose of direct lease financing; and (4) any other asset not included in the preceding item.

11. *Total assets.* State the sum of all asset items.

LIABILITIES

12. *Deposits.* (a) State separately (1) demand deposits in domestic offices of the bank, (2) savings deposits in domestic offices of the bank, (3) time deposits in domestic offices of the bank, and (4) deposits in foreign offices. Related unposted debits, if any, should preferably be deducted from domestic deposits.

(b) The domestic deposit liability categories shall be segregated in accordance with the rules and regulations of the Federal Deposit Insurance Corporation, Part 327.2 Classification of Deposits.

(c) The term "unposted debit" means a cash item in the bank's possession drawn on itself that has been paid or credited and is chargeable against, but has not been charged against, deposit liabilities at the close of the reporting period. This term does not include items that have been reflected in deposit accounts on the general ledger, although they have not been debited to individual deposit accounts.

(d) Reciprocal demand deposit balances with banks in the United States, except those of private banks and American branches of foreign banks, shall be reported net.

(e) Include outstanding drafts (including advices or authorizations to charge the bank's balance in another bank) drawn in the regular course of business by the reporting bank on other banks pursuant to customer order.

(f) Do not include trust funds held in the bank's own trust department that the bank keeps segregated and apart from its general assets and does not use in the conduct of its business.

13. *Federal funds purchased and securities sold under agreements to repurchase.* (a) State the aggregate value of Federal funds purchased and securities sold under repurchase or similar arrangements. All securities sold under transactions of this type should be included regardless of (1) whether they are called simultaneous purchases and sales, buy-backs, turn-arounds, overnight transactions, delayed deliveries, etc., and (2) whether the transactions are with the same or different institutions if the purpose of the transactions is to repurchase identical or similar securities.

(b) Federal funds purchased and sales of securities under repurchase agreements should be reported gross and not netted against sales of Federal funds and purchases of securities under resale agreements.

14. *Other liabilities for borrowed money.* State the aggregate amount borrowed by the reporting bank on its own promissory notes, on notes and bills rediscounted (including commodity drafts rediscounted), or on any other instruments given for the purpose of borrowing money.

15. *Bank's acceptances outstanding.* (a) State the aggregate of unmatured drafts and bills of exchange accepted by the reporting bank, or by some other bank as agent for the reporting bank (other than those reported in "demand deposits"), less the amount of such acceptances acquired by the reporting bank through discount or purchase and held on the reporting date.

(b) Include bills of exchange accepted by the reporting bank that were drawn by banks

or bankers in foreign countries, or in dependencies or insular possessions of the United States, for the purpose of creating dollar exchange as required by usage of trade in the respective countries, dependencies, or insular possessions.

16. *Mortgages payable.* (a) State separately here, or in a note referred to herein, such information as will indicate (1) the general character of the debt including the rate of interest; (2) the date of maturity; (3) if the payment of principal or interest is contingent, an appropriate indication of such contingency; and (4) a brief indication of priority.

(b) If there are any liens on bank premises or other real estate owned by the bank or its consolidated subsidiaries which have not been assumed by the bank or its consolidated subsidiaries, report in a footnote the amount thereof together with an appropriate explanation.

17. *Other liabilities.* State separately, if material, (a) accrued payrolls; (b) accrued income tax liability (Federal and State combined); (c) accrued interest; (d) cash dividends declared but not paid; (e) income collected but not earned; and (f) any other liability not included in Items 12 through 16.

18. *Total liabilities.* State the sum of Items 12 through 17.

19. *Minority interests in consolidated subsidiaries.* State the aggregate amount of minority stockholders' interests in capital stock, surplus, and undivided profits of consolidated subsidiaries.

RESERVES

20. *Allowance for possible loan losses.* (a) State the balance of the loan losses allowance account at the end of the fiscal year. Include in this allowance only (1) any provision that the bank makes for possible loan losses pursuant to the Treasury tax formula and (2) any amount in excess of the provision taken under such formula that (A) represents management's judgment as to possible loss or value depreciation and (B) has been established through a charge against income.

(b) Any provision for possible loan losses that the bank establishes as a precautionary measure that is in excess of the amount reported in paragraph (a) shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

NOTE: Any allowance that (1) represents management's judgment as to possible loss or value depreciation in investment securities and (2) has been established through an appropriate charge against income shall be separately stated. Any provision for possible security losses that the bank establishes as a precautionary measure only (such as to reflect normal fluctuations in market value of readily marketable securities) shall not be included in this allowance but shall be reported as a contingency reserve—that is, as a segregation of undivided profits.

CAPITAL ACCOUNTS

21. *Capital notes and debentures.* State separately here, or in a note referred to herein, each issue or type of obligation and such information as will indicate (a) the general character of each type of debt including the rate of interest; (b) the date of maturity (or dates if maturing serially) and call provisions; (c) the aggregate amount of maturities, and sinking fund requirements, each year for the 5 years following the date of the balance sheet; (d) if the payment of principal or interest is contingent, an appropriate indication of the nature of the contingency; (e) a brief indication of priority; and (f) if convertible, the basis.

22. *Equity capital.* (a) Capital stock. State for each class of shares the title of issue, the number of shares authorized, the number of shares outstanding and the capital share liability thereof, and, if convertible, the basis of conversion. Show also the dollar amount, if any, of capital shares subscribed but unissued, and of subscriptions receivable thereon.

(b) Surplus. State the net amount formally transferred to the surplus account on or before the reporting date.

(c) Undivided profits. State the amount of undivided profits shown by the bank's books.

(d) Reserve for contingencies and other capital reserves.

(1) State separately each such reserve and its purpose.

(2) These reserves constitute amounts set aside for possible decrease in the book value of assets, or for other unforeseen or indeterminable liabilities not otherwise reflected on the bank's books and not covered by insurance.

(3) As these reserves represent a segregation of undivided profits, do not include any element of known losses, or losses the amount of which can be estimated with reasonable accuracy.

(4) Reserves for possible security losses, reserves for possible loan losses, and other contingency reserves that are established as precautionary measures only shall be included in these reserves, as they represent segregations of "undivided profits".

23. *Total capital accounts.* State the total of Items 21 and 22.

24. *Total liabilities, reserves, and capital.* State the total of Items 18, 19, 20, and 23.

B. STATEMENT OF INCOME

1. Operating Income:
   - (a) Interest and fees on loans
   - (b) Income on Federal funds sold and securities purchased under agreements to resell
   - (c) Interest and dividends on investments:
     - (1) U.S. Treasury securities
     - (2) Securities of other U.S. Government agencies and corporations
     - (3) Obligations of States and political subdivisions
     - (4) Other securities
   - (d) Trust department income
   - (e) Service charges on deposit accounts
   - (f) Other service charges, collection and exchange charges, commissions, and fees
   - (g) Other operating income
   - (h) Total operating income
2. Operating Expenses:
   - (a) Salaries and wages
   - (b) Pensions and other employee benefits
   - (c) Interest on deposits
   - (d) Expenses of Federal funds purchased and securities sold under agreements to repurchase
   - (e) Interest on other borrowed money
   - (f) Interest on capital notes and debentures
   - (g) Occupancy expense of bank premises, net:
     Gross occupancy expense _____
     Less: Rental income _____
   - (h) Furniture and equipment expense (Including depreciation of $_____)
   - (i) Provision for loan losses
   - (j) Other operating expenses
   - (k) Total operating expenses
3. Income before Income Taxes and Securities Gains (Losses)
4. Applicable Income Taxes
5. Income before Securities Gains (Losses)
6. Net Security Gains (Losses), less related tax effect, $_____
7. Net income

OR

7. Income before Extraordinary Items
8. Extraordinary Items, less related tax effect, $_____
9. Net Income
10. Earnings per common share: [1]
    Income before securities gains (losses)
    Net Income

[1] Per share amount of securities gains (losses) may be stated separately. If extraordinary items are reported, per share amount of income before extraordinary items and per share amount of extraordinary items shall be stated separately.

1. *Operating income.* State separately:

(a) *Interest and fees on loans.*

(1) Include interest, fees and other charges on all assets that reported on the balance sheet as other loans.

(2) Include interest on acceptances, commercial paper purchased in the open market, drafts for which the bank has given deposit credit to customers, etc.

Also include interest on loan paper that has been rediscounted with Federal Reserve or other banks or pledged as collateral to secure bills payable or for any other purpose.

(3) Include service charges and other fees on loans.

(4) Include profits (or losses) resulting from the sale of acceptances and commercial paper at discount rates other than those at which such paper was purchased.

(5) Current amortization of premiums on mortgages or other loans shall be deducted from interest on loans and current accumulation of discount on such items shall be added to interest on loans.

(b) *Income on Federal funds sold and securities purchased under agreements to resell.* Include the total gross revenue from Federal funds sold and securities purchased under agreements to resell.

(c) *Interest and dividends on investments.*

(1) State separately interest and dividends from (A) U.S. Treasury securities, (B) securities and other U.S. Government agencies and corporations, (C) obligations of States and political subdivisions, and (D) other

securities owned by the bank, including securities pledged, loaned, or sold under repurchase agreements and similar arrangements.

(2) Include accretion of discount on securities, if any; deduct amortization of premiums on securities. If the reporting bank accrues bond discount and such income amounts to 5 percent or more of the total of interest and dividends on investments, state in a note to financial statements, the amount of accretion income and deferred income taxes applicable thereto.

(3) When securities are purchased, any payment for accrued interest shall not be charged to expenses, nor when collected be credited to earnings. Such interest shall be charged to a separate account that will be credited upon collection of the next interest payment. The balance in the account shall be shown as "Other assets" in the balance sheet.

(d) *Trust department income.*

(1) Include income from commissions and fees for services performed by the bank in any authorized fiduciary capacity.

(2) This item may be reported on the cash basis in those instances where the presentation of the item on the financial statements would not be materially affected thereby. The cash basis may also be used with respect to an individual trust or estate if accrual of income therefrom is not feasible. If any portion of trust department income is not reported on the accrual basis, there shall be a footnote explaining the method of reporting and the reason for departing from reporting on the accrual basis.

(e) *Service charges on deposit accounts.* Include amounts charged depositors that fail to maintain specified minimum deposit balances; charges based on the number of checks drawn on and deposits made in deposit accounts; charges for account maintenance and for checks drawn on "no minimum balance" deposit accounts; return check charges; etc.

(f) *Other service charges, collection and exchange charges, commissions, and fees.* State the aggregate of other service charges, collection and exchange charges, commissions, and fees. Exclude charges on loans and deposits and those related to the Trust Department. Do not include reimbursements for out-of-pocket expenditures made by the bank for the account of customers. If expense accounts were charged with the amount of such expenditures, the reimbursements should be credited to the same expense accounts.

(g) *Other operating income.*

(1) Include all operating income not reported in Items 1(a) through 1(f).

(2) Include (A) net trading account income consisting of profits and losses, interest, and other income and expense related to securities carried in a dealer trading account or accounts that are held principally for resale to customers, but exclude salaries, commissions, and other indirect expenses; (B) income from lease financing; (C) gross rentals from "other real estate" and safe deposit boxes; (D) net remittable profits (or losses) of foreign branches and consolidated subsidiaries less any minority interests (unless the reporting bank preferably combines or consolidates each item of income and expense); (E) interest on time balances with other banks, and (F) all other recurring credits (such as miscellaneous recoveries) and immaterial nonrecurring credit items.

(3) Do not include rentals from bank premises. Such rental income shall be reported in the inset to Item 2(g). In the event there is a net occupancy income, the income shall be shown in parenthesis in Item 2(g).

(4) Itemize (A) net trading account income, (B) net remittable profits (or losses) of foreign branches and consolidated subsidiaries (if included in this subitem), and (C) all other amounts that represent 25 percent or more of the total of this subitem, unless "other operating income" is less than 5 percent of "total operating income."

(h) *Total operating income.* State the sum of Items 1(a) through 1(g).

2. *Operating expenses.* State separately:

(a) *Salaries.*

(1) Include compensation for personal services of all officers and employees, including dining room and cafeteria employees but not building department employees.

(2) Include amounts withheld from salaries for Social Security taxes and contributions to the bank's pension fund. Do not include Social Security taxes paid by the bank for its own account and the bank's contribution to pension funds. Such amounts shall be included in Item 2(b).

(3) Include bonus and profit sharing paid directly or through a trustee. Such compensation that is deferred and not distributed to employees shall be reported in Item 2(b).

(4) Do not include compensation of officers and employees who spent the major portion of their working time on bank building and related functions. Such compensation shall be included in Item 2(g).

(5) Do not include amounts paid to legal, management, and investment counsel for professional services if such counsel are not salaried officers or employees of the bank. Such amounts shall be included in Item 2(j).

(b) *Pensions and other employee benefits.* (1) Include all supplementary benefits, other than direct compensation included in Item 2(a) accrued during the report period on behalf of all officers and employees except building department personnel (see Item 2(g)).

(2) Include the bank's own contribution to its pension fund; unemployment and Social Security taxes for the bank's own account; life insurance premiums (net of dividends received) and hospitalization insurance payable by the bank; and other employee benefits.

(3) Do not include expenses related to testing, training, or education of officers and employees; the cost of bank newspapers and magazines; premiums on insurance policies where the bank is beneficiary; and athletic activities where the principal purpose is for publicity or public relations and employee benefits are only incidental. Such amounts shall be included in Item 2(j).

(c) *Interest on deposits.* Include interest on all deposits.

(d) *Expense of Federal funds purchased and securities sold under agreements to repurchase.* Include the total gross expenses of Federal funds purchased and securities sold under agreements to repurchase.

(e) *Interest on other borrowed money.*

(1) Include all interest on bills payable, rediscounts, unsecured notes payable, and other instruments issued for the purpose of borrowing money other than Federal funds purchased and securities sold under agreements to repurchase.

(2) Do not include interest on mortgages on bank premises. Such interest shall be included in Item 2(g).

(f) *Interest on capital notes and debentures.*

(1) Include all interest on capital notes and debentures.

(2) Amortization of premium or discount shall be deducted from or included in the amount reported.

(3) Do not include premium or discount paid or realized on retirement of such securities. Such amounts shall be reported in Item 1(g) or 2(j).

(g) *Occupancy expense of bank premises, net.*

(1) Include in "gross occupancy expense" inset the aggregate amount of (A) salaries, wages, and supplementary compensation of bank personnel who devote the major portion of their time to the operation of bank premises or its consolidated premises subsidiaries; (B) depreciation of bank premises and amortization of leasehold improvements; (C) rent expense of bank premises; (D) real estate taxes; (E) interest on mortgages on bank premises owned; and (F) other bank premises operating and maintenance expenses.

(2) Include in "rental income" inset the aggregate amount of rentals from bank premises leased by the bank or its consolidated premises subsidiaries.

(3) Report the net occupancy expense (or net income) of bank premises. If net income is reported, the amount shall be shown in parenthesis.

(h) *Furniture and equipment expense.*

(1) Include normal and recurring depreciation charges; rental costs of office machines and tabulating and data processing equipment; and ordinary repairs to furniture and office machines, including servicing costs. The amount applicable to depreciation charges shall be shown in parenthesis.

(2) Include taxes on equipment.

(i) *Provision for loan losses.*

(1) Banks which provide for loan losses on a reserve basis shall include an estimated amount for credit losses. Such amount shall be determined by management in light of past loan loss experience and evaluation of potential loss in the current loan portfolio. The estimated loan loss factor allocable to operating expense shall not be less than the amount computed under one of the elective methods set forth in subitem (2).

(2) The bank may elect in 1969, and thereafter consistently use for financial reporting purposes, one of the following methods for allocating loan losses to operating expense:

(A) Average ratio of loss over the past 5 years applied to average loans outstanding during the current year. Ratio of loss shall be the single decimal quotient of total no chargeoffs (losses less recoveries) and total average loans for the 5 most recent years, including the current year.

(B) Average ratio of loss on a forward moving average beginning with the year 1969 applied to average loans outstanding during the current year. Ratio of loss shall be the single decimal quotient of total net chargeoffs and total average loans for the number of years beginning with 1969 and ending with the year of report. In 1973, banks which elect the forward moving average method will compute the minimum allocable credit loss expense on the same basis as banks which elect method (1).

NOTE: For purposes of Items 2(A) and (B), annual "average loans outstanding" (1) shall include Federal funds sold and securities purchased under agreements to resell and (2) may be computed on any reasonable schedule of frequency. In the absence of other procedures, "Other loans," and "Federal funds sold and securities purchased under agreements to resell", as reported in the Statements of Condition called by the supervisory authorities, shall be averaged.

(C) Actual net chargeoffs as experienced in the current year.

(3) An estimated amount for loan losses allocable to operating expense in excess of the minimum amount computed as instructed in subitem (2) should be provided

when judged appropriate in the opinion of management.

(4) Furnish in a note to financial statements an explanation of the basis for allocating loan losses to operating expense including (A) the method followed, and (B) amount added at the discretion of management, if any.

(5) The amount may be expressed in even dollars or thousands of dollars.

NOTE: The amount reported for loan losses in operating expense shall be adjusted, if necessary, to the amount transferred to the allowance for loan losses recorded on the books of the bank by an entry to the undivided profits account in the statement of changes in capital accounts. For example, if the estimated loan loss expense reported in the statement of income is less than the amount transferred to the allowance for loan losses, the amount of difference, less related tax effect, should be charged against the undivided profits account. If the estimated loan loss expense reported in the statement of income (1) is more than the amount transferred to the allowance for loan losses, and (2) represents the minimum amount the bank is required to allocate under its elected method, the amount of difference, less related tax effect, should be credited to the undivided profits account.

(6) Banks which do not provide for loan losses on a reserve basis shall include the amount of actual net chargeoffs (losses less recoveries) for the current year.

(j) *Other operating expenses.*

(1) Include all operating expenses not reported in Items 2(a) through 2(i).

(2) Include advertising, business promotion, contributions, cost of examinations by supervisory authorities, deposit insurance assessment, fees paid to directors and members of committees, memberships, net cash shortages or overages, operating expenses (except salaries) of "Other real estate owned", postage, premium on fidelity insurance, publicity, retainer fees, stationery and office supplies, subscriptions, taxes not reported against other items, telegrams and cables, telephone, temporary agency help, travel, unreimbursed losses on counterfeits, forgeries, payments over stops, and all other recurring expenses and immaterial nonrecurring charges.

(3) Deposit insurance assessment expense shall be reported as a net figure—that is, all assessment credits during the period shall be applied against the assessment expense.

(4) Itemize all amounts that represent 25 percent or more of this item.

(k) *Total operating expenses.* State the sum of items 2(a) through 2(j).

3. *Income before income taxes and security gains (losses).* State the difference of Item 1(h) minus Item 2(k).

4. *Applicable income taxes.* (a) State the aggregate of Federal and State taxes applicable to the amount reported in Item (3).

(b) Do not include taxes applicable to net security gains (losses) and extraordinary items. Such taxes (or tax reductions) shall be reported in Items 6 and 8.

5. Income before securities gains (losses). State the difference of Item 3 minus Item 4.

6. *Net security gains (losses).* State the net result of security gains and losses realized. Related income taxes (or tax reductions) shall be shown parenthetically.

7. *Net income.* State the sum or difference of Items 5 and 6.

NOTE: If extraordinary items are reported (See Item 8) the caption to this Item shall read, "Income before extraordinary items."

8. *Extraordinary items.* State the material results of nonrecurring transactions that have occurred during the current reporting period. Only the results of major events outside of the ordinary operating activity of the bank are to be reported herein. Such events would include, but not be limited to, material gain or loss from sale of bank premises, expropriation of properties, and major devaluation of foreign currency. Related income taxes (or tax reductions) shall be shown parenthetically. (Less than material results of nonrecurring transactions are to be included in Items 1(g) or 2(j), as appropriate.)

9. *Net income.* State the sum or difference of Items 7 and 8.

10. *Earnings per common share.* State the per share amounts applicable to common stock (including common stock equivalents) and per share amounts on a fully diluted basis, if applicable. The basis of computation, including the number of shares used, shall be furnished in a note to financial statements.

C. STATEMENT OF CHANGES IN CAPITAL ACCOUNTS

Increase (decrease)	Capital notes and debentures	Preferred stock $_____ par	Common stock $_____ par	Surplus	Undivided profits	Reserve for contingencies and other capital reserves
1. Net income transferred to undivided profits						
2. Capital notes and debentures, preferred stock and common stock sold (par or face value)						
3. Stock issued incident to mergers and acquisitions						
4. Premium on capital stock sold						
5. Additions to, or reductions in, surplus, undivided profits, and reserves incident to mergers						
6. Transfer to allowance for loan loss, exclusive of portion charged against income, less related income tax effect $_____						
7. Cash dividends declared on preferred stock						
8. Cash dividends declared on common stock						
9. Stock issued in payment of stock dividend, _____ shares at par value						
10. All other increases (decreases) [1]						
11. Net increase (decrease) for the year						
12. Balance at beginning of year [2]						
13. Balance at end of year						

[1] State separately any material amounts, indicating clearly the nature of the transaction out of which the item arose.

[2] If the statement is filed as part of an annual or other periodic report and the balances at the beginning of the period differ from the closing balances as filed for the previous fiscal period, state in a footnote the difference and explain.

D. SCHEDULES

SCHEDULE I—U.S. TREASURY SECURITIES, SECURITIES OF OTHER U.S. GOVERNMENT AGENCIES AND CORPORATIONS, AND OBLIGATIONS OF STATES AND POLITICAL SUBDIVISIONS

Type and maturity grouping	Principal amount	Book value [1]
U.S. Treasury securities		
Within 1 year		
After 1 but within 5 years		
After 5 but within 10 years		
After 10 years		
Total U.S. Treasury securities		
Securities of other U.S. Government agencies and corporations		
Within 1 year		
After 1 but within 5 years		
After 5 but within 10 years		
After 10 years		
Total securities of other U.S. Government agencies and corporations		
Obligations of States and political subdivisions [2] [3]		
Within 1 year		
After 1 but within 5 years		
After 5 but within 10 years		
After 10 years		
Total obligation of States and political subdivisions		

[1] State briefly in a footnote the basis for determining the amounts in this column.

[2] Include obligations of the States of the United States and their political subdivisions, agencies, and instrumentalities; also obligations of territorial and insular possessions of the United States. Do not include obligations of foreign States.

[3] State in a footnote the aggregate (a) principal amount, (b) book value, and (c) market value of securities that are less than "investment grade." If market value is determined on any basis other than market quotations at balance sheet date, explain.

SCHEDULE II—OTHER SECURITIES

Type	Amount	Book value [1]
Bonds, notes, and debentures [2] [3]		
Stock of the Federal Reserve Bank		
Other stocks [2] [4]		
Total		

[1] State briefly in a footnote the basis for determining the amounts shown in this column.
[2] State in a footnote the aggregate amount and book value of foreign securities included.
[3] State in a footnote the aggregate (a) principal amount, (b) book value, and (c) market value of bonds, notes, and debentures that are less than "investment grade." If market value is determined on any basis other than market quotations at balance sheet date, explain.
[4] State in a footnote the aggregate market value.

SCHEDULE III—OTHER LOANS [1]

Type	Book value
Real estate loans:	
Insured or guaranteed by the U.S. Government or its agencies	
Other	
Loans to financial institutions	
Loans for purchasing or carrying securities (secured or unsecured)	
Commercial and industrial loans	
Loans to individuals for household, family, and other consumer expenditures	
All other loans (including overdrafts)	
Total other loans reported in balance sheet	

[1] If impractical to classify foreign branch and foreign subsidiary loans in accordance with this schedule, a separate caption stating the total amount of such loans may be inserted. Such action should be explained in a footnote.

SCHEDULE IV—BANK PREMISES AND EQUIPMENT

Classification [1]	Gross book value [2]	Accumulated depreciation and amortization [3] [4]	Amount at which carried on balance sheet
Bank premises (including land $_____)			
Equipment			
Leasehold improvements			
Totals [5]			

[1] If impractical to consolidate foreign branch and foreign subsidiary bank premises and equipment in accordance with the breakdown required by this schedule, a separate caption stating the total amount of all such property may be inserted. Such action should be explained in a footnote.
[2] State briefly in a footnote the basis of determining the amounts in this column.
[3] If provision for depreciation and amortization is credited in the books directly to the asset accounts, the amounts for the last fiscal year shall be stated in an explanatory footnote.
[4] The nature and amount of significant additions (other than provisions for depreciation and amortization) and deductions shall be stated in an explanatory footnote.
[5] Show in a footnote totals (corresponding to the first two columns) representing amounts reported for Federal income tax purposes.

SCHEDULE V—INVESTMENTS IN, DIVIDEND INCOME FROM, AND SHARE IN EARNINGS OR LOSSES OF UNCONSOLIDATED SUBSIDIARIES

Name of subsidiary	Percent of voting stock owned	Total investment, including advances	Equity in underlying net assets at balance sheet date [1]	Amount of dividends [2]	Bank's proportionate part of earnings or loss for the period
Totals					

[1] Equity shall include advances reported in preceding column to the extent recoverable.
[2] In a footnote state as to any dividends other than cash, the basis on which they have been reported as income. Also, if any such dividend received has been credited to income in an amount differing from that charged to surplus and/or undivided profits by the disbursing subsidiary, state the amount of such difference and explain.

SCHEDULE VI—"OTHER" LIABILITIES FOR BORROWED MONEY

Item	Amount
Borrowings from Federal Reserve Bank	
Unsecured notes payable within 1 year	
Unsecured notes payable after 1 year	
Other obligations	
Total	

SCHEDULE VII—ALLOWANCE FOR POSSIBLE LOAN LOSSES

Item	Amount set up pursuant to Treasury tax formula	Other amount [1]
Balances at beginning of period		
Recoveries credited to Allowance		
Additions due to mergers and absorptions [2]		
Transfers to Allowance:		
From income		
From undivided profits [3]		
Totals		
Losses charged to Allowance		
Balances at end of period [4]		

[1] Do not include any provision for possible loan losses that the bank establishes as a precautionary measure. Include only any provision that (1) has been established through a charge against income, (2) represents management's judgment as to possible loss or value depreciation, and (3) is in excess of the provision taken under the Treasury tax formula.
[2] Describe briefly in a footnote any such addition.
[3] Indicate by parenthesis the gross amount of any credit adjustment to undivided profits.
[4] Describe briefly in a footnote the basis used in computing the amount accumulated in the Allowance at the end of the period. State the amount that could have been deducted for Federal income tax purposes if such amount is in excess of the amount provided by the bank pursuant to the Treasury tax formula.

NOTE.—The sum of the balances should equal the amount of "Allowance for possible loan losses" reported in the balance sheet.

INTERPRETATIONS

§ 11.101 Interpretation of definition of "officer."

(a) Section 11.2(o) defines the term "officer" to mean any person who occupies one or more of certain enumerated positions in a national or District bank "and any other person who participates in major policymaking functions of the bank." Among the positions so enumerated is that of "Vice President", but it is also provided that a person bearing the title of "Vice President" who does not "participate in major policymaking functions of the bank" is not an officer for the purposes of this Part 11.

(b) All persons holding any position enumerated in § 11.2(o), except those holding a position as "Vice President" are officers for purposes of this Part 11 regardless of whether they participate in major policymaking functions. The second sentence of § 11.2(o), which provides that certain persons are not officers if they do not participate in major policymaking functions, applies only to persons with the title of "Vice President".

§ 11.102 Disclosure of loans to "insiders."

(a) This interpretation sets forth the Comptroller's position with respect to disclosures of loans to "insiders"—that is, officers, directors, and persons holding more than 10 percent of the bank's stock—in management proxy statements furnished in accordance with the requirements of §§ 11:5 and 11.51 (Form F–5). This interpretation is also applicable to disclosure of such transactions under comparable provisions relating to registration of bank securities (§ 11.41; Form F–1) under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78*l*).

(b) Item 7(f) of Form F–5 and Item 12 of Form F–1 in effect require a description of any material[1] interest of any insider or any of his "associates"[2] in any material transaction to which the bank was, or is to be, a party. These items contain a number of specific exemptive instructions—for example, no disclosure is required where the only interlock is that a director of a bank is a director and/or officer of another corporation that is a party to the transaction. Generally, these items require disclosure of loans to a corporate borrower only where insiders, individually or with members of their immediate families,[3] own at least 10 percent of the borrower's outstanding stock.

(c) The Comptroller does not regard loans and other extensions of credit by a registrant bank in the ordinary course of its business as "material" for the purposes of this part (and therefore required to be disclosed unless otherwise specifically exempted by the instructions in these items) if such loans (1) are made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other than insiders, (2) at no time aggregate more than 10 percent of the equity capital accounts of the bank or $10 million, whichever is less, and (3) do not involve more than the normal risk of collectibility or present other unfavorable features.

(d) Item 7(e) of Form F–5 requires disclosure of indebtedness to the bank of each director or officer of the bank and each nominee for election as a director. An instruction to this item specifically excludes indebtedness resulting from transactions in the ordinary course of the bank's business. The effect of this instruction is to exempt the bank from reporting under item 7(e) normal extensions of credit to such persons, of types and amounts customarily made by the bank in the usual course of its operations. However, even if disclosure of indebtedness is not required by item 7(e), consideration must be given to whether it must be reported in the light of the provisions of item 7(f), referred to above.

(e) It should also be noted that item 7(e) requires disclosure of any liability to the bank that appears to have arisen under section 16 of the Securities Exchange Act of 1934 (15 U.S.C. 78p) as a result of "insider" transactions in the bank's stock (or other equity security).

§ 11.103 Financial statements to be included in annual reports to security holders.

(a) It is provided in § 11.5(c) that a bank's proxy statement (or the statement that must be distributed where management does not solicit proxies) which relates to an annual meeting of security holders at which directors are to be elected, shall be accompanied or preceded by an annual report to such security holders "containing such financial statements for the last fiscal year as will, in the opinion of the management, adequately reflect the financial position and operations of the bank."

(b) Adherence to the following reporting standards, prescribed in Part 11 is considered necessary to reflect adequately the financial position and results of operations of registrant banks in such annual reports to security holders:

(1) Financial statements should be prepared on a consolidated basis to the extent required by Part 11.

(2) A statement of income should be furnished in a form providing for the determination of the "amount transferred to undivided profits" as a result of all activity related to the preceding year.

(3) A statement of changes in capital accounts, including capital reserves, should be included.

(4) Valuation reserves should be reported as reductions of related asset values.

(5) A reconciliation of valuation reserves should be presented, showing material charges and credits.

(c) Section 11.5(c) further provides that—

The financial statements included in the annual report may omit details or summarize information if such statements, considered as a whole in the light of other information contained in the report and in the light of the financial statements of the bank filed or to be filed with the Board, will not by such procedure omit any material information necessary to a fair presentation or to make the financial statements not misleading under the circumstances. Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management.

(d) Pursuant to these provisions, the financial statements included in annual reports to security holders should not be inconsistent with the financial reporting prescribed by Part 11 and they should conform in all material respects to the accounting principles stated therein. However, annual reports to security holders need not include the detailed information required in annual reports filed with the Comptroller of the Currency Form F–2 (§ 11.42).

PART 16—OFFERING CIRCULARS—CAPITAL DEBENTURES AND NEW BANK SECURITIES

Sec.
16.1 Authority and scope of application.
16.2 Requirement of offering circular.
16.3 Content of offering circular.
16.4 Filing of and use of offering circular.
16.5 Advertisements.
16.6 Sanctions.

AUTHORITY: The provisions of this Part 16 issued under R.S. 324 et seq., as amended, sec. 12, 48 Stat. 892, as amended; 12 U.S.C. 1 et seq., 15 U.S.C. 781.

§ 16.1 Authority and scope of application.

(a) This part is issued under the general authority of the national banking laws, R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq., and contains the rules applicable to national banks concerning the public offering of their capital debentures and the public offering of equity securities of new national banks.

(b) This part shall apply to any public offering of capital debentures of an existing national or District of Columbia bank, and to any public offering of a security of a new national bank (one which has not yet received its charter)

[1] "The term 'material', when used to qualify a requirement for furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before buying or selling the security registered." (§ 11.2(n))

[2] "The term 'associate', when used to indicate a relationship with any person, means (1) any corporation or organization (other than the bank or a majority-owned subsidiary of the bank) of which such person is an officer or partner or is, directly or indirectly, either alone or together with one or more members of his immediate family, the beneficial owner of 10 percent or more of any class of equity securities, (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as a trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person or who is a director or officer of the bank or any of its parents or subsidiaries." (§ 11.2(d))

[3] "The term 'immediate family' includes a person's (1) spouse; (2) son, daughter, and descendant of either; (3) father, mother, and ancestor of either; (4) stepson and stepdaughter; and (5) stepfather and stepmother. For the purpose of determining whether any of the foregoing relationships exist, a legally adopted child shall be considered a child by blood." (§ 11.2(k))

by, for, or on behalf of such bank unless specified herein to the contrary.

§ 16.2 Requirement of offering circular.

No existing national bank shall publicly offer or sell any of its capital debentures and no new national bank shall publicly offer or sell any of its securities unless such securities shall have been made the subject of an offering circular filed in the Office of the Comptroller of the Currency and declared effective.

§ 16.3 Content of offering circular.

The offering circular filed pursuant to this part shall contain at a minimum the following information:

(a) *Issuer.* On the front page of the offering circular:

(1) The exact name and address of the issuing national;

(2) The following statements in capital letters printed in boldface roman type at least as large as 10-point modern type and at least 2 points leaded:

(i) The debentures (or notes) shall not represent deposits and will not be insured by the Federal Deposit Insurance Corporation or any other Government agency.

(ii) These securities have not been approved or disapproved by the Comptroller of the Currency nor has the Comptroller passed upon the accuracy or adequacy of this offering circular.

(b) *Distribution.* On the same page referred to in the preceding paragraph state:

(1) The number of and dollar amount of securities being offered;

(2) The per security and aggregate offering price and the per security and aggregate proceeds to be received by the national bank;

(3) The proposed means of distribution; and

(4) The expenses to be incurred in connection with the offering.

(c) *Use of proceeds.* A brief statement of the intended uses of the proceeds of the offering.

(d) *Business of the bank.* A brief statement as to the history and nature of the bank's present or proposed operations, including a description of its premises and facilities.

(e) *Financial statements.* (i) As to the offering of capital debentures of an existing national or District of Columbia bank, the information called for in Part 18 of this chapter, plus comparable information as of a date no more than 90 days prior to filing the offering circular.

(ii) As to new national banks, a pro forma statement of capital, surplus and balance sheet as of the date it is contemplated business will be commenced.

(f) *Management.* (1) The full names and complete residence addresses of all present or proposed directors and principal officers and their principal occupations during the past 10 years.

(2) For such of the persons specified in the preceding paragraph who will receive in the current fiscal year or, who have received remuneration in the past fiscal year in excess of $25,000 per year from the national bank, the aggregate amount of remuneration received by all such persons.

(3) A brief description of any present or contemplated bonus, retirement, pension, stock option or other similar plan or provisions and the class of persons covered.

(4) Any present or proposed material interest or transaction between the bank and any director, or officer thereof, other than in the ordinary course of banking business. Describe any such interest or transaction that occurred within the preceding 3 years; if none, so state.

(g) *Principal security holders.* To the extent known: (1) The percentage of outstanding securities which will be held as a group, by directors and principal officers and the percentage of such securities which will be held by the public if all the securities offered are sold; and

(2) The name, address, and relationship to the national bank of any person who beneficially owns or will own 10 percent or more of the outstanding capital stock of the national bank.

(h) *Capitalization and long-term debt.* State in tabular form as of a date within 90 days of filing, the title of and amount in each category of capital and long-term debt account, the amount authorized or to be authorized, and the amount to be outstanding, assuming all the securities being registered are sold.

(i) *Description of securities.* (1) In the case of equity securities; briefly describe, if applicable, the dividend, voting, liquidation, preemptive, and conversion rights, redemptive and sinking fund provisions, and liability to further calls or assessment.

(2) In the case of debt securities; briefly describe, if applicable, the provisions with respect to interest, conversion, maturity, redemption, amortization, sinking fund or retirement; the provisions with respect to the kind and priority of any lien securing the issue; the provisions restricting the declaration of dividends or requiring the maintenance of any ratio of assets, creation or maintenance of reserves or the maintenance of properties; the provisions permitting or restricting the issuance of additional securities, withdrawal of cash deposited against such issuance, incurring of additional debt, release or substitution of assets securing the issue, modification of the terms of the security, and any other similar provisions.

(j) *Legal proceedings.* Any material pending or threatened legal proceedings to which the national bank is a party or of which any of its property is the subject.

§ 16.4 Filing of and use of offering circular.

(a) No person on behalf of or for a new or existing national bank shall offer to sell or solicit any offer to buy any capital debenture or note or other securities of a national bank subject to this part being publicly offered by a national bank unless prior to, or at the time of such offer or solicitation, a copy of an offering circular which has been filed pursuant to this part is furnished to the potential purchaser by the person making the offer or solicitation.

(b) No securities of a new or existing national bank subject to this part shall be sold, or confirmation of sale relating thereto be delivered after sale, by, for, or on behalf of the bank unless at the time of sale or prior to such sale, the purchaser of such security has received an offering circular declared effective by the Comptroller of the Currency.

(c) The offering circular shall be used in accordance with this part until the completion of the distribution of the securities. If the distribution is not completed within 12 months from the effective date of the offering circular, an amended offering circular shall be filed and a revised offering circular shall be used in accordance with this part as for an original offering circular. In no event shall an offering circular be used which is false or misleading in light of the circumstances then existing.

(d) Filings shall be made in quadruplicate and may be printed, lithographed, typewritten or, prepared by similar process resulting in clearly legible permanent copies. One copy of all filings made pursuant to this part shall be manually subscribed by the national bank's Chief Executive Officer and Cashier.

§ 16.5 Advertisements.

Any written advertisement (or other written communication, if not accompanied by an offering circular) or any film, radio, or television broadcast, which refers to a present or proposed public offering of securities by an existing national bank may be published, distributed, or broadcast only after the filing of an offering circular covering such securities, and provided that it contains no more than the following information:

(a) The name and address of the issuer of the security;

(b) The title of the security, the dollar amount and number of securities being offered, and the per-unit offering price to the public; and

(c) Where a copy of the offering circular may be obtained.

§ 16.6 Sanctions.

The failure to comply with any requirement of this part may result in the withholding of the approval of the Comptroller of the Currency to issue the securities, the withholding of effectiveness of the registration statement, or the taking of such other action appropriate in the circumstances.

PART 18—FORM AND CONTENT OF FINANCIAL STATEMENTS

§ 18.1 Scope and application.

(a) Every national bank, except banks the securities of which are subject to registration pursuant to section 12(b) or section 12(g) of the Securities Exchange Act of 1934 (15 U.S.C. 78), shall mail a written report containing, as a minimum, the financial and other information called for by this part, to each of its stockholders in time to be received by them prior to the bank's annual meeting, but in not event later than 60 days after the close of the fiscal year.

(b) Banks the securities of which are subject to registration pursuant to section 12(b) or section 12(g) of the Secu-

rities Exchange Act of 1934 (15 U.S.C. 78) shall furnish to security holders annual reports in accordance with § 11.5(c) of Part 11 of this chapter.

(c) The term "financial statements" as used in this part should be deemed to include all supporting schedules, instructions, and related forms.

(d) This part incorporates by reference all instructions and interpretations of this Office relating to financial reporting to stockholders which are presently outstanding and as may be amended hereafter.

(e) Certain instructions which assume a basis of full accrual accounting apply only to those banks within the scope of § 18.3 (a), (b), and (c).

* * * * *

Dated: May 20, 1971.

[SEAL] WILLIAM B. CAMP,
Comptroller of the Currency.

[FR Doc.71-7244 Filed 5-25-71;8:45 am]

Internal Revenue Service

[26 CFR Part 1]

AMORTIZATION OF CERTAIN COAL MINE SAFETY EQUIPMENT

Notice of Proposed Rule Making

Notice is hereby given that the regulations set forth in tentative form in the attached appendix are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in quintuplicate, to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, by June 25, 1971. 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, by June 25, 1971. 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 conform the Income Tax Regulations (26 CFR Part 1) to reflect the changes made by section 707(a) of the Tax Reform Act of 1969 (83 Stat. 674) relating to amortization of certain coal mine safety equipment, such regulations are hereby amended as set forth below. Section 1.187–1 of the regulations hereby adopted supersedes those provisions of § 13.0 of this chapter relating to section 187(b) of the Internal Revenue Code of 1954, which were prescribed by T.D. 7032, approved March 9, 1970 (35 F.R. 4330).

PARAGRAPH 1. The following regulations are prescribed under section 187 to precede § 1.211:

§ 1.187 Statutory provisions: amortization of certain coal mine safety equipment.

Sec. 187. *Amortization of certain coal mine safety equipment*—(a) *Allowance of deduction.* Every person, at his election, shall be entitled to a deduction with respect to the amortization of the adjusted basis (for determining gain) of any certified coal mine safety equipment (as defined in subsection (d)), based on a period of 60 months. Such amortization deduction shall be an amount, with respect to each month of such period within the taxable year, equal to the adjusted basis of the certified coal mine safety equipment at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any certified coal mine safety equipment for any month shall be in lieu of the depreciation deduction with respect to such equipment for such month provided by section 167. The 60-month period shall begin, as to any certified coal mine safety equipment, at the election of the taxpayer, with the month following the month in which such equipment was placed in service or with the succeeding taxable year.

(b) *Election of amortization.* The election of the taxpayer to take the amortization deduction and to begin the 60-month period with the month following the month in which the certified coal mine safety equipment was placed in service, or with the taxable year succeeding the taxable year in which such equipment is placed in service, shall be made by filing with the Secretary or his delegate, in such manner, in such form, and within such time, as the Secretary or his delegate may by regulations prescribe, a statement of such election.

(c) *Termination of amortization deduction.* A taxpayer which has elected under subsection (b) to take the amortization deduction provided by subsection (a) may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary or his delegate before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such equipment.

(d) *Certified coal mine safety equipment.* For purposes of this section, the term "certified coal mine safety equipment" means property which——

(1) Is electric face equipment (within the meaning of section 305 of the Federal Coal Mine Health and Safety Act of 1969) required in order to meet the requirements of section 305(a)(2) of such Act,

(2) The Secretary of the Interior certifies is permissible within the meaning of such section 305(a)(2), and

(3) Is placed in service before January 1, 1975.

For purposes of this section, any property placed in service in connection with any used electric face equipment which the Secretary of the Interior certifies makes such electric face equipment permissible shall be treated as a separate item of certified coal mine safety equipment.

(e) *Special rules.* (1) The adjusted basis of any certified coal mine safety equipment, with respect to which an election is made under this section, shall not be increased, for purposes of this section, for amounts chargeable to capital account for additions or improvements after the amortization period has begun.

(2) The depreciation deduction provided by section 167 shall, despite the provisions of subsection (a), be allowed with respect to the portion of the adjusted basis which is not taken into account in applying this section.

[Sec. 187 as added by sec. 707(a), Tax Reform Act 1969 (83 Stat. 674)]

§ 1.187–1 Amortization of certain coal mine safety equipment.

(a) *Allowance of deduction*—(1) *In general.* Under section 187(a), every person, at his election, shall be entitled to a deduction with respect to the amortization of the adjusted basis (for determining gain) of any certified coal mine safety equipment (as defined in § 1.187–2), based on a period of 60 months. Such 60-month period shall, at the election of the taxpayer, begin either with the month following the month in which such equipment was placed in service or with the succeeding taxable year. For rules as to making or discontinuing the election, see paragraphs (b) and (c) of this section. For the computation of the adjusted basis (for determining gain) of any certified coal mine safety equipment, see paragraph (b) of § 1.187–2.

(2) *Amount of deduction.* (i) Such amortization deduction shall be an amount, with respect to each month of such 60-month period which falls within the taxable year, equal to the adjusted basis for determining gain of the certified coal mine safety equipment at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in such 60-month period. Such adjusted basis at the end of any month shall be computed without regard to the amortization deduction for such month. The total amortization deduction with respect to any certified coal mine safety equipment for a particular taxable year is the sum of the amortization deductions allowable for each month of the 60-month period which falls within such taxable year.

(ii) If any certified coal mine safety equipment is sold or exchanged or otherwise disposed of during a particular month, then the amortization deduction (if any) allowable to the transferor in respect of that month shall be that portion of the amount to which such person would be entitled for a full month which the number of days in such month during which the equipment was held by such person bears to the total number of days in such month.

(3) *Effect on other deductions.* (i) The amortization deduction provided by section 187(a) with respect to any month shall be in lieu of the depreciation deduction which would otherwise be allow-

able with respect to such equipment under section 167 for such month.

(ii) If the adjusted basis of such coal mine safety equipment as computed under section 1011 for purposes other than the amortization deduction provided by section 187(a) is in excess of the adjusted basis, as computed under paragraph (b) of § 1.187–2, then such excess shall be recovered through depreciation deductions under the rules of section 167. See section 187(e), and paragraph (b)(2) of § 1.187–2.

(iii) See section 179 and paragraph (e)(1)(ii) of § 1.179–1 for additional first-year depreciation in respect of certified coal mine safety equipment.

(4) *Special rules.* (i) If the assets of a corporation which has elected to take the amortization deduction under section 187(a) are acquired by another corporation in a transaction to which section 381 (relating to carryovers in certain corporate acquisitions) applies, the acquiring corporation is to be treated as if it were the transferor or distributor corporation for purposes of this section.

(ii) For the right of estates and trusts to take the amortization deduction provided by section 187 see section 642(f) and § 1.642(f)–1.

(iii) For the allowance of the amortization deduction in the case of coal mine safety equipment of partnerships see section 703 and § 1.703–1.

(iv) In the case of certified coal mine safety equipment held by one person for life with the remainder to another person, the amortization deduction under section 187(a) shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant during his life.

(5) *Effective date.* The provisions of this paragraph shall apply to taxable years ending after December 31, 1969.

(6) *Meaning of terms.* Except as otherwise provided in § 1.187–2, all terms used in section 187 and the regulations thereunder shall have the meaning provided by this section and § 1.187–2.

(b) *Election of amortization*—(1) *In general.* Under section 187(b), an election by the taxpayer to make amortization deductions with respect to any certified coal mine safety equipment and to begin the 60-month amortization period shall be made by a statement to that effect attached to his return for the taxable year in which falls the first month of the 60-month amortization period so elected. Such statement shall include the following information:

(i) A description clearly identifying each piece of certified coal mine safety equipment for which an amortization deduction is claimed;

(ii) The date on which such equipment was "placed in service" (see paragraph (a)(2)(i) of § 1.187–2);

(iii) The date on which the amortization period began;

(iv) The total costs paid or incurred in the acquisition and installation of such equipment;

(v) A computation showing the adjusted basis (as defined in paragraph (b) of § 1.187–2) of the equipment as of the beginning of the amortization period;

(vi) In the case of electric face equipment which is newly acquired by the taxpayer, a statement that the equipment has been certified by the Secretary of the Interior or the Director of the Bureau of Mines as being permissible within the meaning of section 305(a)(2) of the Federal Coal Mine Health and Safety Act of 1969; and

(vii) In the case of property placed in service in connection with used electric face equipment (within the meaning of paragraph (a)(2)(ii) of § 1.187–2, a statement that such property has resulted in the used electric face equipment becoming permissible and a copy of the notification that such property is permissible.

(2) *Late certification.* If, 90 days before the date on which the return described in this paragraph is due, a piece of coal mine safety equipment has not been certified as permissible by the Secretary of the Interior or the Director of the Bureau of Mines, then the election may be made by a statement in an amended income tax return for the taxable year in which falls the first month of the 60-month amortization period so elected. The statement and amended return in such case must be filed not later than 90 days after the date the equipment is certified as permissible by the Secretary of the Interior or the Director of the Bureau of Mines. Amended income tax returns or claims for credit or refund should also be filed at this time for other taxable years which are within the amortization period and which are subsequent to the taxable year for which the election is made. Nothing in this paragraph shall be construed as extending the time specified in section 6511 within which a claim for credit or refund may be filed.

(3) *Other requirements and considerations.* No method of making the election provided for in section 187(a) other than that prescribed in this section shall be permitted on or after (the date of publication in the FEDERAL REGISTER of the regulations under section 187). A taxpayer who does not elect in the manner prescribed in this section to take amortization deductions with respect to certified coal mine safety equipment shall not be entitled to such deductions. In the case of a taxpayer who has elected prior to (such date) the statement required by subparagraph (1) of this paragraph shall be attached to his income tax return for his taxable year in which (such date) occurs.

(c) *Election to discontinue or revoke amortization*—(1) *Election to discontinue.* (i) Under section 187(c), if a taxpayer has elected to take the amortization deduction provided by section 187(a) with respect to any certified coal mine safety equipment, he may, after such election and prior to the expiration of the 60-month amortization period, elect to discontinue the amortization deduction for the remainder of the 60-month period for such equipment.

(ii) An election to discontinue the amortization deduction shall be made by a statement in writing filed with the district director or with the director of the internal revenue service center with whom the return of the taxpayer is required to be filed for its taxable year in which falls the first month for which the election terminates. In addition, a copy of such statement shall be attached to the taxpayer's income tax return filed for such taxable year. Such statement shall specify the month as of the beginning of which the taxpayer elects to discontinue such deductions, and shall be filed before the beginning of the month specified therein. In addition, such notice shall contain a description clearly identifying the certified coal mine safety equipment with respect to which the taxpayer elects to discontinue the amortization deduction. If the taxpayer so elects to discontinue the amortization deduction, he shall not be entitled to any further amortization deductions under section 187 with respect to such equipment.

(2) *Revocation of elections made prior to [the date of publication in the* FEDERAL REGISTER *of the regulations under section 187].* If before [such date] an election under section 187(a) has been made, consent is hereby given for the taxpayer to revoke such election without the consent of the Commissioner. Such election may be revoked by filing a notice of revocation on or before [the 90th day after the date]. Such notice shall be in the form and shall be filed in the manner required by subparagraph (1)(ii) of this paragraph. If such revocation is for a period which falls within one or more taxable years for which an income tax return has been filed, an amended income tax return shall be filed for any taxable year in which a deduction was taken under section 187 on or before [such 90th day].

(3) *Depreciation subsequent to discontinuance or in the case of revocation of amortization.* (i) A taxpayer who elects in the manner prescribed under subparagraph (1) of this section to discontinue amortization deductions under section 187(a) or under subparagraph (2) of this paragraph to revoke an election made prior to [the date of publication in the FEDERAL REGISTER of the regulations under section 187] with respect to an item of certified coal mine safety equipment may be entitled to a deduction for depreciation with respect to such equipment. See section 167 and the regulations thereunder.

(ii) In the case of an election to discontinue an amortization deduction under section 187, the deduction for depreciation shall be computed beginning with the first month as to which such amortization deduction is not applicable, and shall be based upon the adjusted basis (see section 1011 and the regulations thereunder) of the property as of the beginning of such month. Such depreciation deduction shall be based upon the remaining portion of the period authorized under section 167 for the facility, as determined as of the first day of the first month as of which the amortization deduction is not applicable.

(iii) In the case of a revocation of an election under section 187 referred to in paragraph (c)(2) of this section the

deduction for depreciation shall begin as of the time such depreciation deduction would have been taken but for the election under section 187. See subparagraph (2) of this section for rules as to filing amended returns for years for which amortization deductions have been taken.

(d) *Examples.* This section may be illustrated by the following examples:

Example (1). On September 30, 1970, the X Corporation, which uses the calendar year as its taxable year, places in service a piece of coal mine safety equipment required as a result of the Federal Coal Mine Health and Safety Act of 1969 which is certified as indicated in paragraph (a) of § 1.187–2. The cost of the equipment is $120,000. On its income tax return filed for 1970, the corporation elects to take the amortization deductions allowed by section 187(a) with respect to the equipment and to begin the 60-month amortization period with October 1970, the month following the month in which it was placed in service. The adjusted basis at the end of October 1970 (determined without regard to the amortization deduction allowed by section 187(a) for that month) is $120,000. The allowable amortization deduction with respect to such equipment for the taxable year 1970 is $6,000, computed as follows:

Monthly amortization deductions:	
October: $120,000 divided by 60	$2,000
November: $118,000 ($120,000 minus $2,000) divided by 59	2,000
December: $116,000 ($118,000 minus $2,000) divided by 58	2,000
Total amortization deduction for 1970	6,000

Example (2). Assume the same facts as in example (1). Assume further that on May 20, 1972, X properly files notice of its election to discontinue the amortization deductions with the month of June 1972. The adjusted basis of the equipment as of June 1, 1972 (assuming no capital additions or improvements) is $80,000, computed as follows:

Yearly amortization deductions computed in accordance with example (1):

1970	$6,000
1971	24,000
1972 (for the first 5 months)	10,000
Total amortization deductions for 20 months	40,000
Adjusted basis at beginning of amortization period	120,000
Less: Amortization deductions	40,000
Adjusted basis as of June 1, 1972	80,000

Beginning as of June 1, 1972, the deduction for depreciation under section 167 is allowable with respect to the property on its adjusted basis of $80,000.

Example (3). Assume the same facts as in example (1), except that on its income tax return filed in 1970, X does not elect to take amortization deductions allowed by section 187(a) but that on its income tax return filed for 1971 X elects to begin the amortization period as of January 1, 1971, the taxable year succeeding the taxable year the equipment was placed in service. Assume further that the only adjustment to basis for the period October 1, 1970, to January 1, 1971, is $3,000 for depreciation (the amount allowable, of which $2,000 is for additional first year depreciation under section 179) for the last 3 months of 1970. The adjusted basis (for determining gain) for purposes of section 187 as of that date is $120,000 less $3,000 or $117,000.

§ 1.187–2 Definitions.

(a) *Certified coal mine safety equipment—(1) In general.* (i) The term "certified coal mine safety equipment" means property which—

(*a*) Is electric face equipment (within the meaning of section 305 of the Federal Coal Mine Health and Safety Act of 1969) required in order to meet the requirements of section 305(a)(2) of such Act,

(*b*) The Secretary of the Interior or the Director of the Bureau of Mines certifies is permissible within the meaning of such section 305(a)(2), and

(*c*) Is placed in service (as defined in subparagraph (2)(i) of this paragraph) before January 1, 1975.

(ii) In addition, property placed in service in connection with any used electric face equipment which the Secretary of the Interior or the Director of the Bureau of Mines certifies makes such used electric face equipment permissible shall be treated as a separate item of certified coal mine safety equipment. See subparagraph (2)(ii) of this paragraph.

(2) *Meaning of terms.* (i) For purposes of subparagraph (1)(i)(*a*) of this paragraph, the term "placed in service" shall have the meaning assigned to such term in paragraph (d) of § 1.46–3.

(ii) For purposes of subparagraph (1)(ii) of this paragraph, the term "property" includes those costs of converting existing nonpermissible electric face equipment to a permissible condition which are chargeable to capital account under the principles of § 1.1016–2. Property is considered to be placed in service in connection with used electric face equipment (which was not permissible) if its use causes such electric face equipment to be certified as permissible.

(b) *Adjusted basis—(1) In general.* The basis upon which the deduction with respect to amortization allowed by section 187 is to be computed with respect to any item of certified coal mine safety equipment shall be the adjusted basis provided in section 1011 for the purpose of determining gain on the sale or other disposition of such property (see part II (section 1011 and following) subchapter O, chapter 1 of the Code) computed as of the first day of the amortization period. For an example showing the determination of the adjusted basis referred to in the preceeding sentence in the case where the amortization period begins with the taxable year succeeding the taxable year in which the property is placed in service see example (3) in paragraph (d) of § 1.187–1.

(2) *Capital additions.* The adjusted basis of any certified coal mine safety equipment, with respect to which an election is made under section 187(b), shall not be increased, for purposes of section 187, for amounts chargeable to the capital account for additions or improvements after the amortization period has begun. However, nothing contained in this section or § 1.187–1 shall be deemed to disallow a deduction for depreciation for such capital additions. Thus, for example, if a taxpayer places a piece of certified coal mine safety equipment in service in 1971 and in 1972 makes improvements to it the expenditures for which are chargeable to the capital account, such improvements shall not increase the adjusted basis of the equipment for purposes of computing the amortization deduction allowed by section 187(a). However, the depreciation deduction provided by section 167 shall be allowed with respect to such improvements in accordance with the principles of section 167.

PAR. 2. Paragraph (c)(1) of § 1.179–1 is amended by adding the following new (*c*) and (*d*) to subdivision (iii) thereof. These added provisions read as follows:

§ 1.179–1 Additional first-year depreciation allowance.

* * * * *

(e) *When allowance is available.* (1) * * *

(iii) * * *

(*c*) Qualified railroad rolling stock which the taxpayer elects to amortize under the provisions of section 184.

(*d*) A piece of certified coal mine safety equipment which the taxpayer elects to amortize under the provisions of section 187.

* * * * *

[FR Doc.71–7362 Filed 5–25–71;8:53 am]

DEPARTMENT OF JUSTICE

Bureau of Narcotics and Dangerous Drugs

[21 CFR Part 308]

SCHEDULES OF CONTROLLED SUBSTANCES

Proposed Transfer of Amphetamine and Methamphetamine and Their Salts, Optical Isomers, and Salts of Their Optical Isomers From Schedule III to Schedule II, With Certain Exceptions

Based upon the investigations of the Bureau of Narcotics and Dangerous Drugs and upon the scientific and medical evaluation and recommendation of the Secretary of Health, Education, and Welfare, received pursuant to section 201(b) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 811(b)), the Director of the Bureau of Narcotics and Dangerous Drugs finds that amphetamines and methamphetamine and their salts, optical isomers and salts of their optical isomers:

(1) Have a high potential for abuse;

(2) Have a currently accepted medical use in treatment in the United States with severe restrictions; and

(3) That abuse of these substances may lead to severe psychological dependence.

Therefore, under the authority vested in the Attorney General by section 201(a) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 811(a)), and redelegated to the Director, Bureau of Narcotics and Dan-

gerous Drugs by § 0.100 of Title 28 of the Code of Federal Regulations, the Director proposes a ruling that:

1. Section 308.12(d) of Title 21 of the Code of Federal Regulations be deleted and replaced with a new subparagraph to read:

§ 308.12 Schedule II.

* * * * *

(d) *Stimulants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:

(1) Amphetamine, its salts, optical isomers, and salts of its optical isomers 1,100
(2) Methamphetamine, its salts, optical isomers, and salts of its optical isomers 1,105

2. That § 308.13(b) of Title 21 of the Code of Federal Regulations be amended to read:

§ 308.13 Schedule III.

* * * * *

(b) *Stimulants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:

(1) Phenmetrazine and its salts..... 1,630
(2) Methylphenidate 1,726
(3) Those compounds, mixtures or preparations in dosage unit form containing any stimulant substance which are currently listed as excepted compounds under 21 CFR 308.32, and any other drug of the quantitative composition shown in that list for those drugs or which is the same except that it contains a lesser quantity of controlled substances.

* * * * *

All interested persons are invited to submit their comments or objections in writing regarding this proposal. These comments or objections should state with particularity the issues concerning which the person desires to be heard. Comments and objections should be submitted in quintuplicate to the Office of Chief Counsel, Bureau of Narcotics and Dangerous Drugs, Department of Justice, Room 611, 1405 Eye Street NW., Washington, DC 20537, and must be received no later than 30 days after publication of this proposal in the FEDERAL REGISTER.

In the event that an interested party submits objections to this proposal which present reasonable grounds for this rule not to be finalized and requests a hearing in accordance with 21 CFR 308.45, the party will be notified by registered mail that a hearing on these objections will be held at 10 a.m. on June 30, 1971, in Room 1210, 1405 Eye Street NW., Washington, DC 20537. If objections submitted do not present such reasonable grounds, the party will so be advised by registered mail.

If no objections presenting reasonable grounds for a hearing on the proposal are received within the time limitations, and all interested parties waive or are deemed to waive their opportunity for the hearing or to participate in the hearing, the Director may cancel the hearing and, after giving consideration to written comments, issue his final order pursuant to 21 CFR 308.48 without a hearing.

A petition dated May 14, 1971, was submitted to the Director by counsel for the American Public Health Association and the D.C. Public Health Association under the provisions of section 201(a) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 811(a)) requesting that the Director initiate the above proceedings. This petition was received after the Director had requested from the Secretary of the Department of Health, Education, and Welfare the scientific and medical evaluations required under the statute (21 U.S.C. 811(b)). Accordingly, since the Director had already determined to initiate proceedings of the type requested by the petition, the petition will be considered as a request for appearance in the proceedings.

Dated: May 21, 1971.

JOHN E. INGERSOLL,
Director, Bureau of Narcotics & Dangerous Drugs.

[FR Doc.71-7351 Filed 5-25-71;8:53 am]

POST OFFICE DEPARTMENT

[39 CFR Ch. I]

INTERNATIONAL POSTAL SERVICE

Proposed Changes in Rates and Fees

Correction

In F.R. Doc. 71-6826 appearing at page 8879 in the issue for Friday, May 14, 1971, the table under "2. All other countries." in the third column should read as follows:

Ounces	Books and sheet music	Publishers' second class	Publishers' controlled circulation
2	$0.14	$0.04	$0.05
4	.14	.06	.07
8	.14	.10	.11
16	.17	.17	.20
32	.28	.28	.34
64	.48	.48	.58
Each additional 32 ounces.	.24	.24	.29

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 916]

NECTARINES GROWN IN CALIFORNIA

Notice of Proposed Rule Making

Consideration is being given to the following proposals submitted by the Nectarine Administrative Committee, established under the marketing agreement, as amended, and Order No. 916, as amended (7 CFR Part 916), regulating the handling of nectarines grown in California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), as the agency to administer the terms and provisions thereof:

(1) That expenses that are reasonable and likely to be incurred by the Nectarine Administrative Committee, during the period March 1, 1971, through February 29, 1972, will amount to $326,234;

(2) The rate of assessment for such period, payable by each handler in accordance with § 916.41 to be fixed at $0.05 per No. 22D standard lug box, or equivalent quantity of nectarines in other containers or in bulk.

Terms used in the marketing agreement, as amended, and order, as amended, shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order, and "No. 22D standard lug box" shall have the same meaning as set forth in section 43601 of the Agricultural Code of California.

All persons who desire to submit written data, views, or arguments in connection with the aforesaid proposals should file the same, in quadruplicate, with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250, not later than the 10th day after the publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Dated: May 21, 1971.

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

[FR Doc.71-7334 Filed 5-25-71;8:53 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 144]

PYRIMETHAMINE, SULFAQUINOXALINE

Extension of Time for Filing Election for Hearing and for Filing Comments on Proposal To Revoke Exemption From Certification

A notice published in the FEDERAL REGISTER of March 25, 1971 (36 F.R. 5638), offering an opportunity for a hearing on a proposal to withdraw the approval of NADA (new animal drug application) No. 9-302V, provided interested persons a period of 30 days for filing a written appearance of election to avail themselves of an opportunity for a hearing. Another notice published in the FEDERAL REGISTER of March 25, 1971 (36 F.R. 5619), proposing to revoke the exemptions from certification of animal feeds containing antibiotics with pyrimetha-

mine and sulfaquinoxaline, provided for the filing of comments within 30 days of said date.

The Commissioner of Food and Drugs has received a request to extend such times for an additional 60 days, and good reason therefor appearing, the time for filing an election for a hearing and the time for filing comments on the subject proposal are both hereby extended to June 23, 1971.

This action is taken pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (secs. 512, 701(a), 52 Stat. 1055, 82 Stat. 343–51; 21 U.S.C. 360b, 371(a)) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120).

Dated: May 6, 1971.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.71–7281 Filed 5–25–71;8:47 am]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 71–NW–3]

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 Klamath Falls, Oreg., transition area.

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 Chief, Airspace and Procedures Branch, Federal Aviation Administration, 5651 West Manchester Boulevard, 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 Boulevard, Los Angeles, CA 90045.

Three new instrument approach procedures are proposed for Kingsley Field, Klamath Falls, Oreg. (LOC/DME Runway 32–NDB–A–VORTAC Runway 32). The LOC/DME Runway 32 and NDB–A approaches utilize the ILS localizer south course 158° T (139° M) and 158° T (139° M) bearing from the Merrill RBN (formerly Klamath Falls RBN) respectively, as final approach courses and procedure turn. The VORTAC Runway 32 procedure is predicated on the Klamath Falls VORTAC 163° T (144° M) radial for final approach course. These procedures were developed using the criteria contained in the U.S. Standard for Terminal Instrument Procedures. A review of the procedures revealed that additional 700-foot-transition area is required and a portion of the current transition area floored at 9,500 feet MSL requires lowering to a floor of 8,600 feet MSL.

The proposed additional 700-foot-transition area will provide controlled airspace protection for aircraft executing procedure turns for the instrument approaches to Runway 32. The proposed 8,600-foot MSL portion of the transition area will provide controlled airspace protection for aircraft in the 310-knot category holding at Mount Dome intersection at 9,000 feet MSL and above.

In consideration of the foregoing, the FAA proposes the following airspace action.

In § 71.181 (36 F.R. 2140) the description of the Klamath Falls, Oreg., transition area is amended to read as follows:

KLAMATH FALLS, OREG.

That airspace extending upward from 700 feet above the surface within a 15-mile radius of the Klamath Falls VORTAC and within 5 miles east and 9.5 miles west of the Klamath Falls ILS localizer south course extending from the 15-mile-radius area to 18.5 miles south of the Merrill RBN; that airspace extending upward from 1,200 feet above the surface between 15- and 25-mile-radius circles centered on Klamath Falls VORTAC; that airspace extending upward from 7,500 feet MSL within the area bounded by the arcs of 25- and 40-mile-radius circles centered on the Klamath Falls VORTAC, extending clockwise from the VORTAC 095° radial to a line 5 miles east of and parallel to the VORTAC 165° radial, and within the area bounded by the arcs of 25- and 40-mile-radius circles centered on the Klamath Falls VORTAC, extending clockwise from the VORTAC 245° to the 295° radials; that airspace extending upward from 8,600 feet MSL within the area bounded by the arcs of 25- and 48-mile-radius circles centered on the Klamath Falls VORTAC, extending clockwise from a line 5 miles east of and parallel to the VORTAC 165° radial to a line 11.5 miles west of and parallel to the VORTAC 181° radial; that airspace extending upward from 9,000 feet MSL within the area bounded by the arcs of 25- and 40-mile-radius circles centered on the Klamath Falls VORTAC extending clockwise from the VORTAC 320° to the 095° radials; that airspace extending upward from 9,500 feet MSL within the area bounded by the arcs of 25- and 40-mile-radius circles centered on the Klamath Falls VORTAC, extending clockwise from a line 11.5 miles west of and parallel to the VORTAC 181° radial to the 245° radial, and within the area bounded by the arcs of 25- and 28-mile-radius circles centered on the Klamath Falls VORTAC, extending clockwise from the VORTAC 295° to the 320° radials; and that airspace extending from 11,000 feet MSL within the area bounded by the arcs of 28- and 40-mile-radius circles centered on the Klamath Falls VORTAC, extending clockwise from the VORTAC 295° to the 320° radials.

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 May 14, 1971.

ARVIN O. BASNIGHT,
Director, Western Region.

[FR Doc.71–7296 Filed 5–25–71;8:48 am]

National Highway Traffic Safety Administration

[49 CFR Part 571]

[Docket 3–3; Notice 5]

FLAMMABILITY OF INTERIOR MATERIALS

Proposed Amendment to Motor Vehicle Safety Standard

This proposal would amend the sections of Standard No. 302 that specify the conditions under which motor vehicle interior materials must meet the flammability requirements of the standard separately or as composites. It would also clarify the procedure whereby samples are positioned so as to achieve the most adverse results.

1. Federal Motor Vehicle Safety Standard No. 302, published January 8, 1971 (36 F.R. 289), requires that materials used in motor vehicle interiors not exceed certain burn-rate requirements. As issued, the standard requires surface and underlying materials to meet the requirements when tested separately, unless they are "bonded, sewed, or mechanically attached" to each other, in which case they are tested as composites.

There is a wide variation in the spacing of the sewing or other means by which surface materials are joined to underlying materials; virtually all surface materials are "attached" to the underlayer by some method. It was intended that only components in which the sewing or mechanical attachment was closely spaced, so that the surface material was intimately joined to the underlayer, would be tested as composites without a separate test of the surface material.

Questions that have been raised by several manufacturers with respect to the test method for particular components indicate that the distinction described above, between components whose surface materials are closely "attached" to the underlayer and those that are not, may not be practical from a regulatory standpoint. It evidently may necessitate either a continual series of ad hoc decisions by the NHTSA as to particular components, or quantitative guidelines that will be both arbitrary and complex. Furthermore, the "either-or" distinction for testing separate and composite ma-

terials has been shown to be difficult to apply to multilayered composites, and has created the risk that components of some configurations will not be tested in the mode in which their flammability characteristics are most adverse.

It is therefore proposed that the testing scheme of Standard No. 302 be amended in order that it may be more readily applied to complex arrangements of materials such as multilayered composites. The amendment would require the surface material to meet the specified burn rate when tested separately, unless it is attached to underlying material or materials in a manner such that each layer adheres at every point of contact with the next underlying layer, in which case all the attached materials would meet the requirements together. All padding and cushioning materials would be required to meet the requirements separately, i.e., as homogeneous units, regardless of their attachment to each other, to other underlying materials, or to surface materials.

In addition, the proposal would further require each component of the vehicle that is required to meet the standard to meet it when tested as it appears in the vehicle, up to a specific depth of one-half inch.

2. The question has arisen as to which side of a test sample is to face downward during the test specified in S5. The proposal would amend S5.2.2 of the standard to make it clear that the material is to be positioned so as to produce the most adverse result.

In light of the above, it is proposed that Motor Vehicle Safety Standard No. 302, appearing at 49 CFR Part 571, be amended as follows:

1. Paragraph S4.2 would be revised to read:

S4.2 The portions of the components that shall meet the requirements of S4.3, when tested as provided in S5., are all of the following:

(a) The surface material taken separately, except when it is attached to underlying material or materials in a manner such that each layer of material adheres at every point of contact with the next underlying layer, in which case the attached materials, taken together, shall meet the requirements.

(b) A composite consisting of the surface material and underlying materials, including padding and cushioning materials, as they appear in the vehicle, to a depth of one-half inch as specified in S5.2.1.

(c) All padding and cushioning material taken separately.

* * * * *

2. Paragraph S5.2.2 would be revised as follows:

S5.2.2 Material is tested in the direction, and in the upward- or downward-facing position, that produces the most adverse results.

Interested persons are invited to submit comments on the proposed amendment. Comments should identify the docket number and be submitted to: Docket Section, National Highway Traffic Safety Administration, Room 5221, 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 28, 1971 will be considered, and will be available for examination in the docket at the above address both before and after the closing date. To the extent possible, comments filed after the above date will also be considered by the Administration. However, the rulemaking 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 rulemaking. The Administration will continue to file relevant material, 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.

Proposed effective date: This amendment would be effective on the standard's present effective date of September 1, 1972.

This notice of proposed rulemaking 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 and 49 CFR 501.8.

Issued on May 21, 1971.

ROBERT L. CARTER,
Acting Associate Administrator
Motor Vehicle Programs.

[FR Doc.71-7311 Filed 5-25-71;8:49 am]

CIVIL AERONAUTICS BOARD

[14 CFR Part 302]

[Docket No. 23418]

RULES OF PRACTICE IN ECONOMIC PROCEEDINGS

Notice of Proposed Rule Making

MAY 19, 1971.

Notice is hereby given that the Civil Aeronautics Board has under consideration an amendment to Part 302 of the procedural regulations (14 CFR Part 302), which would revise the method prescribed in Subpart K [1] for determining costs for depreciation, return on investment, and taxes. The background of the proposed amendment is set forth in the attached explanatory statement, and the proposed amendment is set forth in the attached proposed rule. The amendment is proposed under the authority of sections 204(a), 401, and 1001 of the Federal Aviation Act of 1958, as amended (72 Stat. 743, 754, 788, 49 U.S.C. 1324, 1371, 1481).

Interested persons may participate in the proposed rule making through submission of twelve (12) copies of written data, views, or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington, D.C. 20428. All relevant material in communications received on or before June 25, 1971, will be considered before taking final action on the proposed rule. Copies of such communications will be available for examination by interested persons in the Docket Section of the Board, Room 712 Universal Building, 1825 Connecticut Avenue NW., Washington, DC, upon receipt thereof.

By the Civil Aeronautics Board.

[SEAL] HARRY J. ZINK,
Secretary.

EXPLANATORY STATEMENT

Subpart K of Part 302 sets forth a standardized method for costing proposed changes in the authorized operations of local service carriers. However, our experience with standard costing in route cases suggests a need for revision in the Subpart K methodology of determining costs for depreciation, return on investment, and taxes. Specifically, we are of the tentative view that the rule should be amended so as to change the basis for determining the cost of these elements from total revenue flight hours to total revenue ramp-to-ramp hours.

The use of a ramp-to-ramp hour basis would produce proportionately lower cost when the length of hop of a proposed new operation exceeds the carrier's system average, and proportionately higher cost when the length of hop is lower than the system average. This is so because as the length of hop increases, the cost associated with taxi time (a constant) is spread over a greater number of miles. Thus, it appears that by giving recognition to these variations in unit costs, the proposed amendment would render Subpart K more responsive to the actual economics of a particular operation.[2] Moreover, the proposed change would make the Subpart K method of costing depreciation, return on investment, and taxes consistent with the Subpart K method of computing direct aircraft operating expenses, since the latter already embodies a ramp-to-ramp hour principle.

It is proposed to amend Part 302 of the Procedural Regulations (14 CFR Part 302) as follows:

Amend § 302.1106 to read as follows:

§ 302.1106 Aircraft depreciation expense.

In order to determine the amount of aircraft depreciation expense, proceed in accordance with the following steps:

(a) Refer to the compilation for the latest 12-month period setting forth, by type of aircraft, each carrier's experienced revenue ramp-to-ramp hours per stop and per mile. Multiply the change in the number of stops forecast to be caused by the proposed route change by the experienced revenue ramp-to-ramp hours per stop, and multiply the change in the number of miles forecast to be caused by the proposed modifications by

[1] Standardized method for costing proposed changes in the authorized operations of local service carriers.

[2] Since § 302.1107 (return on investment and tax allowance) incorporates by reference the computations made under § 302.1106 (aircraft depreciation expense), it would be necessary to amend only § 302.1106 in order to achieve the desired result.

the experienced revenue ramp-to-ramp hours per mile. Add the products of these multiplications to obtain total revenue ramp-to-ramp hours involved in the change.

(b) Refer to the compilation for the latest 12-month period setting forth the prescribed hourly depreciation rate, by type of aircraft for each carrier, and ascertain the applicable figure.

(c) Multiply the amount ascertained in paragraph (b) of this section by the number of hours determined in paragraph (a) of this section, in order to determine the total annual amount of aircraft depreciation expense.

[FR Doc.71-7339 Filed 5-25-71;8:52 am]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 15]

[Docket No. 19231; FCC 71-531]

BIO-MEDICAL RADIO TELEMETRY SYSTEMS

Proposed Exclusion From Duty Cycle Requirement

1. Notice is hereby given of rule making in the above entitled matter.

2. Part 15, Subpart E permits the operation without an individual license of a miniature transmitter (such as would be used in a radio telemetry system) on frequencies above 70 MHz subject to specific limitations on the emission of RF energy and subject to a duty cycle limitation and certain constructional requirements.[1] The duty cycle requirement specifies:

> The device is provided with means for automatically limiting operation so that the duration of each transmission shall not be greater than 1 second and the silent period between transmissions shall not be less than 30 seconds.[2]

The Commission has received two petitions requesting that the petitioners' medical radio telemetering equipment be exempted from this duty cycle requirement. Both petitioners claim that their heart monitoring telemetry systems comply, except for duty cycle, with the requirements of Part 15. Both petitioners contend further that the very nature of medical-monitoring requires continuous operation and precludes the intermittent operation contemplated by the duty cycle limitation in § 15.211(a)(3).

THE SPACELABS PETITION

3. On December 17, 1970, the Commission received a petition from Spacelabs, Inc., of Chatsworth, Calif. (Spacelabs) requesting that a rulemaking proceeding be instituted to exclude low power radio telemetry systems in the 216–260 MHz band for continuous monitoring of heart patients from the duty cycle requirement of § 15.211(a)(3) of the Commission's rules.

4. Spacelabs' electrocardiograph (ECG) radio telemetry system, Biotel–170, is designed to transmit ECG data from a moving patient to a receiver over a short distance. Biotel–170 operates on up to 20 separate frequencies in the range 216–248 MHz and is capable of maintaining simultaneous medical surveillance of up to 20 patients in a coronary care unit (CCU) in a hospital. The radiated field strength developed at 100 feet is stated to be less than 150 microvolts per meter. Spacelabs points out that with new techniques in medical treatment, mortality in heart attack patients has been reduced by as much as 40 percent in hospitals equipped with CCU's. The essence of this treatment relies upon early detection of changes-in-state of the patient's heart function and the prompt administration of therapy. Such treatment must begin immediately, since lack of oxygen to the brain for even 5 minutes may result in permanent brain damage. Spacelabs points out that the role of telemetry in attacking this problem is to provide an early warning of impending crisis by continuous monitoring of the patient's heart condition.

THE LASER SYSTEMS PETITION

5. On January 21, 1971, the Commission received a petition from Laser Systems and Electronics, Inc., of Tullahoma, Tenn. (Laser), requesting amendment of § 15.211(a)(5) to provide similar relief. The Laser Systems and Electronics (LSE) TeleMaster Model TM–1 ECG Telemetry System consists of combinations of the transmitter and receiver units to provide simultaneous operation of up to 30 channels. The frequency range of operation is 160 to 163 MHz. Laser states that its transmitter creates a field strength of no more than 125 microvolts per meter at 100 feet.

6. Laser Systems argues that an exemption from the duty cycle requirement would have the desirable effect of granting to these biomedical devices a "regulatory home" within the Commission's rules. Laser Systems additionally states that radio frequency operated garage door openers—which also cannot comply with the duty-cycle requirement—are legitimized by Part 15, but "important life-saving devices such as those manufactured by Laser and others are not."

RADIO TELEMETRY V. WIRE CONNECTION

7. Radiotelemetry for cardiac monitoring is an outgrowth of the aerospace program in which sensors and transmitters were developed to telemeter information about physical body functions to receivers located on the ground. These devices, incorporated in cardiac radio monitoring systems, are becoming an important tool to help control one of our greatest killers—heart attacks. The need for radio and the need for continuous operation are discussed in greater detail below.

8. Until recently a coronary care unit required a direct connection between the patient and the monitoring equipment. This wire connection had a number of inherent disadvantages. It restricted patient mobility. The wires picked up interfering signals by induction. The direct connection of the patient to the monitoring equipment exposed the patient to the dangers of electrical shock. Radio telemetry eliminates these disadvantages. The patient wears the transmitter on his body and is no longer "tied" to his bed. It is claimed that an important part of the treatment is to get the patient "back on his feet" as soon as possible which can be done when the patient is monitored by radio telemetry. By eliminating the connecting wires, radio telemetry is less subject to interference from currents induced in the connecting wires. Radio telemetry removes the direct wire connection from the patient to AC line-connected electrical equipment, thereby essentially eliminating the electrical hazard problem. In addition, by radio telemetry, the patient, once he is ambulatory, need not be kept within the confines of the CCU but may be moved into a general care area in an environment more conducive to recovery and at a considerable saving to the patient.

9. According to a recent published forecast[3] patient monitoring equipment sales are expected to grow between 15 percent and 30 percent during 1971, reaching a market level between $25 and $30 million. The same forecast also points out that, although originally developed to monitor cardiac patients, monitoring systems are finding new uses. They are being used to watch over fetuses and new-born infants and to monitor patients coming out of surgery. Such telemetry devices are also used in biological laboratories for studying animal behavior, reaction to drugs and other similar purposes.

NOTICE OF INQUIRY

10. In the interest of adopting final rules which would be most equitable to all concerned, the Commission seeks information about those biomedical telemetry systems which have not as yet been brought to its attention. Accordingly, pursuant to the provisions of section 403 of the Communications Act, there is instituted herewith an inquiry into the matter of spectrum requirements for short range biomedical radio telemetry. Information is desired on the following:

a. The frequency band of operation.

b. Amount of power used.

c. The field strength radiated.

d. The technical and economic impact if redesign were necessary to operate in the frequency bands mentioned in paragraph 14, infra.

e. The susceptibility of such devices to interfering signals and the effect such interfering signals may have on the operating effectiveness of a radio telemetry monitoring system.

11. It is not our intention to limit the responses of interested persons to the specified areas of inquiry; any background material which would assist the Commission in making a determination as to the overall public interest in this

[1] FCC Rules Part 15 § 15.211(a); 47 CFR § 15.211(a).

[2] FCC Rules Part 15 § 15.211(a)(3); 47 CFR § 15.211(a)(3).

[3] Electronics, Jan. 4, 1971, pages 54–55.

matter may also be submitted. However, responses should be documented with specific factual data and should not be in the form of unsupported general assertions of opinion.

THE COMMISSION'S PROPOSAL

12. The petitioners have made a strong case for expeditious action in this matter. Accordingly the Commission is issuing this combined notice of inquiry and proposed rule making in order to expedite promulgation of final rules.

13. The Commission believes that the public interest would be served by permitting continuous operation of biomedical telemetry devices. However, the Commission cannot find a justification for opening the entire spectrum above 70 MHz for such devices. Moreover, operating as a Part 15 device, the radio telemetry system must accept any interference that may be received. We are concerned with the degree to which such a system may be susceptible to interference and the adverse effect on the patient being monitored. Manufacturers generally state that interfering signals have no direct effect on the patient since he is equipped only with a transmitter. Such signals may affect the receiver, however, triggering an alarm calling for the monitoring attendant to examine patient and thus impairing the effectiveness of the overall system. Repeated false alarms could lead to a "crying wolf" situation. In addition, a strong interfering signal could "swamp" out the desired signal and render the receiver inoperative. Therefore, it is our intention to guide future developments in this field to frequency bands in which the probability of interference can be expected to be minimal.

14. The Commission proposes to restrict operation of biomedical telemetry devices to selected frequencies where it is considered that interference is likely to be minimal and by reason thereof to eliminate the duty cycle requirement which presently exists for other miniature transmitters (operating above 70 MHz) under Part 15. The bands proposed are 73–74.6 MHz, 174–216 MHz, and 608–614 MHz. The band 73–74.6 MHz is allocated to the radio astronomy service, a service in which no transmissions take place which could cause interference to the telemetry receiver. The 608–614 MHz band, although allocated to UHF TV, is currently reserved for radio astronomy until January 1, 1974. If the Commission does not extend this reservation, the band 608–614 MHz would be available for biomedical telemetry in those parts of the country where it is not used for UHF TV broadcasting. This also applies to the band 174–216 MHz which is allocated to the VHF TV channels 7–13.

15. It will be appreciated that not all frequencies will be usable in all areas for biomedical telemetry. However, the usage patterns in these bands are relatively stable. Once installed and operating in the local environment, the probability is low that a biomedical telemetering system will cause or receive harmful interference from authorized stations. At the same time, recognizing that radio astronomy operations are highly susceptible to interference even from the low fields to be permitted these biomedical telemetering devices, the Commission proposes to provide a "zone of protection" 40 kilometers around the site used by a radio astronomy observatory. The observatories to be protected are listed in the Appendix below. In addition, it is contemplated that operation of biomedical telemetry devices on 73–74.6 MHz or 608–614 MHz in Puerto Rico will be prohibited.

16. In addition, the Commission is contemplating a restriction similar to that contained in § 15.211(a)(6).[4] The Commission is aware that a number of radio telemetry systems are currently in use, and contemplates providing an amortization period of approximately 5 years in order not to penalize the user. It is further contemplated that the marketing of noncomplying devices will terminate when final rules are promulgated in this proceeding. Finally the Commission intends to impose a bilateral certification procedure (such as that set out in §§ 15.-260–15.274 of Part 15) on the transmitter part of the system and calls attention to the fact that the receiver part of the system will require certification under Subpart C of Part 15.

17. All interested persons are invited to respond in writing to the inquiry herein and to file written comments on the proposed rules on or before June 21, 1971. Replies to such responses and comments should be contained in one document and may be filed on or before July 2, 1971. In reaching its decision in this matter, the Commission may also take into account any other relevant information before it, in addition to the comments invited by this notice.

18. In accordance with the provisions of § 1.419 of the Commission's rules, an original and 14 copies of all statements, briefs, or comments in response to the notice of inquiry and to the notice of proposed rule making shall be furnished to the Federal Communications Commission.

Adopted: May 19, 1971.

Released: May 21, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[5]
[SEAL] BEN F. WAPLE,
Secretary.

[4] This section provides: "Radiation from the transmitter or associated receiver of radio controls for door openers must not fall within any of the following bands:

MHz	*MHz*	*GHz*
73–75.4	608–614	10.68–10.70
108–118	960–1215	15.35–15.4
121.4–121.6	1400–1427	19.3–19.4
242.8–243.2	1535–1670	31.3–31.5
265–285	2690–2700	88–90"
328.6–335.4	4200–4400	
404–406	4990–5250	

[5] Commissioners Bartley and Robert E. Lee absent.

APPENDIX

RADIO ASTRONOMY OBSERVATORIES

Observatory	*Geographical coordinates*
Chena Valley Radio Facility, Chena Valley, Alaska	64°52′ N., 146°51′ W.
NRAO Tucson, Ariz	31°57′ N., 111°37′ W.
Clark Lake Radio Observatory, Borrego Springs, Calif	33°20′ N., 116°17′ W.
Hat Creek Radio Astronomy Station, Cassel, Calif	40°49′ N., 121°28′ W.
Owens Valley Radio Observatory, Big Pine, Calif	37°14′ N., 118°18′ W.
Millimeter Wave Observatory, El Segundo, Calif	33°55′ N., 118°22′ W.
NELC Space Geophysics Research Facility, La Posta, Calif	32°41′ N., 116°26′ W.
Stanford Radio Astronomy Institute, Stanford, Calif	37°24′ N., 122°11′ W.
Stanford Center for Radar Astronomy, Stanford, Calif	37°24′ N., 122°11′ W.
NASA/JPL Goldstone Deep Space Communication Complex, Goldstone, Calif	35°25′ N., 116°53′ W.
Table Mountain Radio Observatory, Wrightwood, Calif	34°23′ N., 117°05′ W.
Table Mountain, Boulder, Colo	40°06′ N., 105°07′ W.
University of Colorado Radio Astronomy Observatory, Nederland, Colo	39°57′ N., 105°31′ W.
University of Florida Radio Observatory, Dixie County, Fla	29°32′ N., 83°02′ W.
Kauai Observatory, Kauai, Hawaii	22°07′ N., 159°40′ W.
Vermilion River Observatory, Danville, Ill	40°04′ N., 87°34′ W.
North Liberty Radio Observatory, North Liberty, Iowa	41°46′ N., 91°34′ W.
Derwood Observatory, Derwood, Md	37°07′ N., 77°09′ W.
Goddard Space Flight Center, Greenbelt, Md	39°01′ N., 76°50′ W.
Maryland Point Observatory, Riverside, Md	38°22′ N., 77°14′ W.
U.S. Naval Research Laboratory, Washington, D.C	38°49′ N., 77°01′ W.
University of Maryland Observatory, College Park, Md	39°00′ N., 76°57′ W.
George R. Agassiz Station, Harvard, Mass	42°30′ N., 71°33′ W.
Five College Radio Astronomy Observatory, New Salem, Mass	42°24′ N., 72°21′ W.
Sagamore Hill Radio Observatory, Hamilton, Mass	42°38′ N., 70°49′ W.
MIT Haystack Observatory, Tyngsboro, Mass	42°37′ N., 71°29′ W.
University of Michigan Radio Astronomy Observatory, Dexter, Mich	42°24′ N., 83°56′ W.
Cornell Radio Astronomy Observatory, Danby, N.Y	42°17′ N., 76°27′ W.
Ohio State-Ohio Wesleyan Radio Observatory, Delaware, Ohio	40°15′ N., 83°02′ W.
Pennsylvania State University Radio Astronomy Observatory, University Park, Pa	40°50′ N., 77°53′ W.
Harvard Radio Astronomy Station, Fort Davis, Tex	30°38′ N., 103°57′ W.
Millimeter Wave Observatory, Mount Locke, Tex	30°40′ N., 104°01′ W.
University of Texas Radio Astronomy Observatory, Marfa, Tex	30°06′ N., 103°54′ W.
Wallops Station, Wallops, Va	37°56′ N., 73°29′ W.
Washington State University Solar Radio Noise Observatory, Pullman, Wash	46°45′ N., 117°12′ W.
NRAO Green Bank, W. Va	38°26′ N., 79°50′ W.
Dominion Radio Astrophysical Observatory, Penticton, British Columbia, Canada	49°19′ N., 119°37′ W.

[FR Doc. 71-7354 Filed 5-25-71;8:53 am]

[47 CFR Part 73]

[Docket No. 19249; FCC 71-536]

CERTAIN FM BROADCAST STATIONS; TABLE OF ASSIGNMENTS

Notice of Proposed Rule Making

1. Notice of Proposed Rule Making is hereby given concerning amendments of the FM Table of Assignments with respect to various proposals. The 1970 Census populations of the cities involved and their respective counties are as follows:

City	Population	County	Population
Kinston	22,390	Lenoir	55,204
Morehead City	5,233	Carteret	31,603
Beaufort	3,368	Beaufort	31,603
Washington	8,961	New Hanover	25,980
Wilmington	46,169	Pitt	82,996
Farmville	4,424		73,900

Wilmington is a Standard Metropolitan Statistical Area (SMSA), which consists of its county and Brunswick County (population 24,223) with a total population of 107,219 persons.

2. Kinston, N.C. (RM-1608). Farmers Broadcasting Service, Inc., licensee of daytime-only Station WELS, Kinston, by petition filed April 24, 1970, proposed the assignment of Channel 249A to Kinston, which requires the deletion of unoccupied Channel 249A from Washington, seat of Beaufort County. In terms of present service, Kinston has three AM stations, one a daytime-only, and FM Station WRNS. Washington has two AM stations, one a daytime-only, and FM Station WITN-FM.

(3) Petitioner, Farmers Broadcasting Service, Inc., urges that Kinston, seat of Lenoir County, is the larger city, and active center of a more populated area, and a more rapidly growing community. Kinston, it is claimed, is the functional center of nine counties,[1] included in the Neuse River Economic Development District.

4. Technical data furnished by the petitioner discloses that assignment of 249A at Kinston would preclude use of that channel in an area near the city and areas northeast and southeast thereof. The six adjacent channels would not be affected. As indicated by the petitioner, there are three communities within the preclusion area larger than Washington (the other two are New Bern, population 14,660 (Craven County, population 62,554) and Greenville, population 29,063 (Pitt County, population 73,900), both of which have FM stations[2]). Of these Kinston is the only community without a television assignment. Channel 249A assigned to Washington, N.C., since October 1967, has been fallow.

[1] Carteret, Craven, Duplin, Greene, Jones, Lenoir, Onslow, Pamlico, and Wayne.

[2] Station WVMB-FM, Channel 293, at New Bern. Station WNCT-FM, Channel 229, at Greenville. Each city also has AM stations.

5. Wilmington, N.C. (RM-1667). On July 23, 1970, Arlington-Fairfax Broadcasting Co. (Arlington-Fairfax), licensee of Station WKLM, petitioned for the assignment of Channel 269A to Wilmington, N.C.[3] Arlington-Fairfax proposed to make this assignment by substituting Channel 277 for Channel 270 at Morehead City-Beaufort, N.C.[4] Petitioner relies on the population of Wilmington (46,169) located in New Hanover County (population 82,966).[5] Broadcast service at Wilmington consists of four standard broadcast stations, one a daytime-only, two commercial television stations plus an educational CP, and three FM stations.[6]

6. Petitioner contends that the proposed FM station, for which it would apply, would provide a competitive radio situation during nighttime hours with an increased diversity of local radio service for the entire day.

7. These two requests are related to another matter involving FM assignments in the eastern part of North Carolina. The application of Duplin Broadcasting for Channel 232A at Wallace, N.C. (BPH-7438) would be shortspaced to the present vacant cochannel assignment at Farmville, N.C. Duplin Broadcasting, in its application, urged that FM operation would be economically feasible, if it could operate from the site of its AM Station WLSE. The Commission has allowed Duplin Broadcasting's waiver request in a separate action, and it is undesirable to leave a short-spaced assignment at Farmville. Therefore, it appears that the Table of Assignments should be changed by replacing Channel 232A at Farmville with Channel 249A (now at Washington), and allocating Channel 272A to Kinston, instead of 249A as requested (all the channels involved are vacant).

8. Normally, a city of the size of Wilmington (less than 50,000) is not entitled to more than two channels, and it already has four FM assignments.[7] However, one of these is used in another city. Wilmington itself is the central city of what has now been designated in the U.S. Census as an SMSA, and the only other channel change required—substitution of channels at Morehead City-Beaufort, N.C.—is also necessary to make use of Channel 272A as mentioned in the last paragraph. Accordingly, the additional assignment at Wilmington is proposed herein. However, the fact that the assignment is advanced for comment does not by any means indicate a present view that the additional channel for Wilmington is warranted. The petitioner or proponents should submit a showing as to why another channel assignment there is warranted, together with a preclusion showing as to what other possible assignments, on this or the six adjacent channels, would be precluded by the addition of Channel 269A at Wilmington. The various proposals under consideration are:

City	Channel No.	
	Present	Proposed
Kinston	236	236, 272A
Farmville	232A	249A
Morehead City-Beaufort	240A, 270	240A, 277
Washington	227, 249A	[1] 227
Wilmington	247, 260, 265A, 274	247, 260, 265A, 269A, 274

[1] If removed from Farmville as proposed herein, Channel 232A could be used at Washington. However, in view of the small size of this community and the absence of any demonstrated demand, we are not proposing to assign a second channel there (replacing 249A), additional to Channel 227 which is in use.

9. Showings required. Parties are expected to file comments directed at the questions raised. At the very least, the proponent is expected to resubmit or refer to its petition. They are expected, among other things, to state their intention to apply for the channel, if assigned, and, if authorized, to promptly build their stations. Failure to file may result in denial of the petition. See notice of proposed rule making in Docket No. 19161, adopted February 24, 1971 (FCC 71-192).

10. Cutoff procedure. As in other more recent FM rule making proceedings, the following procedures will govern:

(a) Counterproposals advanced in this proceeding itself will be considered, if advanced in initial comments, so the parties may comment on them in reply comments. They will not be considered, if advanced in reply comments.

(b) With respect to any petition for rule making which conflicts with any of the proposals in this notice, it will be considered as comments in the proceeding, and public notice to this effect will be given, as long as filed before the date for filing initial comments herein. If filed later than, any petition will not be considered in connection with the decision herein.

See notices of proposed rule making in Docket No. 19074, adopted October 28, 1970 (FCC 70-1162), paragraph 17, page 7, and Docket No. 19116, adopted January 6, 1971 (FCC 71-23), paragraph 12, page 8.

11. Authority for the action proposed herein is contained in sections 4(i), 303 (g) and (r), and 307(b) of the Communications Act of 1934, as amended.

[3] Assignment of this channel to Wilmington would require a selection of a transmitter site southeast of the community because of mileage separation requirements to Channels 268 and 269A at Raleigh, N.C., and Myrtle Beach, S.C., respectively.

[4] Both Morehead City and Beaufort are located in Carteret County, population 31,603. The populations of Morehead City and Beaufort are respectively 5,233 and 3,368. Channels 240A and 270 are jointly assigned to those communities.

[5] Wilmington has been designated as a SMSA with a total population of 107,219. The additional 24,223 is the population of Brunswick County.

[6] One channel assigned to Wilmington is utilized at Burgaw, N.C., by Station WPGF-FM, Channel 260, some 22 miles north of Wilmington.

[7] See Further Notice of Proposed Rule Making, Docket No. 14185, adopted July 25, 1962 (FCC 62-867) and incorporated by reference in paragraph 25 of the Third Report and Memorandum Opinion and Order, adopted July 23, 1963, 23 R.R. 2d 1859, 1871. See also In the Matter of Whaleyville, Virginia, et al. as concerns Hattiesburg, Miss., First Report and Order, Docket No. 18883, 27 FCC 2d 844, 845, 847-8 (1971)

12. Pursuant to applicable procedures set out in § 1.415 of the Commission's rules and regulations, interested parties may file comments on or before July 9, 1971, and reply comments on or before July 19, 1971. All submissions by parties to this proceeding or by persons acting in behalf of these parties, must be made in written comments, reply comments, or other appropriate pleadings.

13. In accordance with the provisions of § 1.419 of the Commission's rules and regulations, an original and fourteen copies of all written comments, reply comments, pleadings, briefs, or other documents shall be furnished the Commission.

Adopted: May 19, 1971.

Released: May 21, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[9]

[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc. 71-7355 Filed 5-25-71;8:53 am]

FEDERAL HOME LOAN BANK BOARD

[12 CFR Part 545]

[71-463]

FEDERAL SAVINGS AND LOAN SYSTEM

Withdrawal of Proposed Amendment Relating to Unsecured Loans

MAY 20, 1971.

Whereas, by Resolution No. 22,636, dated March 6, 1969, and duly published in the FEDERAL REGISTER on March 18, 1969 (34 F.R. 5338) this Board resolved to authorize Federal savings and loan associations to invest in unsecured loans for the construction of new structures related to the residential use of property and for equipping any real property to implement an amendment to section 5(c) of the Home Owners Loan Act of 1968, as amended, contained in Public Law 90-448, approved August 1, 1968, by amending § 545.8 of the rules and regulations for the Federal Savings and Loan System (12 CFR 545.8), the substance of which was set out in said publication, and

Whereas, careful consideration has been given to the advisability of adopting any regulation at this time concerning the substance of such proposed amendment since substantial time will be required to study and act upon this matter in the context of economic conditions which are very different than the economic conditions existing at the time such amendment was proposed by such resolution;

It is hereby resolved, That this Board hereby determines to withdraw the amendment proposed by said Resolution No. 22,636.

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

By the Federal Home Loan Bank Board.

[SEAL] JACK CARTER,
Secretary.

[FR Doc.71-7309 Filed 5-25-71;8:49 am]

FEDERAL POWER COMMISSION

[18 CFR Parts 201, 204, 205, 260]

[Docket No. R-403]

UNIFORM SYSTEMS OF ACCOUNTS FOR NATURAL GAS COMPANIES AND ANNUAL REPORT FORM

Notice of Extension of Time

MAY 19, 1971.

Revisions in uniform systems of accounts, for natural gas companies (classes A, B, C, and D) and Annual Report Form No. 2 to adopt full-cost accounting for exploration and development costs incurred by pipeline companies on natural gas leases acquired on or after October 7, 1969.

On May 6, 1971, Arthur Anderson & Co. filed a request for an extension of time within which to file responses to the comments in the above-designated matter.

Upon consideration, notice is hereby given that the time is extended to and including May 28, 1971, within which any interested person may submit responses to the data, views or comments to the notice of proposed rulemaking issued October 5, 1970 (35 F.R. 15939), in the above-designated matter.

KENNETH F. PLUMB,
Acting Secretary.

[FR Doc.71-7318 Filed 5-25-71;8:50 am]

[9] Commissioners Bartley and Robert E. Lee absent.

Notices

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[Order No. 11 (Rev. 6)]

DISTRICT DIRECTORS ET AL.

Delegation of Authority To Accept or Reject Offers in Compromise

Pursuant to the authority vested in the Commissioner of Internal Revenue by Treasury Department Order No. 150–25 dated June 1, 1953, as amended by Order No. 180 dated November 17, 1953, and Order No. 150–36 dated August 17, 1954, 26 CFR 301.7122–1 and 26 CFR 301.7701–9, it is hereby ordered:

1. District Directors, Assistant District Directors, the Director of International International Operations are delegated authority, under section 7122 of the Internal Revenue Code, to accept offers in compromise in cases in which the liability sought to be compromised (including any interest, additional amount, addition to the tax, or assessable penalty) is less than $100,000, to accept offers involving specific penalties, and to reject offers in compromise regardless of the amount of liability sought to be compromised. This authority does not pertain to offers in compromise of liabilities arising under laws relating to alcohol, tobacco, and firearms taxes. The authority delegated herein may not be redelegated, except that the authority to reject offers in compromise based on doubt as to collectibility may be redelegated to the Chief, Collection Division.

2. Service Center Directors and Assistant Service Center Directors are delegated authority, under section 7122 of the Internal Revenue Code, to accept or reject offers in compromise limited to specific penalties (except those arising under laws relating to alcohol, tobacco, and firearms taxes); ad valorem delinquency penalties relating to employment taxes under Subtitle C of the Internal Revenue Code and ad valorem delinquency penalties relating to excise taxes under Subtitle D of the Internal Revenue Code (except those arising under laws relating to alcohol, tobacco, and firearms taxes). This authority may be redelegated but not lower than to Division Chief.

3. This order supersedes Delegation Order No. 11 (Rev. 5) issued April 8, 1971.

DEAN J. BARRON,
Acting Commissioner.

[FR Doc. 71–7357 Filed 5–25–71;8:53 am]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[S 4327]

CALIFORNIA

Notice of Proposed Withdrawal and Reservation of Lands

MAY 17, 1971.

The Forest, Service, U.S. Department of Agriculture, has filed an application, serial No. S 4327, pursuant to the Act of June 22, 1938 (52 Stat. 838), as amended, for modification of the Toiyabe National Forest boundary in the State of California, by the addition of the following described lands acquired by the United States in a compromise settlement of a trespass, subject to valid existing rights. The lands are chiefly valuable for National Forest purposes and the proposed modification to include the lands within the National Forest would facilitate their efficient administration by the Forest Service.

Effective June 28, 1971, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, U.S. Department of the Interior, Room E–2807, Federal Office Building, 2800 Cottage Way, Sacramento, CA 95825.

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

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

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

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

The lands involved in the application are:

MOUNT DIABLO BASE AND MERIDIAN

TOIYABE NATIONAL FOREST

T. 19 N., R. 18 E.,
Sec. 31, lots 4, 5, and 6 of the NW¼, lots 4, 5, and 6 of the SW¼.

The area described aggregates 475.34 acres.

ELIZABETH H. MIDTBY,
Chief, Lands Adjudication Section.

[FR Doc.71–7282 Filed 5–25–71;8:47 am]

DEPARTMENT OF AGRICULTURE

Packers and Stockyards Administration

COVINGTON LIVESTOCK AUCTION, INC., ET AL.

Deposting of Stockyards

It has been ascertained, and notice is hereby given, that the livestock markets named herein, originally posted on the respective dates specified below as being subject to the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), no longer come within the definition of a stockyard under said Act and are, therefore, no longer subject to the provisions of the Act.

Name, location of stockyard, and date of posting

Covington Livestock Auction, Inc., Andalusia, Ala., May 19, 1959.
Grand Junction Livestock Auction, Grand Junction, Colo., Mar. 9, 1957.
Greenville Livestock Market, Inc., Greenville, Ky., Dec. 29, 1959.
Mexico Stockyards Co., Inc., Mexico, Mo., July 19, 1957.
Tri State Livestock Auction, Inc., St. George, Utah, Sept. 14, 1965.

Notice or other public procedure has not preceded promulgation of the foregoing rule since it is found that the giving of such notice would prevent the due and timely administration of the Packers and Stockyards Act and would, therefore, be impracticable and contrary to the public interest. There is no legal warrant or justification for not depositing promptly a stockyard which is no longer within the definition of that term contained in the Act.

The foregoing is in the nature of a rule granting an exemption or relieving

a restriction and, therefore, may be made effective in less than 30 days after publication in the FEDERAL REGISTER. This notice shall become effective upon publication in the FEDERAL REGISTER (5–26–71).

(42 Stat. 159, as amended and supplemented; 7 U.S.C. 181 et seq.).

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

JOHN R. BRANNIGAN,
Acting Chief, Registrations, Bonds, and Reports Branch, Livestock Marketing Division.

[FR Doc.71–7303 Filed 5–25–71;8:48 am]

SPENCER BROS. LIVESTOCK AUCTION, ET AL.

Notice of Changes in Names of Posted Stockyards

It has been ascertained, and notice is hereby given, that the names of the livestock markets referred to herein, which were posted on the respective dates specified below as being subject to the provisions of the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), have been changed as indicated below.

Original name of stockyard, location, and date of posting	*Current name of stockyard and date of change in name*
IOWA	
Fort Dodge Livestock Auctions, Inc., Fort Dodge, May 20, 1959.	Spencer Bros. Livestock Auction, Jan. 6, 1971.
KENTUCKY	
Monticello Stock Yards, Monticello, Dec. 10, 1959__	Wayne County Livestock Market, Inc., Mar. 1, 1971.
MISSISSIPPI	
Farmer's Livestock Yard, Inc., Hattiesburg, Jan. 6, 1959.	Forrest County Livestock Market, May 14, 1971.
OHIO	
Farmerstown Sale, Farmerstown, June 9, 1959_____	Farmerstown Sale, Inc., Jan. 1, 1971.
TEXAS	
Colorado City Auction Co., Colorado City, Jan. 15, 1957.	Colorado City Livestock Auction, Apr. 17, 1971.
WISCONSIN	
Equity Cooperative Livestock Sales Association, Coon Valley, Oct. 27, 1960.	De Garmo Livestock Sales, Mar. 1, 1971.

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

JOHN R. BRANNIGAN,
Acting Chief, Registrations, Bonds, and Reports Branch, Livestock Marketing Division.

[FR Doc.71–7304 Filed 5–25–71;8:49 am]

WALKER LIVESTOCK AUCTION ET AL.

Proposed Posting of Stockyards

The Chief, Registrations, Bonds, and Reports Branch, Packers and Stockyards Administration, U.S. Department of Agriculture, has information that the livestock markets named below are stockyards as defined in section 302 of the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 202), and should be made subject to the provisions of the Act.)

Walker Livestock Auction, Van Buren, Ark.
Phil Clark and Sons Sales Co., Knoxville, Iowa.
Tama Livestock Auction Co., Tama, Iowa.
Line Road Auction House, Buxton, Maine.
Pearl River County Stockyards, Inc., Poplarville, Miss.
MFA Livestock Association, Inc., Rolla Concentration Point, Rolla, Mo.

Notice is hereby given, therefore, that the said Chief, pursuant to authority delegated under the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), proposes to issue a rule designating the stockyards named above as posted stockyards subject to the provisions of the Act as provided in section 302 thereof.

Any person who wishes to submit written data, views, or arguments concerning the proposed rule, may do so by filing them with the Chief, Registrations, Bonds, and Reports Branch, Packers and Stockyards Administration, U.S. Department of Agriculture, Washington, D.C. 20250, within 15 days after publication in the FEDERAL REGISTER.

All written submissions made pursuant to this notice shall be made available for public inspection at such times and places in a manner convenient to the public business (7 U.S.C. 1.27(b)).

Done at Washington, D.C., this 20th day of May 1971.

JOHN R. BRANNIGAN,
Acting Chief, Registrations, Bonds, and Reports Branch, Livestock Marketing Division.

[FR Doc.71–7305 Filed 5–25–71;8:49 am]

DEPARTMENT OF COMMERCE

Bureau of International Commerce

[Case No. 230]

LONDON EXPORT CORPORATION, LTD.

Order Conditionally Restoring Export Privileges

By order dated May 24, 1957, 22 F.R. 3765, the above-named respondent was denied all U.S. export privileges for the duration of export controls. The respondent has applied for relief from said denial order.

The respondent's application was referred to the Compliance Commissioner and considered by him. He has reported that it appears from respondent's representations and otherwise from information in possession of the Investigations Division, Office of Export Control, that conditional restoration of respondent's export privileges is consistent with the purposes of the export control program. The Compliance Commissioner has recommended that an order be entered conditionally restoring export privileges to said respondent and placing it on probation for 3 years.

The undersigned has considered the record herein and concurs with the Compliance Commissioner that conditional restoration of respondent's export privileges is consistent with the purposes of the Export Administration Act of 1969 (successor to the Export Control Act of 1949) and regulations thereunder. The undersigned is also of the view that the recommended action is fair and just.

Accordingly, it is hereby ordered that the export privileges of the above-named respondent be and hereby are restored conditionally, and the said respondent is placed on probation for 3 years from the date of this order. The conditions of probation are that the said respondent: (1) Shall fully comply with all of the requirements of the Export Administration Act of 1969, and all regulations, licenses, and orders issued thereunder; (2) shall on request of the Office of Export Control, or a representative of the U.S. Government acting on its behalf, promptly disclose fully the details of its participation in any and all transactions involving U.S.-origin commodities or technical data, including information as to the disposition or intended disposition of such commodities or technical data, and on such request shall also furnish all records and documents relating to such matters; (3) shall on such request, promptly disclose the names and addresses of its shareholders, agents, representatives, employees, and other persons associated with it in trade or commerce.

Upon a finding by the Director, Office of Export Control, or such other official as may be exercising the duties now exercised by him, that said respondent or any party related to it by ownership, control, position of responsibility affiliation, or other connection in the conduct of trade or related services has failed to comply with the conditions of probation, said official, with or without prior notice to said respondent or other party, by supplemental order, may revoke the probation of said respondent and deny to it all United States export privileges for such period as said official may deem appropriate. Such order shall not preclude the Bureau of International Commerce from taking further action for any violation as may be warranted.

This order shall become effective forthwith.

Dated: May 21, 1971.

RAUER H. MEYER,
Director, Office of Export Control.

[FR Doc.71–7310 Filed 5–25–71;8:49 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[Docket No. FDC-D-229; NADA No. 5-687V, etc.]

BEEBE LABORATORIES ET AL.

Sodium Arsanilate; Notice of Opportunity for Hearing

In the FEDERAL REGISTER of March 1, 1969 (34 F.R. 3712), the Commissioner of Food and Drugs announced the conclusions of the Food and Drug Administration and the National Academy of the tration and the National Academy of Sciences—National Research Council, Drug Efficacy Study Group, following evaluation by the Administration of reports received from the Academy on the following preparations which contain sodium arsanilate as the designated active drug ingredient:

1. Beebe Arsonil; NADA (new animal drug application) No. 5-687V; by Beebe Laboratories, 2035 East Larpenteur Avenue, St. Paul, Minn. 55109.

2. Dr. Mayfield Hog Tablets; NADA No. 7-374V; by Dr. Mayfield Laboratories, 1209 South Main Street, Charles City, Iowa 50616.

The announcement invited the above named holders of said new animal drug applications and any other interested person to submit revised labeling limiting the claim and conditions of use to those set forth when the product is intended for use as an aid in the treatment and control of swine dysentery (hemorrhagic enteritis or bloody scours) or adequate documentation to support the claims for growth stimulation or coccidiosis.

No revised labeling or data were received in response to the announcement.

Efficacy data covering the below listed products have also been reviewed by the Administration. These products are similar in composition to the previously cited products, but data were not furnished to be reviewed by the Academy as requested in the notice regarding drug effectiveness which was published in the FEDERAL REGISTER of July 9, 1966 (31 F.R. 9426), and, therefore, were not evaluated by the Academy. The above mentioned findings of the Administration regarding drug effectiveness apply equally to the following products:

1. Dr. Mayfield Hog & Poultry Tablets and Dr. Mayfield Poultry Tablets; NADA No. 5-811V; by Dr. Mayfield Laboratories,

2. Sodium Arsanilate Tablets; NADA No. 8-354V; by Vet Products Co., 1524 Holmes Street, Kansas City, Mo. 64108.

3. Corn King Poultry Tablets and Corn King Sono Tablets; NADA No. 9-042V; by King Castle Inc., Post Office Box 189, Marion, Iowa 52302 (formerly The Corn King Co., Inc., 700 16th Street NE., Cedar Rapids, Iowa 52402),

4. Corn King Hog Tablets; NADA No. 9-045V; by King Castle Inc. (formerly The Corn King Co.), and

5. Corn King Blackhead Tablets; NADA No. 8-913V; by King Castle Inc. (formerly The Corn King Co.).

Therefore, notice is given to the above named firms and to any interested person who may be adversely affected that the Commissioner proposes to issue an order under the provisions of section 512 (e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360b(e)) withdrawing approval of the new animal drug applications listed above and all amendments and supplements thereto held by said firms for the listed drug products on the grounds that:

Information before the Commissioner with respect to the drugs was evaluated together with the evidence available to him when the applications were approved. This data does not provide substantial evidence that the drugs have the effect they purport or are represented to have under the conditions of use prescribed, recommended, or suggested in their labeling.

In accordance with the provisions of section 512 of the act (21 U.S.C. 360b), 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 at which time such persons may produce evidence and arguments to show why approval of the above named new animal drug applications should not be withdrawn. Promulgation of the order will cause any drug similar in composition and recommended for conditions of use similar to those recommended for the above listed drug products to be a new animal drug for which an approved new animal 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, Office of the General Counsel, Room 6-62, 5600 Fishers Lane, Rockville, Md. 20352, 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 the approval of the new animal 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 which the Commissioner finds is 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 a written appearance requesting the hearing and giving the reasons why approval of the new animal 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 to this notice. A request for a hearing may not rest upon mere allegations or denials, but must set forth specific facts showing that there is a genuine and substantial issue of fact that 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 there is no genuine and substantial issue of fact which precludes the withdrawal of approval of the application, the Commissioner will enter an order stating his findings and conclusions on such data. If a hearing is requested and is justified by the response to this notice, the issues will be defined, a hearing examiner will be named, and he shall issue a written notice of the time and place at which the hearing will commence. The time shall be not more than 90 days after the expiration of said 30 days unless the hearing examiner and the applicant otherwise agree.

This notice is issued pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 512, 82 Stat. 343-51; 21 U.S.C. 360b) and under authority delegated to the Commissioner (21 CFR 2.120).

Dated: May 14, 1971.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.71-7280 Filed 5-25-71;8:46 am]

Social Security Administration

BELGIUM

Notice of Finding Regarding Foreign Social Insurance or Pension System

Section 202(t)(1) of the Social Security Act (42 U.S.C. 402(t)(1)) prohibits payment of monthly benefits to aliens, subject to the exceptions described in sections 202(t)(2) through 202(t)(5) of the Social Security Act (42 U.S.C. 402(t)(2) through 402(t)(5)), for any month after they have been outside the United States for 6 consecutive calendar months.

Section 202(t)(2) of the Social Security Act (42 U.S.C. 402(t)(2)) provides that section 202(t)(1) shall not apply to any individual who is a citizen of a foreign country which the Secretary of Health, Education, and Welfare finds has in effect a social insurance or pension system which is of general application in such country and under which (A) periodic benefits, or the actuarial equivalent thereof, are paid on account of old age, retirement, or death, and (B) individuals who are citizens of the United States but not citizens of such foreign country and who qualify for such benefits are permitted to receive such benefits or the actuarial equivalent thereof while outside such foreign country without regard to the duration of the absence.

Pursuant to authority duly vested in the Commissioner of Social Security by the Secretary of Health, Education, and Welfare, and redelegated to him,

the Director of the Bureau of Retirement and Survivors Insurance has approved a finding that Belgium beginning July 1, 1968, has a social insurance system of general application which pays periodic benefits on account of old age, retirement, or death, and under which citizens of the United States, not citizens of Belgium, who leave Belgium, are permitted to receive such benefits or their actuarial equivalent at the full rate without qualification or restriction while outside that country.

Accordingly, it is hereby determined and found that Belgium has in effect beginning with July 1, 1968, a social insurance system which meets the requirements of section 202(t)(2) of the Social Security Act (42 U.S.C. 402(t)(2)).

This revises the finding with respect to Belgium published in the FEDERAL REGISTER of March 5, 1970 (35 F.R. 4147).

Dated: May 19, 1971.

HUGH F. MCKENNA,
Director, Bureau of Retirement and Survivors Insurance.

[FR Doc.71-7350 Filed 5-25-71;8:53 am]

CIVIL AERONAUTICS BOARD

[Docket No. 20993; Order 71-5-91]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Cargo Matters

Issued under delegated authority May 19, 1971.

An agreement has 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 the Traffic Conferences of the International Air Transport Association (IATA), and adopted as a result of the Third Meeting of the Cargo Traffic Procedures Committee held January 18–23, 1971, in Geneva.

The agreement, in addition to incorporating various technical and procedural changes to existing resolutions, incorporates two new resolutions which (a) would provide for a documentation charge within TC–1 for the preparation of an air waybill issued by an IATA member carrier or its agent provided that where the agent completes the air waybill, the agent shall be entitled to retain the charge. The documentation charge (the levels of which are to be established by the 1971 Composite Cargo Traffic Conference now being held in Singapore) must be entered on the air waybill and collected from the shipper or consignee and (b) would require that pets shall be placed in a suitable container and be carried at the carrier's option in the aircraft cabin or cargo compartment.

Pursuant to authority duly delegated by the Board in the Board's regulations, 14 CFR 385.14, it is not found, on a tentative basis, that the following resolutions, incorporated in the agreement as indicated, are adverse to the public interest or in violation of the Act:

Agreement CAB 22429:	*IATA Resolutions*
R–1	103 (CTPC) 002.
	203 (CTPC) 002.
	303 (CTPC) 002.
	JT12 (3/CTPC) 002.
	JT23 (3/CTPC) 002.
	JT31 (3/CTPC) 002.
	JT123 (3/CTPC) 002.
R–2	103 (CTPC) 512b.
	203 (CTPC) 512b.
	303 (CTPC) 512b.
	JT12 (3/CTPC) 512b.
	JT23 (3/CTPC) 512b.
	JT31 (3/CTPC) 512b.
	JT123 (3/CTPC) 512b.
R–3	203 (CTPC) 512c.
	303 (CTPC) 512c.
R–4	103 (CTPC) 512c.
R–5	103 (CTPC) 516a.
	203 (CTPC) 516a.
	303 (CTPC) 516a.
	JT12 (3/CTPC) 516a.
	JT23 (3/CTPC) 516a.
	JT31 (3/CTPC) 516a.
	JT123 (3/CTPC) 516a.

Accordingly, it is ordered, That:

Action on Agreement CAB 22429, R–1 through R–5 be and hereby is deferred with a view toward eventual approval.

Persons entitled to petition the Board for review of this order, pursuant to the Board's regulations, 14 CFR 385.50, may, within 10 days after the date of service of this order, file such petitions in support of or in opposition to our proposed action herein.

This order will be published in the FEDERAL REGISTER.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.71-7340 Filed 5-25-71;8:52 am]

[Docket No. 20993; Order 71-5-93]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Specific Commodity Rates

Issued under delegated authority May 19, 1971.

Agreement adopted by the Joint Conferences of the International Air Transport Association relating to specific commodity rates, Agreement CAB 22332, R–6, R–7, and R–9 through R–11.[1]

An agreement has 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 the Joint Conferences of the International Air Transport Association (IATA), and adopted pursuant to the provisions of Resolution 590 dealing with specific commodity rates.

The agreement, adopted pursuant to unprotested notices to the carriers and promulgated in IATA letters dated April 20, April 22, and May 12, 1971, names additional specific commodity rates, which reflect significant reductions from the general cargo rates, and cancels a rate between Calcutta and New York, as set forth in the attachment hereto.[1a]

Pursuant to authority duly delegated by the Board in the Board's Economic Regulations, 14 CFR 385.14, it is not found, on a tentative basis, that the subject agreement is adverse to the public interest or in violation of the Act: *Provided,* That tentative approval thereof is conditioned as hereinafter ordered.

Accordingly, it is ordered, That action on Agreement CAB R–6, R–7, and R–9 through R–11, be and hereby is deferred with a view toward eventual approval: *Provided,* That approval shall not constitute approval of the specific commodity descriptions contained therein for purposes of tariff publication: *Provided further,* That tariff filings shall be marked to become effective on not less than 30 days' notice from the date of filing.

Persons entitled to petition the Board for review of this order, pursuant to the Board's Economic Regulations, 14 CFR 385.50, may, within 10 days after the date of service of this order, file such petitions in support of or in opposition to our proposed action herein.

This order will be published in the FEDERAL REGISTER.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.71-7341 Filed 5-25-71;8:52 am]

[Docket No. 20993; Order 71-5-83]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Specific Commodity Rates

Issued under delegated authority May 18, 1971.

Agreement adopted by the Joint Conferences of the International Air Transport Association relating to specific commodity rates, Agreement CAB 22332.[1]

By Order 71-4-182, dated April 28, 1971, action was deferred with a view toward eventual approval, on an agreement embodied in the resolutions of the Joint Conferences of the International Air Transport Association (IATA) and adopted by the 11th meeting of the Joint Specific Commodity Rates Board. As it applies in air transportation, the subject portion of the agreement relates to North Atlantic specific commodity rate matters. Several specific commodity rates previously approved by the Board would be extended for a further period of effectiveness; the agreement also provides reduced rates under new commodity de-

[1] R–5 and R–8 were withdrawn by IATA by letter dated May 13, 1971.

[1a] Filed as part of the original document.

[1] Insofar as it relates to North Atlantic specific commodity rate matters.

scriptions, several new rates or amendments to current rates under existing descriptions, and changes to two specific commodity descriptions. In addition, the agreement cancels a vast number of rates, predominantly in the eastbound direction.

In deferring action on the agreement, 10 days were granted in which interested persons might file petitions in support of or in opposition to the proposed action. No petitions have been received within the filing period, and the tentative conclusions in Order 71–4–182 will herein be made final.

Accordingly, it is ordered, That: The subject portion of Agreement CAB 22332 be and it hereby is approved: *Provided,* That approval shall not constitute approval of the specific commodity descriptions contained therein for purposes of tariff publication: *Provided further,* That 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.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.71-7342 Filed 5-25-71;8:52 am]

[Dockets Nos. 20993, 22628; Order 71-5-102]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Currency Matters

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 21st day of May 1971.

An agreement has 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 Traffic Conference 2 of the International Air Transport Association (IATA). The agreement, which was adopted by mail vote, has been assigned the above-designated CAB agreement number.

The agreement would establish procedures for the adjustment of rates of exchange agreed by IATA for purposes of publishing or converting fares, rates, and other charges specified in basic currencies (dollars or pounds sterling) into local currencies within the area comprised of Europe/Africa/Middle East. These adjustment procedures are more flexible than those currently in existence for major currencies and would apply in instances where rates of exchange are permitted, by government action,[1] to float freely and without fixed parity. Inasmuch as the resolution would have application to traffic between the countries involved in such procedures and the United States, it is applicable in air transportation as defined by the Act.

The agreement would not change existing provisions insofar as an initial alteration of exchange rates used by the carriers would require, in essence, unanimous action by all carriers serving the country concerned or having an office or general agent therein, but would permit alteration in the event of a 2-percent fluctuation as opposed to the current 5-percent specification. However, such an alteration would invoke the establishment of a Special Currency Panel, consisting of the concerned parties in the country in question, which may, by unanimous agreement or by a two-thirds majority[2] of members present and meeting when the mean of the buying and selling exchange rate[3] for the U.S. dollar varies by at least 1 percent from the previously established IATA exchange rate, establish exchange rates in line with current market levels.[4]

In view of the present currency situation in numerous European countries, the Board does not find the agreement to be adverse to the public interest or in violation of the Act: *Provided,* That approval is subject to conditions which would require notification to the Board of the establishment, actions, and termination of any special currency panel authorized by the resolution and which clarify that approval does not constitute approval of any change in basic fares, rates, or charges which might result as a consequence of actions taken pursuant to said resolution. Subject to these conditions, the only feature of the instant resolution which the Board finds objectionable is the provision for majority agreement on exchange rates to apply in the absence of unanimous agreement. Currently, the applicable exchange rate, in the event of the carriers' failure to reach full accord, would be based on that which is published or supplied by the IATA Clearing House, subject to the concurrence of a national carrier. Nevertheless, the urgency of the situation, the requirement that the national carriers concur with the majority, and the temporary nature of the special currency panels have persuaded us to approve the agreement irrespective of this feature. Our condition which requires notification of all actions by the ad hoc currency panels will permit us to maintain surveillance and to impose a unanimity requirement should we believe it to be warranted in the interest of the traveling public or the U.S. carriers.

The Board, acting pursuant to sections 102, 204(a), and 412 of the Act, does not find that Resolution 200(Mail 102)021t, which is incorporated in Agreement CAB 22432, is adverse to the public interest or in violation of the Act: *Provided,* That approval is subject to the conditions hereinafter ordered.

Accordingly, it is ordered, That:

Agreement CAB 22432 be and hereby is approved: *Provided,* That:

(1) In the event that actions pursuant to said resolution result in revision of a basic specified or constructed fare or rate, such new basic fare or rate shall be filed with the Board as an agreement under section 412 of the Act and approved by the Board prior to being placed in effect.

(2) The U.S. carrier members of IATA notify the Board, directly or through the Conference Secretary, of the formulation or termination of any Special Currency Panel and actions taken by such panels in their duration.

Any air carrier party to the agreement, or any interested person, may, within 15 days from the date of service of this order, submit statements in writing containing reasons deemed appropriate, together with supporting data, in support of or in opposition to the Board's action herein. An original and 19 copies of the statements should be filed with the Board's Docket Section. The Board may, upon consideration of any such statements filed, modify or rescind its action herein by subsequent order.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.71-7343 Filed 5-25-71;8:52 am]

[1] On or after May 10, 1971.

[2] The majority must include the national carrier or carriers.

[3] As quoted by the national bank.

[4] But not less than the average mean of the buying and selling rate of exchange during the previous 5 business days.

FEDERAL MARITIME COMMISSION

NORTH ATLANTIC PORTUGAL 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 10 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:

T. J. Conroy, Secretary, North Atlantic Portugal Freight Conference, 11 Broadway, New York, NY 10004.

Agreement No. 9293–3 modifies the Conference's self-policing provisions to include the mandatory provisions required by the Commission's General Order 7, as revised on October 27, 1970.

Dated: May 21, 1971.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.71–7344 Filed 5–25–71;8:52 am]

SOUTH AND EAST AFRICA RATE AGREEMENT

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:

William L. Hamm, Secretary, South and East Africa Rate Agreement, 25 Broadway, New York, NY 10004.

Agreement No. 8054–12, among the member lines of the South and East Africa Rate Agreement modifies the basic agreement by (1) amending Article 1(c) by deleting therefrom the words, "Southwest, South and East Africa" and substituting therefor the words "the range from the northern border of South West Africa to and including Berbera, Somalia," thereby clarifying the range of ports in the trade area, and (2) incorporating all previous modifications of the basic agreement, superseding and cancelling Agreement No. 8054–8, as amended.

Dated: May 21, 1971.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.71–7345 Filed 5–25–71;8:52 am]

NEW YORK FREIGHT BUREAU (HONG KONG)

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:

Charles F. Warren, Esq., 1100 Connecticut Avenue NW., Washington, DC 20036.

Agreement No. 5700–12 between the parties of the New York Freight Bureau (Hong Kong) modifies the basic agreement, as amended, by changing the voting requirement of Article 10(a) on any amendment, supplement, or change to the terms of the basic agreement from unanimous consent to three-fourths consent of the parties entitled to vote.

Dated: May 21, 1971.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.71–7346 Filed 5–25–71;8:52 am]

PORT OF OAKLAND AND HOWARD TERMINAL

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. J. Kerwin Rooney, Port Attorney, Port of Oakland, 66 Jack London Square, Post Office Box 2064, Oakland, CA 94607.

Agreement No. T–2110–1, between the Port of Oakland and Howard Terminal, modifies the basic nonexclusive preferential assignment agreement covering the lease of certain marine terminal property at Oakland, Calif. The purpose of the modification is to delete a portion of the assigned premises and remove a limitation on the use of the tracks and apron on the west side of the pier. All other conditions of the basic agreement remain unchanged.

Dated: May 21, 1971.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.71–7347 Filed 5–25–71;8:52 am]

U.S./SOUTH AND EAST AFRICA 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:

William L. Hamm, Secretary, United States/South and East Africa Conference, 25 Broadway, New York, NY 10004.

Agreement No. 9502–7, among the member lines of the United States/South and East Africa Conference amends Article 1 of the basic agreement by deleting therefrom the words "in Southwest, South, Southeast and East Africa" and substituting therefor the words "in the range from the northern border of Southwest Africa to and including Berbera, Somalia," thereby clarifying the range of ports in the trade area.

Dated: May 21, 1971.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.71–7348 Filed 5–25–71;8:52 am]

[Independent Ocean Freight Forwarder License No. 658]

TRADE-LANES SHIPPING CORP.

Order of Revocation

By letter dated April 6, 1971, Trade-Lanes Shipping Corp., 140 Cedar Street, New York, NY 10006 was advised by the Federal Maritime Commission that Independent Ocean Freight Forwarder License No. 658 would be automatically revoked or suspended unless a valid surety bond was filed with the Commission on or before April 30, 1971.

Section 44(c), Shipping Act, 1916, provides that no independent ocean freight forwarder license shall remain in force unless a valid bond is in effect and on file with the Commission. Rule 510.9 of Federal Maritime Commission General Order 4, further provides that a license will be automatically revoked or suspended for failure of a licensee to maintain a valid bond on file.

Trade-Lanes Shipping Corp. has failed to furnish a surety bond.

By virtue of authority vested in me by the Federal Maritime Commission as set forth in Manual of Orders, Commission Order No. 1 (revised) § 7.04(g) (dated 9–29–70).

It is ordered, That the Independent Ocean Freight Forwarder License of Trade-Lanes Shipping Corp. be returned to the Commission for cancellation.

It is further ordered, That the Independent Ocean Freight Forwarder License of Trade-Lanes Shipping Corp. be and is hereby revoked effective April 30, 1971.

It is further ordered, That a copy of this order be published in the FEDERAL REGISTER and served upon Trade-Lanes Shipping Corp.

AARON W. REESE,
Managing Director.

[FR Doc.71–7349 Filed 5–25–71;8:52 am]

FEDERAL POWER COMMISSION

[Docket No. RI71–1024, etc.]

MARATHON OIL CO. ET AL.

Order Providing for Hearing on and Suspension of Proposed Changes in Rates, and Allowing Rate Changes To Become Effective Subject to Refund [1]

Respondents have filed proposed changes in rates and charges for jurisdictional sales of natural gas, as set forth in Appendix A hereof.

The proposed changed rates and charges may be unjust, unreasonable, unduly discriminatory, or preferenial, or otherwise unlawful.

The Commission finds: It is in the public interest and consistent with the Natural Gas Act that the Commission enter upon hearings regarding the lawfulness of the proposed changes, and that the supplements herein be suspended and their use be deferred as ordered below.

The Commission orders:

(A) Under the Natural Gas Act, particularly sections 4 and 15, the regulations pertaining thereto (18 CFR Ch. I), and the Commission's rules of practice and procedure, public hearings shall be held concerning the lawfulness of the proposed changes.

(B) Pending hearings and decisions thereon, the rate supplements herein are suspended and their use deferred until date shown in the "Date Suspended Until" column. Each of these supplements shall become effective, subject to refund, as of the expiration of the suspension period without any further action by the respondent or by the Commission. Each respondent shall comply with the refunding procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder.

(C) Unless otherwise ordered by the Commission, neither the suspended supplements, nor the rate schedule sought to be altered, shall be changed until disposition of these proceedings or expiration of the suspension period, whichever is earlier.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Acting Secretary.
MAY 14, 1971.

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[1] Does not consolidate for hearing or dispose of the several matters herein.

APPENDIX

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf*		Rate in effect subject to refund in dockets Nos.
									Rate in effect	Proposed increased rate	
RI71-1024	Marathon Oil Co., Agent et al.	82	7	Nothern Natural Gas Co. (Yates Casinghead Gas Plant, Pecos County, Tex., Permian Basin).	$6,289	4-19-71		7-2-71	15.0210	16.0225	RI70-885.
RI71-1025	Phillips Petroleum Co.	484	2	El Paso Natural Gas Co. (Sales Ranch Field, Martin and Midland Counties, Tex., Permian Basin).	13,921	4-20-71		[23] 6-21-71	[2] 22.5236	[1] 26.3375	
RI71-1026	Sun Oil Co	413	6	Northern Natural Gas Co. (Hunt-Baggett Field, Crockett County, Tex., Permian Basin).	3,814	4-16-71		7-2-71	17.0638	18.0675	
RI70-767	Belco Petroleum Corp.	4	1 to 4	Mountain Fuel Supply Co. (Big Piney Field, Sublette and Lincoln Counties, Wyo.).	298	4-21-71	4-21-71	[21] Accepted	[20] 17.0	[20] 17.085	RI70-767.
RI70-767	do	5	1 to 6	El Paso Natural Gas Co. (Big Piney Field, Sublette and Lincoln Counties, Wyo.).	384	4-21-71	4-21-71	[21] Accepted	[20] 20.5	[20] 20.6538	RI70-767.
RI70-767	do	6	1 to 12	do	13,376	4-21-71	4-21-71	[21] Accepted	[20] 20.5	[20] 20.6538	RI70-767.
RI70-767	do	13	1 to 14	do	34	4-21-71	4-21-71	[21] Accepted	[20] 18.0	[20] 18.1350	RI70-767.
RI71-1027	Amoco Production Co.	328	5	Northern Natural Gas Co. (Yates Gasoline Plant, Pecos County, Tex., Permian Basin).	445	4-26-71		7-2-71	15.02	16.02	RI69-244.
RI71-1028	Getty Oil Co	116	5	Northern Natural Gas Co. (Yates Field, Pecos County, Tex., Permian Basin).	340	4-26-71		7-2-71	15.0563	16.06	RI70-80.
RI71-1029	Texaco, Inc	56	8	Tennessee Gas Pipeline Co., a division of Tenneco Inc. (La Reforma Field, Starr County, Tex., RR. District No. 4).	8,014	4-19-71		6-20-71	15.6577	[3] 21.0	RI66-333.
	do	57	9	Tennessee Gas Pipeline Co., a division of Tenneco Inc. (Hagist Ranch Field, Duval County, Tex., RR. District No. 4).	6,507	4-19-71		6-22-71	16.6617	[3] 21.0	RI69-839.
	do	59	13	Tennessee Gas Pipeline Co., a division of Tenneco Inc. (Government Wells, Duval County, Tex., RR. District No. 4).	868	4-19-71		6-20-71	16.6617	[3] 21.0	RI70-335.
	do	258	25	Transcontinental Gas Pipe Line Corp. (Odem Field, San Patricio County, Tex., RR. District No. 4).	10,868	4-19-71		6-20-71	16.06	[3] 21.0	RI70-1118.
	do	259	17	Transcontinental Gas Pipe Line Corp. (Luby Petronilla Field, Nueces County, Tex., RR. District No. 4).	64,220	4-19-71		6-20-71	16.06	[3] 21.0	RI70-1118.
RI71-1030	J. S. Michael	3	2	Valley Gas Transmission Inc. (West Bay City Field, Matagorda County, Tex., RR. District No. 3).	9,888	4-19-71		6-20-71	[4] 14.0	16.06	
RI71-1031	Continental Oil Co. et al.	154	[5] 29	Tennessee Gas Pipeline Co. a division of Tenneco Inc. (East and West Cameron and Vermilion Areas) (Offshore Louisiana).	240,000	4-19-71		6-4-71	[5] [30] 25.4	[5] [11] [30] 26.0	RI71-833.
RI71-1032	Continental Oil Co	76	25	Transcontinental Gas Pipe Line Corp. (La Gloria Field, Jim Wells and Brooks Counties, Tex., RR. District No. 4).	[12] 31,746	4-19-71		6-20-71	[7] 11.0407 [8] 12.0444 [9] 13.0481	19.0	
RI71-1033	Amoco Production Co.	373	4	Southern Natural Gas Co. (Section 28 Dome Field, St. Martin Parish, S. Louisiana).	4	4-20-71		7-2-71	[20] 22.25	[5] [13] [30] 22.375	RI71-638.
RI71-1034	Roy M. Huffington, Inc.	7	3	Southern Natural Gas Co. (Bayou Bouillion Field, St. Martin Parish, S. Louisiana).	13,003	4-21-71		6-6-71	20.0	[5] [10] [30] 22.375	
RI68-90	Atlantic Richfield Co.	5	[14] 1 to 11	Tennessee Gas Pipeline Co. (Mustang Island Field, Nueces County, Tex., RR. District No. 4).	299,124	4-22-71	4-22-71	[32] Accepted	15.6585	[15] 21.00	RI68-90.
RI70-700	do	6	[14] 1 to 12	Tennessee Gas Pipeline Co. (North Minnie Bock Field, Nueces County, Tex., RR. District No. 4).	[17] 160,261	4-22-71	4-22-71	[32] Accepted	14.83612	[15] 21.00	RI70-700.
RI68-468	do	48	[14] 2 to 14	United Gas Pipe Line Co. (Triple A Field, San Patricio County, Tex., RR. District No. 4).	6,559	4-22-71	4-22-71	[32] Accepted	15.0375	[15] 21.00	RI68-468.
RI70-700	do	330	[14] 1 to 12	Tennessee Gas Pipeline Co. (Mustang Island Field, Nueces County, Tex., RR. District No. 4).	[26] 36,559	4-22-71	4-22-71	[32] Accepted	15.05550	[15] 21.00	RI70-700.
RI70-698	Atlantic Richfield Co. et al.	441	1 to 8	Tennessee Gas Pipeline Co. (San Salvador Field, Hidalgo County, Tex., RR. District No. 4).	[31] 13,023	4-22-71	4-22-71	[32] Accepted	15.0534	[15] 21.00	RI70-698.
RI71-1035	Continental Oil Co	138	[33] 31	Tennessee Gas Pipe Line Co., a division of Tenneco Inc. (West Delta Grand Isle, South Pass Area) (Offshore Louisiana).	167,380	4-22-71		6-6-71	[30] 20.5	[5] [30] 21.5	RI71-833.
	do	158	[33] 21	Transcontinental Gas Pipe Line Corp. (West Cameron Block 110 Field) (Offshore Louisiana).	925	4-21-71		6-6-71	[30] 21.375	[5] [24] [30] 26.0	RI71-833.

See footnotes at end of table

APPENDIX—Continued

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf*		Rate in effect subject to refund in dockets Nos.
									Rate in effect	Proposed increased rate	
RI71-1036..	Warren Petroleum....	49	10	Tennessee Gas Pipeline Co. a division of Tenneco Inc. (Heyser Gas Processing Plant, Calhoun County, Tex., RR. District No. 2).	41,437	4-22-71	5-23-71	10-23-71	[25] 21.00	[26] 24.25	
RI71-1037..	Gulf Oil Corp.....	28	11	Tennessee Gas Pipeline Co. a division of Tenneco Inc., (Heyser Field, Calhoun County, Tex., RR. District No. 2).	260,000	4-22-71	5-23-71	10-23-71	[27] 21.0	[26] 24.25	
RI71-1038..	Shell Oil Co.....	197	5	Cimarron Transmission Co. (Southwest Enville Field, Love County, Okla., Other Area).	8,200	4-23-71	.....	7-2-71	[28] 17.0	[28] 18.0	RI67-450.
RI71-1039..	Sun Oil Company et al.	291	14	Arkansas Louisiana Gas Co. (Bear Creek Field, Bienville Parish, Northern Louisiana).	6,730	4-19-71	.....	6-20-71	[30] 13.27	[29] [30] 20.0	
RI71-1040..	Texaco, Inc.....	264	19	Arkansas Louisiana Gas Co. (North Lansing Field, Harrison County, Tex., RR. District No. 6).	2,721	4-19-71	.....	6-20-71	13.4426	[29] 21.0	

* Unless otherwise stated, the pressure base is 14.65 p.s.i.a.
[1] Increase from certificated rate to contract rate.
[2] Initial rate.
[3] Unilateral increase after expiration of contract term.
[4] Proposed rate of 15 cents suspended in Docket No. RI64-770 until Nov. 21, 1964. Never made effective subject to refund.
[5] Increase resulting from termination of moratorium in South Louisiana pursuant to Order No. 413, as amended.
[6] Pertains to all gas sold from reservoirs discovered after Oct. 1, 1968, except that as covered by Supplement No. 28.
[7] For gas not compressed, or compressed by buyer.
[8] For gas compressed by buyer, with equipment operated by seller.
[9] For gas compressed by seller.
[10] Contract base rate is 25.5 cents.
[11] Contract base rate is 27.4 cents.
[12] Contract base rate is 22.5 cents.
[13] Based on the assumption that all gas was being sold at the 12.0444-cent rate.
[14] Amends previous filing to reflect a total rate of 21 cents.
[15] Unilateral increase. Filed rate of 24.25 cents suspended in RI71-646 until July 4, 1971.
[16] Previously shown as $481,124 based on the proposed rate of 24.25 cents.
[17] Previously shown as $244,761 based on the proposed rate of 24.25 cents.
[18] Contract rate is 24.25 cents. Filed rate of 24.25 cents suspended in RI71-480 until May 20, 1971.
[19] Previously shown as $10,134 based on the proposed rate of 24.25 cents.
[20] Previously shown as $56,547 based on the proposed rate of 24.25 cents.
[21] Previously shown as $20,141 based on the proposed rate of 24.25 cents.
[22] For gas not covered by the increased rate filing designated as Supplement No. 30.
[23] Applicable only to reservoirs specified therein.
[24] Contract rate is 27.5 cents.
[25] Rate suspended in Docket No. RI71-962 until May 20, 1971, by order issued Apr. 16 1971.
[26] Increase from fractured rate to contractually due rate.
[27] Rate suspended in Docket No. RI71-961 until May 20, 1971 by order issued Apr. 16, 1971.
[28] Base rate subject to Upward and Downward B.t.u. adjustment.
[29] Unilateral rate increase. Primary term of contract has expired.
[30] The pressure base is 15.025 psia.
[31] Accepted for filing to be effective as of the date of filing, with waiver of notice granted, subject to refund in the respective existing rate proceedings.
[32] Accepted for filing to become effective as of Apr. 22, 1971, the date of filing, with waiver of notice granted, subject to refund in the existing rate proceedings in Docket Nos. RI71-646 and RI71-480.
[33] Or 1 day from the date of initial delivery, whichever is later.

The proposed increases of Belco Petroleum Corp. reflect partial reimbursement for the Wyoming severance tax, and consistent with Commission action on similar filings, the proposed increases are accepted for filing subject to refund in existing suspension proceedings to be effective on the date of filing, with waiver of notice granted.

The amended notices of change in rates filed April 22, 1971, by Atlantic Richfield Co. reflect proposed rates of 21 cents in lieu of 24.25 cents, currently suspended until July 4, 1971, and May 20, 1971, respectively, in order that Atlantic may qualify for the shortened suspension period outlined in the Commission's March 22, 1971, order. Atlantic's amended notices are accepted for filing effective as of the date of filing, with waiver of notice granted, subject to refund in the existing suspension proceedings.

The proposed increases filed by Warren Petroleum Corp. and Gulf Oil Corp. are suspended for 5 months because they exceed the corresponding rate filing limitations imposed in southern Louisiana. The remaining increases except to the extent otherwise indicated above, pertaining to sales outside southern Louisiana are suspended for 61 days from the dates of filings pursuant to Order No. 423 and those relating to sales within the southern Louisiana area are suspended for 45 days from the date of filing. However, if the contractual effective date for an increase is beyond the period described above, it is suspended for 1 day from the contractual effective date.

Continental Oil Co.'s proposed increase applies only to gas produced from reservoirs identified in the documents submitted in accordance with Opinion No. 567. Such documents indicate that the reservoirs were discovered after October 1, 1968, and therefore the gas well gas sold from such reservoirs qualifies for third vintage prices.

Certain respondents request either waiver of notice of effective dates for which adequate notice was not given. Good cause has not been shown for granting these requests and they are denied.

All of the producers' proposed increased rates and charges exceed the applicable area price levels for increased rates as set forth in the Commission's statement of general policy No. 61-1, as amended (18 CFR Ch. I, part 2, § 2.56).

[FR Doc.71-7146 Filed 5-25-71;8:45 am]

[Project No. 2395]

FLAMBEAU POWER CO.

Notice of Application for Approval of Exhibit R (Recreation Use Plan) for Constructed Project

MAY 19, 1971.

Public notice is hereby given that application for approval of Exhibit R has been filed under the regulations of the Federal Power Act (16 U.S.C. 791a-825r) by Flambeau Power Co. (correspondence to: Norman Hoefferle, President, Flambeau Power Co., Park Falls, Wis. 54552) as part of the license for constructed Project No. 2395, located on the Flambeau River, in Price County near Park Falls, Wis.

Recreational use and development on project lands and waters, as described in Exhibit R, consist of: (a) A picnic area located on project land downstream of the powerhouse and maintained by the company, the county and civic groups; (b) fishing from De Mars Bridge; (c) a boat launching area developed on the Smith Creek arm of the reservoir by Owens-Illinois, Inc., the town of Lake and the State; and (d) use of the reservoir and portage (at the dam) by canoeists traveling the river.

Any person desiring to be heard or to make any protest with reference to said application should on or before July 7, 1971, file with the Federal Power Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Persons wishing to become parties to a proceeding or to participate as a part in any hearing therein must file petitions to intervene in accordance with the Commission's rules. The application is on file with the Commission and available for public inspection.

KENNETH F. PLUMB,
Acting Secretary.

[FR Doc.71-7313 Filed 5-25-71;8:49 am]

[Docket No. CP71-270]

PEOPLES NATURAL GAS DIVISION

Notice of Application

MAY 20, 1971.

Take notice that on May 10, 1971, Northern Natural Gas Co., operating as Peoples Natural Gas Division (applicant), 2223 Dodge Street, Omaha, NE 68102, filed in Docket No. CP71-270 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of certain natural gas measurement facilities, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, applicant proposes to construct and operate two natural gas metering stations at the interconnection of its facilities with facilities belonging to Panhandle Eastern Pipeline Co. (Panhandle), located in Stevens County, Kans. The application states that Panhandle has filed an application in Docket No. CP71-152 for authorization to transport up to 20,000 Mcf of natural gas per day for and on behalf of Applicant from Stevens County, Kans., to Reno County, Kans., and that the facilities proposed herein will be used to measure the amounts of natural gas to be delivered to Panhandle. The estimated cost of the facilities proposed herein is $12,700, which cost applicant states will be financed from cash on hand.

Any person desiring to be heard or to make any protest with reference to said application should on or before June 11, 1971, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

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

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

KENNETH F. PLUMB,
Acting Secretary.

[FR Doc.71-7314 Filed 5-25-71;8:49 am]

[Docket No. CP70-58]

TRANSCONTINENTAL GAS PIPE LINE CORP.

Notice of Petition To Amend

MAY 19, 1971.

Take notice that on April 30, 1971, Transcontinental Gas Pipe Line Corp. (petitioner), Post Office Box 1396, Houston, TX 77001, filed in Docket No. CP70-58, a petition to amend the Commission's order heretofore issued in said docket on November 17, 1969 (42 FPC 1015), as amended, granting a certificate of public convenience and necessity pursuant to section 7(c) of the Natural Gas Act, by authorizing an extension from November 1, 1971, through October 31, 1972, of the temporary interruptible transportation service performed for Consolidated Gas Supply Corp. (Consolidated) and an increase in the volumes of natural gas to be transported under said service, from 15,000 Mcf per day to 40,000 Mcf per day, all as more fully set forth in the petition to amend which is on file with the Commission and open to public inspection.

The order of November 17, 1969, authorized the transportation of up to 15,000 Mcf per day for the account of Consolidated, from two points in southern Louisiana to a point in Clinton County, Pa., during the period commencing November 1, 1969, and ending October 31, 1970. This service was intended to enable Consolidated to move expanding supplies of natural gas from its gathering fields in offshore Louisiana to its market in the northeast. The authorization was subsequently amended by authorizing a continuance of the service during the period November 1, 1970, to October 31, 1971. The petition to amend states that Consolidated has not yet finalized its plans for utilizing, on a permanent basis, these supplies of natural gas and has therefore requested that the service be extended for an additional year and also be expanded to provide transportation for the additional volumes of natural gas now available.

Any person desiring to be heard or to make any protest with reference to said petition to amend should on or before June 7, 1971, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

KENNETH F. PLUMB,
Acting Secretary.

[FR Doc.71-7315 Filed 5-25-71;8:50 am]

[Docket No. RP71-117]

MICHIGAN WISCONSIN PIPE LINE CO.

Notice of Existing Curtailment Procedures

MAY 19, 1971.

Take notice that on May 14, 1971, Michigan Wisconsin Pipe Line Co. (Michigan Wisconsin) filed a written report, pursuant to paragraph (A)(2) of the Commission's Order No. 431, issued April 15, 1971, in Docket No. R-418, stating that it "* * * expects to fill its extensive underground storage fields during the current storage injection cycle and to meet, without curtailment, its entire gas supply commitments to its customers for the balance of the current contract year and during the 1971-72 contract year".

While Michigan Wisconsin does not anticipate making curtailments below contract demand, it states that its FPC Gas Tariff, Second Revised Volume No. 1, provides in section 9.3 of the general terms and conditions thereof the method of apportioning gas among its customers in the event of a gas shortage on its system. Section 9.3 reads as follows:

9.3 *Proration of Available Supply During Period of Gas Shortage:* If due to any cause whatsoever a shortage exists on Seller's system, or any part thereof, the gas available for delivery shall be prorated, so far as practicable, among Buyers affected by such shortage on the basis of the ratio of each Buyer's Maximum Daily Quantity to the total Maximum Daily Quantity for all such Buyers during the period of shortage provided, however, that Seller may first require Buyers to reduce or discontinue taking gas for the requirements of interruptible customers using in excess of 200 Mcf per day in order to protect the firm service of all Buyers.

Michigan Wisconsin's report avers that it does not make any direct sales on either a firm or interruptible basis.

Although Michigan Wisconsin's existing curtailment policy is on file with the Commission and is not expected to be implemented within the foreseeable future, any person desiring to be heard or to make any protest with respect to Michigan Wisconsin's existing tariff provisions governing curtailments of service should on or before June 8, 1971, file with the Federal Power Commission, 441 G Street NW., Washington, DC 20426, petitions to intervene or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make protestants parties to the proceeding. Persons wishing to become

parties to a proceeding or to participate as a party in any hearing therein must file petitions to intervene in accordance with the Commission's rules. Michigan Wisconsin's report, submitted pursuant to Order No. 431, is on file with the Commission and available for public inspection.

KENNETH F. PLUMB,
Acting Secretary.

[FR Doc.71-7316 Filed 5-25-71;8:50 am]

[Docket No. E-7624]

INDIANA & MICHIGAN ELECTRIC CO.

Notice of Amendment of Interconnection Agreement and Increased Rate Filing

MAY 19, 1971.

Take notice that on April 16, 1971, Indiana & Michigan Electric Co. (Indiana) filed a Supplement (Modification No. 4) dated March 23, 1971, to the Interconnection Agreement dated November 27, 1961, between Indiana and Illinois Power Co. (Illinois), designated Indiana Rate Schedule FPC No. 23 and a Supplement (Modification No. 3) dated April 5, 1971 to the Interconnection Agreement dated June 1, 1968 between Central Illinois Public Service Co. (Central) and Indiana designated Indiana Rate Schedule FPC No. 67.

These modifications provide for an increase in the demand charge for short-term power of from $0.30 per kilowatt per week to $0.40 per kilowatt per week and a change in the reduction of weekly demand charges in the event that the supplying party is unable to fulfill any part of its commitment from $0.06 per kilowatt per day to one-sixth (1/6) of the total weekly demand charge for each day (except Sundays) any such reduction is in effect.

The parties contend that the extent of use of short-term power for the next 12 months is unknown due to the fact that short-term power will be scheduled only as system conditions dictate.

The parties request that the Commission waive the requirements under § 35.13(b) of the Commission's rules and regulations.

Any person desiring to be heard or to make any protest with reference to said application should on or before June 11, 1971, file with the Federal Power Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken, but will not serve to make the protestants parties to the proceeding. Persons wishing to become parties to a proceeding or to participate as a party in any hearing therein must file petitions to intervene in accordance with the Commission's rules. The application is on file with the Commission and available for public inspection.

KENNETH F. PLUMB,
Acting Secretary.

[FR Doc.71-7317 Filed 5-25-71;8:50 am]

FEDERAL RESERVE SYSTEM

UNITED VIRGINIA BANKSHARES 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)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)), by United Virginia Bankshares Inc., which is a bank holding company located in Richmond, Va., for prior approval by the Board of Governors of the acquisition by applicant of 80 percent or more of the voting shares of the successor by merger to Security National Bank of Roanoke, Roanoke, Va., which would be relocated to Roanoke County, Va.

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 Richmond.

By order of the Board of Governors, May 19, 1971.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.

[FR Doc.71-7277 Filed 5-25-71;8:46 am]

NATIONAL SCIENCE FOUNDATION

DEEP SEA DRILLING PROJECT

Summary Statement of Federal Action Affecting the Environment

This summary statement is published pursuant to section 102 of the National Environmental Policy Act (Public Law 19-190) and paragraph 9(c) of the Interim Guidelines issued thereunder (35 F.R. 7390-7393, April 30, 1970). The Federal activity is described as follows:

The National Science Foundation, through its Ocean Sediment Coring Program, funds the Deep Sea Drilling Project to obtain sediment samples in the deep ocean basins. The project is managed by the Scripps Institution of Oceanography of the University of California at San Diego under a contract with the Foundation.

Global Marine, Inc., of Los Angeles, Calif., under a subcontract to Scripps, performs the project, furnishing the drilling ship Glomar Challenger, the ship's crew, and the drilling crew. The ship displaces 10,400 tons and is 400 feet long. She is specially fitted with a drilling derrick, an automatic pipe racker, and an opening in the bottom of the hull through which the drill string is lowered. A dynamic positioning system holds the ship over the drill hole. The technique employed consists of a rotary drilling system with a capability of drilling in water depths to 20,000 feet.

The project started in August 1968, and through April 1, 1971, drilling had been performed in the Atlantic and Pacific Oceans, the Gulf of Mexico and the Caribbean and Mediterranean Seas. Plans for drilling through August 1972 call for operations in the Pacific and Indian Oceans, the Bering Sea, and perhaps the circum-Antarctic Ocean. The scientific plans for the drilling are formulated by the Joint Oceanographic Institutions for Deep Earth Sampling (JOIDES), a consortium of five academic institutions.

Knowledgeable scientists assign a very low probability to the likelihood that drilling off the continental shelves in the deep ocean basins might result in the discharge of a significant volume of oil. Reasons for this judgment are listed and discussed in the environmental statement. There has been no impact upon the environment in the course of the drilling project, including on the one occasion when a show of oil was encountered in a borehole and preventive measures were instituted.

Alternatives to continuing the project as heretofore are (1) halting the program and (2) employing "blow-out preventers," such as are used in the oil industry to contain pressured fluids within boreholes. Termination of the program would defeat the purpose for which it

was instituted; the use of blow-out preventers would multiply the cost of operation with no absolute assurance of protection. The Foundation proposes to continue the project as planned with the added review of the drilling itinerary by the new JOIDES Panel for Pollution Prevention and Safety.

A copy of the draft environmental statement with an attached photograph of the Glomar Challenger and a track chart of past and planned itineraries, as filed with the Council on Environmental Quality and other Federal agencies, is available from the Assistant Director for National and International Programs, National Science Foundation, Washington, D.C. 20550 (telephone area code 202, 632-7360). Comments from appropriate State and local agencies, addressed as above, should be submitted within 60 days of the date of this summary notice.

Dated: May 20, 1971.

W. D. McElroy,
Director.

[FR Doc.71-7283 Filed 5-25-71;8:47 am]

SECURITIES AND EXCHANGE COMMISSION

[70-5026]

CENTRAL INDIANA GAS CO., INC.

Notice of Proposed Issue and Sale of Bank Notes

May 19, 1971.

Notice is hereby given that Central Indiana Gas Co., Inc. (Central), 300 East Main Street, Muncie, Indiana 47305, a gas utility subsidiary company of American Natural Gas Co., a registered holding company, has filed an application with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating sections 6 and 7 of the Act as applicable to the proposed transactions. All interested persons are referred to the application, which is summarized below, for a complete statement of the proposed transactions.

Central proposes to issue and sell to the American Fletcher National Bank and Trust Co. (Bank), commencing June 23, 1971, and from time to time prior to June 16, 1972, its unsecured promissory notes in an aggregate principal amount not to exceed $9 million outstanding at any one time. The notes will be dated as of the date of issuance, will be issued in varying amounts, and will mature on June 16, 1972. There is no commitment fee and the notes may be prepaid at any time without penalty. If any notes are prepaid, new notes may be issued and sold to the Bank. The notes will bear interest at the prime rate of the Bank in effect on the date of each borrowing and the interest rate will be adjusted to the prime rate in effect at the Bank at the beginning of each 90-day period subsequent to the date of the first borrowing. The application states that the current compensating balance requirement of the Bank is 15 percent of the line of credit and that based on the current prime rate of 5½ percent, the effective annual cost of money would be 6.47 percent. Central proposes to use the amounts borrowed on the notes to repay $4,500,000 of notes due June 23, 1971, to prepay approximately $1,500,000 of notes expected to be issued to the Bank, to reimburse its treasury for funds used initially to retire bonds due May 1, 1971, and to finance, in part, its 1971 construction program, currently estimated at $3,600,000.

Central's fees and expenses to be incurred in connection with the proposed transactions are estimated at $1,000, including legal fees of $500. The application states that no State or Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than June 16, 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 application 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 applicant 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 application, as filed or as it may be amended, may be granted 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 appropirate. 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] Theodore L. Humes,
Associate Secretary.

[FR Doc.71-7292 Filed 5-25-71;8:48 am]

[File No. 1-3421]

CONTINENTAL VENDING MACHINE CORP.

Order Suspending Trading

May 20, 1971.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, 10 cents par value of Continental Vending Machine Corp., and the 6 percent convertible subordinated debentures due September 1, 1976, being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, That trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period May 21, 1971, through May 30, 1971.

By the Commission.

[SEAL] Theodore L. Humes,
Associate Secretary.

[FR Doc.71-7284 Filed 5-25-71;8:47 am]

[811-1722]

COOKE & BIELER GROWTH FUND, INC.

Notice of Filing of Application for Order Declaring That Company Has Ceased To Be an Investment Company

May 19, 1971.

Notice is hereby given that Cooke & Bieler Growth Fund, Inc. (Applicant), 1325 Philadelphia National Bank Building, Philadelphia, PA 19107, a Delaware corporation, registered as an open-end, nondiversified management investment company under the Investment Company Act of 1940 (Act), has filed an application pursuant to section 8(f) of the Act for an order of the Commission declaring that Applicant has ceased to be an investment company as defined in the Act. All interested persons are referred to the application on file with the Commission for a statement of the representations as set forth therein which are summarized below.

Applicant represents that it has been dissolved pursuant to the General Corporation Law of Delaware by filing a certificate of dissolution with the Secretary of State of Delaware on December 14, 1970; that it has abandoned its intention of making any public offering; has ceased to engage in business of any nature whatsoever and is in the process of winding up its affairs; that at the time of its dissolution it had three shareholders; and that it has distributed its net assets to its shareholders.

The Commission's files show that Applicant's registration statement under the Securities Act of 1933 was withdrawn, pursuant to Applicant's request, on April 15, 1971.

Section 8(f) of the Act provides, in pertinent part, that when the Commission, upon application finds that a registered investment company has ceased to be an investment company, it shall so declare by order, and upon the taking effect of such order the registration of such company shall cease to be in effect.

Notice is further given that any interested person may, not later than June 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, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should 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 Applicant at the address stated 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] THEODORE L. HUMES,
Associate Secretary.

[FR Doc.71-7291 Filed 5-25-71;8:47 am]

[File No. 24B-1696]

NEHAMA-DATA CORP.

Order Temporarily Suspending Exemption, Statement of Reasons Therefor, and Notice of Opportunity for Hearing

MAY 19, 1971.

I. Nehama-Data Corp. (Nehama), 40 Pleasant Street, Portsmouth, NH., a Maryland corporation located at 40 Pleasant Street, Portsmouth, NH, filed with the Commission on December 31, 1969, a notification on Form 1-A and an offering circular relating to a proposed offering of 113,000 shares of its no par value common stock at $2 per share for total proceeds of $226,000. The issue was underwritten by John, Edward & Co., Inc. (Underwriter), on a 90-day "best efforts all-or-none" basis. The offering was commenced on March 27, 1970. The entire issue was sold by May 6, 1970. Nehama, which was in poor financial condition, filed a petition in bankruptcy on August 13, 1970.

II. The Commission has reasonable cause to believe from information reported to it by the staff that:

A. The Underwriter, as agent for Nehama, offered and sold Nehama stock on the basis of untrue statements of material facts and omissions to state facts necessary to make statements made in the light of the circumstances in which they were made not misleading, concerning among other things:

1. That the price of Nehama's shares would double within 6 months;

2. That the stock of Nehama would be good for a quick rise; and

3. That Nehama would show unlimited earnings.

B. Nehama through its agent, the underwriter, has violated the terms and conditions of the Regulation A exemption in the following respects:

1. In connection with the offer of Nehama stock, by failing to furnish an offering circular as required by Rule 256;

2. By urging prospective investors to disregard the offering circular disclosures; and

3. By making false statements of material facts or omitting to state material facts with respect to the issuer's financial condition and potential business.

C. The offering was made in violation of section 17(a) of the Securities Act of 1933, as amended, for the reasons described above.

D. Nehama violated the terms and conditions of the Regulation A exemption by failing to file a report of sales on Form 2-A pursuant to Rule 260.

III. It appearing to the Commission that it is in the public interest and for the protection of investors that the exemption of the issuer under Regulation A be temporarily suspended,

It is ordered, Pursuant to Rule 261(a) of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption of the issuer under Regulation A be, and it hereby is, temporarily suspended.

It is further ordered, Pursuant to Rule 7 of the Commission's rules of practice, that the issuer file an answer to the allegations contained in the order within 30 days of the entry hereof.

Notice is hereby given that any person having any interest in the matter may file with the Secretary of the Commission a written request for a hearing within 30 days after the entry of this order; that within 20 days after receipt of such request the Commission will, or at any time upon its own motion may, set the matter down for hearing at a price to be designated by the Commission for the purpose of determining whether this order of suspension should be vacated or made permanent, without prejudice, however, to the consideration and presentation of additional matters of the hearing; and that notice of the time and place for said hearing will be promptly given by the Commission.

If no hearing is requested and none is ordered by the Commission, the order shall become permanent on the 30th day after its entry and shall remain in effect unless it is modified or vacated by the Commission.

By the Commission.

[SEAL] THEODORE L. HUMES,
Associate Secretary.

[FR Doc.71-7293 Filed 5-25-71;8:48 am]

[File No. 500-1]

R. D. PHILPOT INDUSTRIES, INC.

Order Suspending Trading

MAY 19, 1971.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of R. D. Philpot Industries, Inc. (a Texas corporation) and all other securities of R. D. Philpot Industries, Inc., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period May 19, 1971, 12:15 p.m., e.d.t., through May 28, 1971.

By the Commission.

[SEAL] THEODORE L. HUMES,
Associate Secretary.

[FR Doc.71-7285 Filed 5-25-71;8:47 am]

[Files Nos. 7-3733—7-3741]

NEW YORK STATE ELECTRIC & GAS CORP. ET AL.

Notice of Applications for Unlisted Trading Privileges and of Opportunity for Hearing

MAY 20, 1971.

In the matter of applications of the Detroit Stock Exchange for unlisted trading privileges in certain securities.

The above-named national securities exchange has filed applications with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the common stocks of the following companies, which securities are listed and registered on one or more other national securities exchanges:

	File No.
New York State Electric & Gas Corp	7-3733
Northeast Utilities	7-3734
Northern Illinois Gas Co	7-3735
Northern Indiana Public Service Co	7-3736
Oklahoma Gas & Electric Co	7-3737
Pacific Gas & Electric Co	7-3738
Pacific Lighting Corp	7-3739
Pacific Power & Light Co	7-3740
The Pacific Telephone & Telegraph Co	7-3741

Upon receipt of a request, on or before June 4, 1971, from any interested person, the Commission will determine whether the application with respect to any of the companies named shall be set down for hearing. Any such request should state briefly the title of the security in which he is interested, the nature of the interest of the person making the request, and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit

his views or any additional facts bearing on any of the said applications by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549 not later than the date specified. If no one requests a hearing with respect to any particular application, such application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission (pursuant to delegated authority).

[SEAL] THEODORE L. HUMES,
Associate Secretary.

[FR Doc.71-7286 Filed 5-25-71;8:47 am]

[Files Nos. 7-3742—7-3750]

PENNSYLVANIA POWER & LIGHT CO. ET AL.

Notice of Applications for Unlisted Trading Privileges and of Opportunity for Hearing

MAY 20, 1971.

In the matter of applications of the Detroit Stock Exchange for unlisted trading privileges in certain securities.

The above-named national securities exchange has filed applications with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the common stocks of the following companies, which securities are listed and registered on one or more other national securities exchanges:

	File No.
Pennsylvania Power & Light Co	7-3742
Peoples Gas Co	7-3743
Philadelphia Electric Co	7-3744
Portland General Electric Co	7-3745
Potomac Electric Power Co	7-3746
Public Service Company of Colorado	7-3747
Public Service Company of Indiana, Inc	7-3748
Public Service Electric & Gas Co	7-3749
San Diego Gas & Electric Co	7-3750

Upon receipt of a request, on or before June 4, 1971, from any interested person, the Commission will determine whether the application with respect to any of the companies named shall be set down for hearing. Any such request should state briefly the title of the security in which he is interested, the nature of the interest of the person making the request, and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on any of the said applications by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549 not later than the date specified. If no one requests a hearing with respect to any particular application, such application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission (pursuant to delegated authority).

[SEAL] THEODORE L. HUMES,
Associate Secretary.

[FR Doc.71-7287 Filed 5-25-71;8:47 am]

[Files Nos. 7-3751—7-3760]

SOUTHERN CALIFORNIA EDISON CO. ET AL.

Notice of Applications for Unlisted Trading Privileges and of Opportunity for Hearing

MAY 20, 1971.

In the matter of applications of the Detroit Stock Exchange for unlisted trading privileges in certain securities.

The above-named national securities exchange has filed applications with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the common stocks of the following companies, which securities are listed and registered on one or more other national securities exchanges:

	File No.
Southern California Edison Co	7-3751
Southwestern Public Service Co	7-3752
Tampa Electric Co	7-3753
Texas Utilities Co	7-3754
Union Electric Co	7-3755
United Aircraft Corp	7-3757
United States Gypsum Co	7-3758
United Utilities, Inc	7-3759
Union Pacific Corp	7-3760

Upon receipt of a request, on or before June 4, 1971, from any interested person, the Commission will determine whether the application with respect to any of the companies named shall be set down for hearing. Any such request should state briefly the title of the security in which he is interested, the nature of the interest of the person making the request, and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on any of the said applications by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549 not later than the date specified. If no one requests a hearing with respect to any particular application, such application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission (pursuant to delegated authority).

[SEAL] THEODORE L. HUMES,
Associate Secretary.

[FR Doc.71-7288 Filed 5-25-71;8:47 am]

[File No. 7-3756]

UNION OIL COMPANY OF CALIFORNIA

Notice of Application for Unlisted Trading Privileges and of Opportunity for Hearing

MAY 20, 1971.

In the matter of application of the Detroit Stock Exchange for unlisted trading privileges in a certain security.

The above-named national securities exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the preferred stock of the following company, which, security is listed and registered on one or more other national securities exchange:

Union Oil Company of California, $2.50 cumulative convertible preferred stock, no par value, File No. 7-3756.

Upon receipt of a request, on or before June 4, 1971, from any interested person, the Commission will determine whether the application shall be set down for hearing. Any such request should state briefly the nature of the interest of the person making the request and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on the said application by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington 25, D.C., not later than the date specified. If no one requests a hearing, this application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission (pursuant to delegated authority).

[SEAL] THEODORE L. HUMES,
Associate Secretary.

[FR Doc.71-7289 Filed 5-25-71;8:47 am]

[Files Nos. 7-3761—7-3763]

UTAH POWER & LIGHT CO. ET AL.

Notice of Applications for Unlisted Trading Privileges and of Opportunity for Hearing

MAY 20, 1971.

In the matter of applications of the Detroit Stock Exchange for unlisted trading privileges in certain securities.

The above-named national securities exchange has filed applications with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the common stocks of the following companies, which securities are listed and registered on one or more other national securities exchanges:

	File No.
Utah Power & Light Co	7-3761
Virginia Electric & Power Co	7-3762
Wisconsin Electric Power Co	7-3763

Upon receipt of a request, on or before June 4, 1971, from any interested person, the Commission will determine whether the application with respect to any of the companies named shall be set down for hearing. Any such request should state briefly the title of the security in which he is interested, the nature of the interest of the person making the request, and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on any of the said applications by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549 not later than the date specified. If no one requests a hearing with respect to any particular application, such application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission (pursuant to delegated authority).

[SEAL] THEODORE L. HUMES,
Associate Secretary.

[FR Doc.71-7290 Filed 5-25-71;8:47 am]

SMALL BUSINESS ADMINISTRATION

[Delegation of Authority No. 7-A]

DEPUTY ASSISTANT ADMINISTRATOR FOR ADMINISTRATION (MANAGEMENT)

Delegation of Administrative Activities

I. Pursuant to the authority delegated by the Administrator to the Assistant Administrator for Administration in Delegation of Authority No. 7 (Revision 2) (36 F.R. 8713), there is hereby redelegated to the Deputy Assistant Administrator for Administration (Management) the following authority:

A. *Administrative services.* 1. To contract for supplies, materials, and equipment, printing, transportation, communications, space, and special services for the Agency.

2. To enter into contracts for supplies and services pursuant to Delegation of Authority No. 410, dated March 26, 1962 (27 F.R. 3017), from the Administrator of the General Services Administration to the Heads of Executive Agencies.

3. To rent temporarily, within the District of Columbia or elsewhere, such hotel or other accommodations as are needed to facilitate the conduct of meetings of SBA advisory councils.

II. The authority delegated herein may be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Deputy Assistant Administrator for Administration (Management).

IV. All authority previously delegated by the Assistant Administrator for Management in Delegation of Authority No. 9.1 (34 F.R. 7313) to officials under his jurisdiction is hereby rescinded without prejudice to actions taken under such delegation prior to the date herein.

Effective date: February 23, 1971.

CLAUDE ALEXANDER,
Assistant Administrator for Administration.

[FR Doc.71-7299 Filed 5-25-71;8:48 am]

[Delegation of Authority No. 7-B]

DEPUTY ASSISTANT ADMINISTRATOR FOR ADMINISTRATION (COMPTROLLER)

Delegation of Financial Activities

I. Pursuant to the authority delegated by the Administrator to the Assistant Administrator for Administration in Delegation of Authority No. 7 (Revision 2) (36 F.R. 8713), there is hereby redelegated to the Deputy Assistant Administrator for Administration (Comptroller) the following authority:

A. *Financial management.* To assign, endorse, transfer, deliver, or release (but in all cases without representation, recourse, or warranty) promissory notes, bonds, debentures, and other obligating instruments on all loans or investments made or serviced by SBA when paid in full or when transferred to the Department of Justice for liquidation.

II. The authority delegated herein may be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Deputy Assistant Administrator for Administration (Comptroller).

IV. All authority previously delegated by the Assistant Administrator (Comptroller) in Delegation of Authority No. 6.1 (34 F.R. 7594) to officials under his jurisdiction is hereby rescinded without prejudice to actions taken under such delegations prior to the date herein.

Effective date: February 23, 1971.

CLAUDE ALEXANDER,
Assistant Administrator for Administration.

[FR Doc.71-7300 Filed 5-25-71;8:48 am]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATION FOR RELIEF

MAY 21, 1971.

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

LONG-AND-SHORT HAUL

FSA No. 42206—*Iron and steel articles to Owensboro, Ky.* Filed by Traffic Executive Association-Eastern Railroads, agent (E.R. No. 3001), for interested rail carriers. Rates on iron and steel articles, in carloads, as described in the application, from McKeesport and Neville Island, Pa., to Owensboro, Ky.

Grounds for relief—Market competition.

Tariff—Supplement 9 to Traffic Executive Association-Eastern Railroads, agent, tariff ICC C-819.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-7332 Filed 5-25-71;8:51 am]

[Notice 12]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

MAY 21, 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-1515 (Deviation No. 581), GREYHOUND LINES, INC. (Eastern Division), 1400 West Third Street, Cleveland, OH 44113, filed May 11, 1971. 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: From Smithfield, N.C., over U.S. Highway 70 to interchange Interstate Highway 95, thence over Interstate Highway 95 to junction U.S. Highway 301, thence over U.S. Highway 301 (using Bypass U.S. Highway 301 bypassing Wilson and Rocky Mount, N.C.), to junction access road to Interstate Highway 95, near Battleboro, N.C., thence over access road to interchange Interstate Highway 95,

thence over Interstate Highway 95 to Petersburg, Va., with the following access route: From Pine Level, N.C., over U.S. Highway 70A to interchange Interstate Highway 95, and return over the same routes, 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 Richmond, Va., over U.S. Highway 1 via Petersburg and South Hill, Va., and Henderson, N.C., to Raleigh, N.C., thence over unnumbered highway to junction U.S. Highway 70 near Clayton, N.C., thence over U.S. Highway 70 to Smithfield, N.C., thence over U.S. Highway 301 to Selma, N.C., thence return over U.S. Highway 301 to Smithfield, N.C., thence over U.S. Highway 70A via Pine Level, N.C., to junction U.S. Highway 70 near Princeton, N.C., thence over U.S. Highway 70 to Goldsboro, N.C., thence over U.S. Highway 117 via Warsaw and Wallace to Wilmington, N.C., and (2) from Raleigh, N.C., over relocated U.S. Highway 70 to junction old U.S. Highway 70, and return over the same routes.

No. MC-2908 (Deviation No. 2), CAPITAL MOTOR LINES, 520 North Court Street, Montgomery, AL 36102, filed May 7, 1971. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage, and express and newspaper* in the same vehicle with passenger, over a deviation route as follows: From Montgomery, Ala., over Interstate Highway 85 to junction U.S. Highway 280-431, near Opelika, Ala., thence over U.S. Highway 280-431 to junction U.S. Highway 80, at Phenix City, Ala., 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 pertinent service routes as follows: (1) From Union Springs, Ala., over U.S. Highway 82 (formerly Alabama Highway 6) to junction Alabama Highway 26, thence over Alabama Highway 26 to Seale, Ala., thence over U.S. Highway 241 to Phenix City, Ala., thence over U.S. Highway 80 to Columbus, Ga.; and (2) from Eufaula, Ala., over U.S. Highway 431 (formerly U.S. Highway 241), to junction U.S. Highway 82 (formerly Alabama Highway 6) thence over U.S. Highway 82 via Midway and Downing, Ala., to junction U.S. Highway 231, thence over U.S. Highway 231 to Montgomery, Ala. (also from Eufaula over U.S. Highway 431 to junction Alabama Highway 30, thence over Alabama Highway 30 to Clayton, Ala., thence over Alabama Highway 51 to Midway; also from Downing over unnumbered highway via Pike Road, Ala., to juncion U.S. Highway 231, approximately 4 miles west of Pike Road), and return over the same routes.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-7328 Filed 5-25-71;8:51 am]

[Notice 17]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

MAY 21, 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-29120 (Deviation No. 11), ALL-AMERICAN TRANSPORT, INC., 1500 Industrial Avenue, Sioux Falls, SD 57104, filed May 10, 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 Interstate Highway 29 and U.S. Highway 73, at or near South Sioux City, Nebr., over U.S. Highway 73 to junction U.S. Highway 136, at or near Auburn, Nebr., thence over U.S. Highway 136 to junction U.S. Highway 275 at or near Rockport, Mo., 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 pertinent service routes as follows: (1) From Sioux Falls, S. Dak., over Interstate Highway 29 to junction U.S. Highway 275, thence over U.S. Highway 275 to junction U.S. Highway 136, thence over U.S. Highway 136 to junction U.S. Highway 59, thence over U.S. Highway 59 to junction U.S. Highway 71, thence over U.S. Highway 71 to junction Interstate Highway 70, thence over Interstate Highway 70 to St. Louis, Mo.; and (2) from Sioux Falls, S. Dak., over Interstate Highway 29 to junction Interstate Highway 80, thence over Interstate Highway 80 to junction Interstate Highway 235, thence over Interstate Highway 235 to junction Iowa Highway 163, thence over Iowa Highway 163 to junction U.S. Highway 63, thence over U.S. Highway 63 to junction Interstate Highway 70, thence over Interstate Highway 70 to St. Louis, Mo., and return over the same routes.

No. MC-43421 (Deviation No. 29), DOHRN TRANSFER COMPANY, Post Office Box 1237, Rock Island, IL 61202, filed May 11, 1971. Carrier's representative: Edward G. Bazelon, 39 South La Salle Street, Chicago, IL 60603. 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 Illinois Highway 84 and U.S. Highway 20, over Illinois Highway 84 to the Illinois-Wisconsin State line, thence over Wisconsin Highway 80 to junction Wisconsin Highway 11, thence over Wisconsin Highway 11 to junction Interstate Highway 90, thence over Interstate Highway 90 to junction Interstate Highway 94, thence over Interstate Highway 94 to Milwaukee, Wis., 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 pertinent service routes as follows: (1) From Dubuque, Iowa, over U.S. Highway 20 to Chicago, Ill.; and (2) from Chicago, Ill., over U.S. Highway 41 to Milwaukee, Wis., and return over the same routes.

No. MC-48958 (Deviation No. 27), ILLINOIS-CALIFORNIA EXPRESS, INC., 510 East 51st Avenue, Denver, CO 80216, filed May 12, 1971. Carrier's representative: Morris G. Cobb, Post Office Box 9050, Amarillo, TX 79105. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From San Diego, Calif., over U.S. Highway 80 (Interstate Highway 8) to junction Interstate Highway 10, near Casa Grande, Ariz., thence over Interstate Highway 10 to Phoenix, Ariz., 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 pertinent service routes as follows: (1) From San Diego, Calif., over U.S. Highway 395 to Colton, Calif.; (2) from Colton, Calif., over U.S. Highway 99 to Indio, Calif., thence over U.S. Highway 60 to Wickenburg, Ariz., thence over U.S. Highway 89 to Ashfork, Ariz.; and (3) from Wickenburg, Ariz., over U.S. Highway 89 to Phoenix, Ariz., and return over the same routes.

No. MC-48958 (Deviation No. 28), ILLINOIS-CALIFORNIA EXPRESS, INC., 510 East 51st Avenue, Denver, CO 80216, filed May 3, 1971. Carrier's representative: Morris G. Cobb, Post Office Box 9050, Amarillo, TX 79105. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Lincoln, Nebr., over U.S. Highway 77 to junction U.S. Highway 36 at or near Marysville, Kans., thence over U.S. Highway 36 to junction U.S. Highway 66 (Interstate Highway 55) at or near Springfield, Ill., thence over U.S. Highway 66 (Interstate Highway 55) to Chicago, 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 pertinent service routes as follows: (1) From

Lincoln, Nebr., over U.S. Highway 6 to Harvey, Ill., thence over Illinois Highway 1 to Chicago, Ill. (also from Harvey, Ill., over U.S. Highway 6 to junction Alternate U.S. Highway 30, thence over Alternate U.S. Highway 30 to Chicago); (2) from Lincoln, Nebr., over U.S. Highway 6 to Princeton, Ill., thence over U.S. Highway 34 to Chicago, Ill.; and (3) from Lincoln, Nebr., over U.S. Highway 6 to Council Bluffs, Iowa, thence over U.S. Highway 75 to Missouri Valley, Iowa, thence over U.S. Highway 30 to junction Alternate U.S. Highway 30 (near Sterling, Ill.), thence over Alternate U.S. Highway 30 to Chicago, Ill., and return over the same routes.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.71-7329 Filed 5-25-71;8:51 am]

[Notice 42]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

MAY 21, 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.

APPLICATIONS ASSIGNED FOR ORAL HEARING

MOTOR CARRIERS OF PROPERTY

No. MC 99695 (Sub-No. 6) (Clarification), filed March 15, 1971, published in the FEDERAL REGISTER issues of April 5, 1971, and May 19, 1971, and republished in part in this issue. Applicant: ATLAS TRANSIT, INC., Post Office Box 707, Little Rock, AR 72203. Applicant's representative: James N. Clay III, 2700 Sterick Building, Memphis, Tenn. 38103. NOTE: The purpose of scribe the route under part (2) as follows: "between Malvern, Ark., and Nashville, Ark., from Malvern over U.S. Highway 270 to junction of U.S. Highway 70, thence west over U.S. Highway 70 to Kirby, thence south over Arkansas Highway 27 to Nashville, and return over the same route, serving all intermediate points". (b) The route described under part (23) made reference to Opello, Ark., whereas the correct spelling should be Oppello, Ark.

HEARING: Remains as assigned June 14, 1971, in Room 978, New Federal Building, Memphis, Tenn., before a hearing examiner to be later designated.

NOTICE OF FILING OF PETITIONS

No. MC 95920 (Sub-No. 13) (Notice of Filing of Petition To Amend Contract Carrier Permit by the Authorization of Additional Commodities To Service Presently Authorized), filed March 9, 1971. Petitioner: SANTRY TRUCKING COMPANY, 11552 Southwest Pacific Highway, Portland, OR 97223. Petitioner's representative: George R. LaBissonierre, 1424 Washington Building, Seattle, WA 98101. Petitioner states it presently holds a contract carrier permit under Docket MC 95920 Sub 13 to transport empty containers, rejected or spoiled malt beverages, hops, in bales, rice, grain, infusorial earth, brewer's malt, advertising matter and other ingredients used in the manufacture of malt beverages, from points in California to Olympia, Wash., under continuing contract with Olympia Brewing Co. of Olympia, Wash. Petitioner further states it presently holds authority to transport as a contract carrier for the Olympia Brewing Co., malt beverages and advertising matter when moving therewith from Olympia, Wash., to points in Washington, Idaho, Montana, Utah, Colorado, North Dakota, South Dakota, and Oregon. Also, as a common carrier, it holds authority to transport under Docket MC 123265 the same commodities from Olympia, Wash., to California. The reason for this is that the State of California will not allow a contract carrier to transport alcoholic beverages into the State of California and the service can be performed by a common carrier only; thus the petitioner holds a common carrier authority to California, whereas it is contract everywhere else. Nevertheless, it still holds the return inbound authority from points in California to Olympia as described above as a contract carrier. By the instant petition, petitioner seeks to amend its contract carrier permit northbound under Docket MC 95920 Sub 13 so that materials and supplies can be transported along with the already authorized commodities to be used in the manufacture of malt beverages. The petition then seeks to add materials and supplies to the authority northbound from points in California to Olympia, Wash., so that the authority would read: "Empty containers, rejected or spoiled malt beverages, hops, in bales, rice grain, infusorial earth, brewer's malt, advertising matter and other ingredients, materials or supplies used in the manufacture of malt beverages. From points in California to Olympia, Wash. Operations are limited to the transportation service to be performed under a continuing contract or contracts with Olympia Brewing Company of Olympia, Wash." Petitioner states that no different area of origin or destination is being asked for, but only the addition of commodities which are related to those already being hauled and naturally for the very same shipper for whom it is now a contract carrier. Any interested person desiring to participate, may file an original and six copies of his written representations, views or argument in support of or against the petition, within 30 days from the date of publication in the FEDERAL REGISTER.

No. MC 19157 (Notice of Filing of Petition To Modify Certificate), filed April 30, 1971. Petitioner: McCORMACKS HIGHWAY TRANSPORTATION, INC., 151 Erie Boulevard, Schenectady, NY 12305. Petitioner's representative: Anthony C. Vance, Suite 501, 1111 E Street NW., Washington, DC 20004. Petitioner states it was granted grandfather authority in its lead certificate MC 19157. A portion of the said certificate reads as follows: "*Electrical equipment*, when for emergency repairs or installations, over irregular routes: From Schenectady, N.Y., to points and places in Connecticut, Illinois, Indiana, Maryland, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Vermont, Virginia, and the District of Columbia, with no transportation for compensation on return except as otherwise unauthorized." Petitioner states that the purpose of this petition is to seek modification of petitioner's lead certificate to the extent that the following restrictive language be eliminated therefrom: " * * * when for emergency repairs or installations * * *" Attached to the petition is (a) petitioner's supporting verified statement, with copy of involved certificate, relevant traffic exhibit, most recent financial statements, and equipment list; and (b) a verified statement of supporting shipper, General Electric Co. Petitioner contends that this supporting evidence fully justifies the modification requested. Any interested person desiring to participate may file an original and six copies of his written representations, views, or argument in support of or against the petition within 30 days from the date of publication in the FEDERAL REGISTER.

No. MC-126403 (Sub-No. 1) (Notice of Filing of Petition for Declaratory Order for Modification of Permit), filed April 19, 1971. Petitioner: MERCHANTS DELIVERY SERVICE, INC., Southwest Corner Swanson and Mifflin Streets, Philadelphia, PA 19148. Petitioner's representative: Robert D. Stair, Sr., 2122 Meeting House Road, Cinnaminson, NJ 08007. Petitioner states it holds authority as a contract carrier of property, by motor vehicle under MC-126403 (Sub-No. 1), and requests that a declaratory order be issued by the Commission finding that the restrictive portion of its permit, which reads "Restriction: The operations authorized herein are limited to a transportation service to be performed, under a continuing contract or contracts with Appliance Service & Installation Corp., of Philadelphia, Pa.", is unduly prejudicial and discriminatory to petitioner, and should be eliminated in the interests of better conformance to the National Transportation Policy. Petitioner's president states in part, as follows: That he is president of Appliance Delivery Corp., a warehousing corporation, formerly known by the name of Appliance Service & Installation Corp.

The latter name is the one shown in petitioner's permit as being the only party, or shipper, with whom petitioner is authorized to negotiate contracts for transportation service. At the present time, petitioner transports, under its permit, household appliances between Philadelphia, Pa., on the one hand, and, on the other, points in New Jersey and Delaware. This, purportedly, is for the account of Appliance Service & Installation Corp., a corporation no longer existing by name, but whose functions as a warehousing corporation have been taken over under the name of Appliance Delivery Corp.

Petitioner's president further states that, prior to July 2, 1969, the operating authority of petitioner was under the name of Appliance Delivery Corp., the name that is now used for the aforementioned warehousing corporation. At the time of the original purchase, the previous owner also owned and operated the contracting shipper, Appliance Service & Installation Corp. The terms of purchase of the carrier included purchase of the warehousing corporation. As a result, he became not only president of the carrier, but also president of the contracting shipper, as was the previous owner. As of July 2, 1969, a change of name in Docket No. MC–126403, Sub 1, was effected from Appliance Delivery Corp. to that of petitioner's present designation. At the same time, a change of name was also instituted with Appliance Service & Installation Corp. becoming Appliance Delivery Corp., retaining its characteristic as a warehousing corporation but having no transportation characteristics. By the instant petition, petitioner requests that the Commission find justification for and grant this petition for a declaratory order eliminating the restrictive portion of petitioner's permit in order to enable it to negotiate directly with manufacturers, distributors and/or retail stores for the transportation of household appliances without the necessity of first having such items stored in the warehouse of Appliance Delivery Corp. Any interested person desiring to participate may file an original and six copies of his written representations, views, or argument in support of or against the petition within 30 days from the date of publication in the FEDERAL REGISTER.

APPLICATION FOR CERTIFICATE OR PERMIT WHICH IS TO BE PROCESSED CONCURRENTLY WITH APPLICATIONS UNDER SECTION 5 GOVERNED BY SPECIAL RULE 240 TO THE EXTENT APPLICABLE

No. MC–3005 (Sub-No. 10), filed April 29, 1971. Applicant: CHICAGO-KANSAS CITY FREIGHT LINE, INC., 14th and Baltimore, Kansas City, MO 64501. Applicant's representative: Frank W. Taylor, Jr., 1221 Baltimore Avenue, Kansas City, MO 64105. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except commodities in bulk, articles of unusual value, classes A and B explosives, household goods as defined by the Commission and those requiring the use of special equipment); (1) between points in Illinois within a 50-mile radius of St. Charles, Ill.; and (2) between points in Illinois within a 50-mile radius of St. Charles, Ill., on the one hand, and, on the other, points in Illinois outside of said 50-mile radius. NOTE: Applicant states that the operations would connect at Chicago, Ill., and any point on U.S. Highway 66 within the 50-mile radius of St. Charles, Ill. This is a matter directly related to MC–F–11160, published FEDERAL REGISTER issue of May 12, 1971, wherein applicant seeks to purchase the rights of Pride Motors, Inc. If a hearing is deemed necessary, applicant requests it be held at Chicago or St. Charles, Ill.

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–11171. Authority sought for purchase by COOK MOTOR LINES, INC., Post Office Box 1391, Akron, OH 44309, of a portion of the operating rights and property of EPPERLY MOTOR FREIGHT, INC., Post Office Box 299, Fayetteville, WV 25840, and for acquisition by H. L. COOK, also of Akron, Ohio 44309, of control of such rights and property through the purchase. Applicants' attorneys: John P. McMahon, 100 East Broad Street, Columbus, OH 43215 and Eugene T. Liipfert, 1660 L Street NW., Washington, DC 20036. Operating rights sought to be transferred: Under a certificate of registration, in Docket No. MC–120002 (Sub-No. 1), covering the transportation of general commodities, as a common carrier, between points and places within 75 miles of Gatewood, Fayette County, W. Va., except those points and places in Cabell, Putnam, Kanawha, Mason, Jackson, Roane, Calhoun, Gilmer, Wirt, Wood, Lewis, Upshur, Randolph, and Ritchie Counties, W. Va., which are within 75 miles of Gatewood, W. Va., and which are located on and north of U.S. Highway 60. Vendee is authorized to operate as a *common carrier* in West Virginia and Ohio. Application has been filed for temporary authority under section 210a(b). NOTE: MC–106451 Sub–8, is a matter directly related. See MC–F–11172 for the remaining portion of this authority.

No. MC–F–11172. Authority sought for purchase by OVERNITE TRANSPORTATION COMPANY, 1100 Commerce Road, Richmond, VA 23224, of a portion of the operating rights and property of EPPERLY MOTOR FREIGHT, INC., Post Office Box 299, Fayetteville, WV 25840, and for acquisition by J. H. COCHRANE, also of Richmond, Va. 23224, of control of such rights and property through the purchase. Applicants' attorneys: John P. McMahon, 100 East Broad Street, Columbus, OH 43215, and Eugene T. Liipfert, 1660 L Street NW., Washington, DC 20036. Operating rights sought to be transferred: Under a certificate of registration, in Docket No. MC–120002 (Sub-No. 1), covering the transportation of general commodities, as a common carrier, between points and places in Cabell, Putnam, Kanawha, Mason, Jackson, Roane, Calhoun, Gilmer, Wirt, Wood, Lewis, Upshur, Randolph, and Ritchie Counties, W. Va., which are within 75 miles of Gatewood, W. Va., and which are located on and north of U.S. Highway 60. Vendee is authorized to operate as a *common carrier* in North Carolina, Tennessee, South Carolina, Georgia, Virginia, Alabama, and West Virginia. Application has been filed for temporary authority under section 210a(b). NOTE: MC–109533 Sub-47, is a matter directly related. See MC–F–11171 for the remaining portion of this authority.

No. MC–F–11174. Authority sought for control and merger by GEORGE TRANSFER AND RIGGING COMPANY, INCORPORATED, 2700 Broening Boulevard, Baltimore, MD 21222, of the operating rights and property of MACK BROTHERS, INCORPORATED, Victoria, Va. 23974, and for acquisition by EDWARD A. GALLAGHER III, also of Baltimore, Md. 21222, of control of such rights and property through the transaction. Applicants' attorneys: Francis W. McInerny and John Guandolo, both of 1000 16th Street NW., Washington, DC 20036. Operating rights sought to be controlled and merged: General commodities, excepting among others, classes A and B explosives, household goods, as a *common carrier* over irregular routes, between Victoria and Kenbridge, Va., on the one hand, and, on the other, Hanover, Pa., Baltimore, Md., Washington, D.C., and points in Virginia and North Carolina; *household goods*, as defined by the Commission, between Victoria, Va., and points within 30 miles of Victoria, on the one hand, and, on the other, Washington, D.C., and points in Pennsylvania, Maryland, North Carolina, Tennessee, Kentucky, and West Virginia; *logs, lumber, and billets*, from specified points in Virginia to specified points in North Carolina and Baltimore, Md.; *corrugated paper boxes, building materials, and glass*, from Richmond, Va., to points in North Carolina and South Carolina. GEORGE TRANSFER AND RIGGING COMPANY, INCORPORATED, is authorized to operate as a *common carrier* in Maryland, Delaware, Pennsylvania, New Jersey, New York, Virginia, West Virginia, Kentucky, Ohio, Michigan, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, and the District of Columbia. Application has been filed for temporary authority under section 210a(b).

No. MC–F–11175. Authority sought for control by LONG ISLAND DELIVERY CO., INC., Central Avenue, East Farmingdale, NY 11735, of the operating rights

of TOMLINSON BROS., INCORPORATED, 150 Front Avenue, West Haven, CT 06516, and for acquisition by NELLIE MILES, CHARLES A. FRANCOLINI, and RICHARD J. KUSTER, all of East Farmingdale, N.Y. 11735, of control of TOMLINSON BROS., INCORPORATED, through the acquisition by LONG ISLAND DELIVERY CO., INC. Applicants' attorneys: William Biederman, 280 Broadway, New York, N.Y. 10007, and John E. Fay, 342 North Main Street, West Hartford, CT 06117. Operating rights 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 New Haven, Conn., and Elizabeth, N.J., with service to and from the intermediate points of Milford, Stratford, Bridgeport, Fairfield, Westport, Darien, Stamford, and Greenwich, Conn.; New York, Port Chester, Rye, Mamaroneck, Larchmont, and New Rochelle, N.Y.; and Jersey City and Newark, N.J.; and the off-route points of West Haven, Hamden, Branford, Derby, Seymour, Ansonia, and Woodridge, Conn.; Pelham, Mount Vernon, Bayside, Yonkers, Tuckahoe, Richmond Hill, Garden City, Jamaica, Ridgewood, Nyack, and Havershaw, N.Y.; and Hoboken, Passaic, Bayonne, Paterson, Lodi, South Orange, Edgewater, Maurer, and Carteret, N.J.; *general commodities,* with exceptions as specified above, over irregular routes, between New Haven, Conn., on the one hand, and, on the other, points in Connecticut. LONG ISLAND DELIVERY CO., INC., is authorized to operate as a *common carrier* in New Jersey and New York. Application has been filed for temporary authority under section 210a(b).

No. MC–F–11176. Authority sought for purchase by KROBLIN REFRIGERATED XPRESS, INC., 2125 Commercial Street, Waterloo, IA 50702, of a portion of the operating rights of EAZOR EXPRESS, INCORPORATED, Eazor Square, Pittsburgh, Pa. 15201, and for acquisition by ALLEN E. KROBLIN, also of Waterloo, Iowa 50702, of control of such rights through the purchase. Applicants' representatives: Allen E. Kroblin, Box 5000, Waterloo, IA 50704, and Robert C. Eazor, Eazor Square, Pittsburgh, Pa. 15201. Operating rights sought to be transferred: *Prepared food products,* as a *common carrier* over irregular routes, between points and places in New York, on the one hand, and, on the other, points and places in Pennsylvania on and south of U.S. Highway 422 and on and west of U.S. Highway 219. Vendee is authorized to operate as a *common carrier* in all points in the United States (except Alaska and Hawaii). Application has been filed for temporary authority under section 210a(b).

No. MC–F–11177. Authority sought for purchase by MITCHELL TRANSPORT, INC., 21111 Chagrin Boulevard, Cleveland, OH 44122, of a portion of the operating rights and certain property of MATLACK, INC., 10 West Baltimore Avenue, Lansdowne, PA 19050, and for acquisition by LEASEWAY TRANSPORTATION CORP., also of Cleveland, Ohio 44122, of control of such rights and certain property through the purchase. Applicants' attorneys: John Andrew Kundtz, 1100 National City Bank Building, Cleveland, Ohio 44114, Roland Rice, 618 Perpetual Building, 1111 E Street NW., Washington, DC 20004, and Harry C. Ames, 666 11th Street NW., Washington, DC 20001. Operating rights sought to be transferred: *Dry cement,* as a *common carrier* over irregular routes, from the plantsite of Alpha Portland Cement Co. at Lime Kiln, Md., to points in Delaware, Maryland, New Jersey, Pennsylvania, that part of West Virginia in and east of Monroe, Greenbrier, Webster, Lewis, Harrison, Marion, and Monongalia Counties, that part of Virginia in and north of Middlesex, King and Queen, New Kent, Henrico, Chesterfield, Powhatan, Cumberland, Buckingham, Nelson, Amherst, Rockbridge, and Alleghany Counties, not including points on the Eastern Shore of Virginia, and the District of Columbia; *cement,* from Lime Kiln, Md., to points in Accomack and Northampton Counties, Va. Vendee is authorized to operate as a *common carrier* in Indiana, Ohio, Kentucky, Illinois, Maryland, Pennsylvania, Rhode Island, Connecticut, Massachusetts, New York, Maine, New Hampshire, Vermont, New Jersey, Alabama, Florida, Mississippi, Tennessee, Kansas, Arkansas, Missouri, Oklahoma, Minnesota, North Dakota, South Dakota, Wisconsin, Iowa, Georgia, Virginia, North Carolina, Delaware, West Virginia, District of Columbia, South Carolina, Louisiana, Nebraska, Texas, Michigan, Washington, Idaho, Montana, and Oregon. Application has not been filed for temporary authority under section 210a(b).

No. MC–F–11178. Authority sought for merger into L. A. TUCKER TRUCK LINES, INCORPORATED, 321 North Spring Avenue, Cape Girardeau, MO 63701, of the operating rights and property of ILLMO TRANSFER, INC., Route 1, Herrin, IL 62948, and for acquisition by HARRY A. MESSMER, CHARLES N. HARRIS, and SIMON P. BOLLINGER, all of Cape Girardeau, Mo. 63701, of control of such rights and property through the transaction. Applicants' attorney: Gregory M. Rebman, 314 North Broadway, St. Louis, MO 63102. Operating rights sought to be merged: *General commodities,* with usual exceptions, as a *common carrier* over regular routes, between Belleville, Ill., and St. Louis, Mo., between Pyatts, Ill., and St. Louis, Mo., between Pyatts and Harrisburg, Ill., between Vienna and Carmi, Ill., between Mount Vernon and Vienna, Ill., over various other short regular routes in Illinois in the same general area serving all intermediate points and various off-route points, with restrictions. L. A. TUCKER TRUCK LINES, INCORPORATED, is authorized to operate as a *common carrier* in Illinois, Missouri, Arkansas, Indiana, Tennessee, and Iowa. Application has not been filed for temporary authority under section 210a(b).

No. MC–F–11179. Authority sought for control and merger by ARKANSAS-BEST FREIGHT SYSTEM, INC., 301 South 11th Street, Fort Smith, AR 72901, of the operating rights and property of YOUNGBLOOD TRUCK LINES, INC., Highway 25, Fletcher, NC 28732, and for acquisition by ARKANSAS BEST CORPORATION, also of Fort Smith, Ark. 72901, of control of such rights and property through the transaction. Applicants' attorneys: Thomas Harper and Tom Harper, Jr., Post Office Box 43, Fort Smith, AR 72901 and Charles Ephraim, 1250 Connecticut Avenue NW., Washington, DC 20036. Operating rights sought to be controlled and merged: *General commodities,* with certain specified exceptions, and numerous other specified commodities, as a *common carrier,* over regular and irregular routes, from, to, and between specified points in the States of Georgia, South Carolina, North Carolina, Tennessee, West Virginia, Ohio, Kentucky, Indiana, and Illinois, with certain restrictions, serving various intermediate and off-route points, over numerous alternate routes for operating convenience only, as more specifically described in Docket No. MC–37896 and sub-numbers thereunder. This notice does not purport to be a complete description of all of the operating rights of the carrier involved. The foregoing summary is believed to be sufficient for purposes of public notice regarding the nature and extent of this carrier's operating rights, without stating, in full, the entirety, thereof. ARKANSAS-BEST FREIGHT SYSTEM, INC., is authorized to operate as a *common carrier* in Texas, Oklahoma, Arkansas, Mississippi, Louisiana, Tennessee, Kansas, Missouri, Illinois, Indiana, Kentucky, Ohio, New York, Pennsylvania, Alabama, Michigan, Wisconsin, Iowa, Minnesota, and West Virginia. Application has not been filed for temporary authority under section 210a(b).

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71–7330 Filed 5–25–71;8:51 am]

NOTICE OF FILING OF MOTOR CARRIER INTRASTATE APPLICATIONS

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. (Unknown), filed May 5, 1971. Applicant: D. J. TRITT & A. D. McALISTER, doing business as BUTTE-DEER LODGE MOTOR FREIGHT, Box 369, Butte, MT 59701. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *general commodities* (except commodities in bulk), between Deer Lodge, Mont., and Butte, Mont., and intermediate points via U.S. Highway 10S. Both intrastate and interstate authority sought.

HEARING: Date, time, and place application to be assigned for hearing unknown at this time. Requests for procedural information including the time for filing protests concerning this application should be addressed to the Board of Railroad Commissioners, 1227 11th Avenue, Helena, MT 59601, and should not be directed to the Interstate Commerce Commission.

State Docket No. CC-7087, filed May 3, 1971. Applicant: CLINE MUNDY, doing business as GENERAL MOTOR LINES, Post Office Box 5157, Roanoke, VA. Applicant's representative: Jno. C. Goddin, 200 West Grace Street, Richmond, VA 23220. Certificate of public convenience and necessity sought to operate a freight service as follows: Between Covington, Va., and Warm Springs, Va., over the following routes: From Covington, Va., over U.S. Highway 60 and Interstate Highway 64 to and over Virginia Secondary Highway 600 to and over Virginia Secondary Highway 641 to and over Virginia Secondary Highway 687 to and over Virginia Highway 39 thence over Virginia Highway 39 to Warm Springs, serving points in Alleghany and Bath Counties north of Interstate 64 over numbered and unnumbered highways as off-route points. Both interstate and intrastate authority sought.

HEARING: July 19, 1971, 10 a.m., Courtroom, State Corporation Commission, Blanton Building, Richmond, Va. Requests for procedural information including the time for filing protests concerning this application should be addressed to the Commonwealth of Virginia, State Corporation Commission, Box 1197, Richmond, VA 23209 and should not be directed to the Interstate Commerce Commission.

State Docket No. T-9005 filed April 14, 1971. Applicant: LESTER LINES, INC., Wallkill, N.Y. Applicant's representative: Samuel B. Zinder, Station Plaza East, Great Neck, NY 11021. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *packages and newspapers* by omnibus as auxiliary to passengers service along the routes for which the applicant holds a certificate of public convenience and necessity from the Department of Transportation for the operation of omnibus lines. This authority is to be used in conjunction with existing authority, both in interstate and intrastate commerce.

HEARING: Not assigned yet. Requests for procedural information, including the time for filing protests concerning this application should be addressed to the New York State Department of Transportation, 1220 Washington Avenue, State Campus, Albany, NY 12226, and should not be directed to the Interstate Commerce Commission.

State Docket MC 18530 No. 4334-M filed May 13, 1971. Applicant: BENTON TRANSPORT CORPORATION, Post Office Box 6358, Station C, Savannah, GA 31405. Applicant's representative: Ariel V. Conlin, 53 Sixth Street NE., Atlanta, GA 30308. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *food stuffs*, canned, prepared, or preserved, not frozen; *cooking or edible oils, matches, oleomargarine, shortening* (except commodities in bulk and frozen foodstuffs), from the plantsite of Hunt-Wesson Foods, Inc., Savannah Distribution Center, Chatham County, Ga., and/or from the plantsite of Hunt-Wesson Foods, Inc., Atlanta Distribution Center, Fulton County, Ga., on the one hand, and, on the other, all points in Georgia, over no fixed route, also application for corresponding authority to conduct operations in interstate and foreign commerce under section 206(a)(6) of the Interstate Commerce Act, as amended. Both intrastate and interstate authority sought.

HEARING: July 13, 1971, 10 a.m., Room 177, at the Commission's Court Room, 244 Washington Street SW., Atlanta, GA 30334. Requests for procedural information, including the time for filing protests concerning this application should be addressed to the Georgia Public Service Commission, 244 Washington Street SW., Atlanta, GA 30334, and should not be directed to the Interstate Commerce Commission.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.71-7327 Filed 5-25-71;8:51 am]

[Notice 299]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

MAY 20, 1971.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR 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 112822 (Sub-No. 196 TA), filed May 11, 1971. Applicant: BRAY LINES INCORPORATED, 1401 North Little, Post Office Box 1191, Cushing, OK 74023. Applicant's representative: Joe W. Ballard (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer and fertilizer materials*, dry, in bulk, from Military (Cherokee County), Kans., to points in Arkansas, Iowa, Missouri, Nebraska, Oklahoma, and points in that part of Texas on and east of a line beginning at the Oklahoma-Texas State line and extending along Route I-35 to San Antonio, Tex., and thence along U.S. Highway 281 to the Texas-Mexico international boundary line at or near Hidalgo, Tex., for 120 days. Supporting shipper: J. J. Stefanec, Transportation Manager, Gulf Oil Chemicals Co., Dwight Building, Kansas City, Mo. 64105. Send protests to: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 240, Old Post Office Building, 215 Northwest Third, Oklahoma City, OK 73102.

No. MC 116073 (Sub-No. 167 TA), filed May 11, 1971. Applicant: BARRETT MOBILE HOME TRANSPORT, INC., 1825 Main Avenue, Post Office Box 919, Moorhead, MN 56560. Applicant's representative: Robert G. Tessar, Post Office Box 919, Moorhead, MN 56560. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Trailers*, designed to be drawn by passenger automobiles, in initial movements, from Petersburg, N. Dak., to points in Montana, Minnesota, and South Dakota, for 180 days. Supporting shipper: Arctic Homes, Inc., Post Office Box 125, Petersburg, ND 58272. Send protests to: J. H. Ambs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Post Office Box 2340, Fargo, ND 58102.

No. MC 116101 (Sub-No. 8 TA), filed May 11, 1971. Applicant: QUICK AIR FREIGHT, INC., Cargo Building, Port Columbus, Columbus, Ohio 43215. Applicant's representative: Edwin H. Van Deusen, 50 West Broad Street, Columbus, OH 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Mining machine parts*, in emergency service, from Columbus, Ohio, to points in the United States east of the Mississippi River (except points in Illinois, Indiana, Kentucky, Michigan, New York, Pennsylvania, and West Virginia), and *used mining machine parts*, from points

in the United States east of the Mississippi River (except points in Illinois, Indiana, Kentucky, Michigan, New York, Pennsylvania, and West Virginia), to Columbus, Ohio, for 180 days. Supporting shipper: Jeffrey Mining Machinery Co., Division of Jeffrey Galion Inc., Post Office Box 1879, Columbus, OH 43216. Send protests to: A. M. Culver, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 255 Federal Building and U.S. Courthouse, 85 Marconi Boulevard, Columbus, OH 43215.

No. MC 117765 (Sub-No. 125 TA), filed May 11, 1971. Applicant: HAHN TRUCK LINE, INC., 5315 Northwest Fifth, Post Office Box 75267, Oklahoma City, OK 73107. Applicant's representative: R. E. Hagan (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages and related advertising materials*, from the plantsite of Lone Star Brewing Co., San Antonio, Tex., to points in Arkansas and Oklahoma, for 150 days. Supporting shipper: Lone Star Brewing Co., 600 Lone Star Boulevard, San Antonio, TX 78206. Send protests to: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 240, Old Post Office Building, 215 Northwest Third, Oklahoma City, OK 73102.

No. MC 118978 (Sub-No. 4 TA), filed May 11, 1971. Applicant: MERCURY PRODUCE EXPRESS, LTD., 2201 Rosser, Burnaby 2, BC Canada. Applicant's representative: George H. Hart, IBM Building, Seattle, WA 98101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Paper*, from ports of entry on the international boundary between the United States and Canada at or near Blaine, Wash., to points in King, Pierce, and Yakima Counties, Wash.; Multnomah and Lane Counties, Oreg., Washoe County, Nev.; Maricopa and Pima Counties, Ariz.; and points in California; (2) *yarns, carpets, and carpeting accessories and materials*, from points in California to ports of entry on the international boundary line between the United States and Canada at or near Oroville, Wash., for 180 days. Supporting shippers: Western Newsprint Ltd., Post Office Box 235, South Barnaby, BC Canada; Westmills Carpets Ltd., Post Office Box 608, Kelowna, BC Canada. Send protests to: E. J. Casey, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 124070 (Sub-No. 23 TA), filed May 11, 1971. Applicant: CHEMICAL HAULERS, INC., Post Office Box 2038, 5723 Kennedy Avenue, Hammond, IN 46323. Applicant's representative: William J. Gately (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Spent silica gel cracking catalyst*, from Pine Bend, Minn., to Port Huron, Mich., for 150 days. Supporting shipper: Easttown Technical Co., Paoli, Pa. Send protests to: District Supervisor J. H. Gray, Bureau of Operations, Interstate Commerce Commission, 345 West Wayne Street, Room 204, Fort Wayne, IN 46802.

No. MC 124230 (Sub-No. 15 TA), filed May 11, 1971. Applicant: C. B. JOHNSON, INC., Post Office Drawer S, Cortez, CO 81321. Applicant's representative: C. B. Johnson (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Ore concentrates*, from Sandoval County, New Mexico to Bernalillo, N. Mex., and El Paso, Tex., for 180 days. Supporting shipper: Earth Resources Co., Post Office Box 202, Cuba, NM 87013. Send protests to: District Supervisor Herbert C. Ruoff, Interstate Commerce Commission, Bureau of Operations, 2022 Federal Building, Denver, Colo. 80202.

No. MC 125375 (Sub-No. 7 TA), filed May 11, 1971. Applicant: F. B. GUEST, doing business as F.B.G. TRANSPORT, Route 5, Box 95A Covington, GA 30209. Applicant's representative: Monty Schumacher, Suite 310, Bankers Fidelity Life Building, 2045 Peachtree Road NE., Atlanta, GA 30309. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Cottage cheese*, from Watertown, N.Y., to the warehouses of Winn-Dixie Stores, Inc., in Greenville, S.C.; Montgomery, Ala.; Jacksonville, Miami, and Tampa, Fla.; Atlanta, Ga.; and Louisville, Ky.; for 180 days. Supporting shipper: Borden Dairy & Services Division, Borden, Inc., 50 West Broad Street, Columbus, OH 43215. Send protests to: William L. Scroggs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 309, 1252 Peachtree Street NW., Atlanta, GA 30309.

No. MC 129705 (Sub-No. 1 TA), filed May 11, 1971. Applicant: CARTER'S TRUCKING AND DELIVERY SERVICE, INC., 282 Franklin Avenue, Staten Island, NY 10301. Applicant's representative: Anthony I. Giacobbe, 15 Welles Court, Staten Island, NY 10301. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Redwood outdoor summer furniture*, unassembled, in cartons, from Bristol, Pa., to Staten Island, N.Y., for 180 days. Supporting shipper: J. C. Penney Co., Inc., 1509 Forest Avenue, Port Richmond, NY 10302. Send protests to: Paul W. Assenza, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 26 Federal Plaza, New York, NY 10007.

No. MC 133240 (Sub-No. 18 TA), filed May 10, 1971. Applicant: WEST END TRUCKING CO., INC., 530 Duncan Avenue, Jersey City, NJ 07306. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, NJ 07306. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are dealt in or used by discount or department stores, between the facilities of Holly Stores, Inc., their divisions or subsidiaries, located at Secaucus, N.J., North Bergen, N.J., New York, N.Y., on the one hand, and, on the other, points in Pensacola, Jacksonville, Daytona Beach, Orlando, Lauderhill, Tampa, Largo, Miami, Hialeah, West Palm Beach, St. Petersburg, Bradenton, Fern Park, Oakland Park, Hollywood, Fla.; Hazlet, Randolph Township, N.J.; and Staten Island, N.Y., under contract with Holly Stores, Inc., for 180 days. Supporting shipper: Holly Stores, Inc., 550 West 59th Street, New York, NY 10019. Send protests to: District Supervisor Robert E. Johnston, Bureau of Operations, Interstate Commerce Commission, 970 Broad Street, Newark, NJ 07102.

No. MC 133240 (Sub-No. 19 TA), filed May 11, 1971. Applicant: WEST END TRUCKING CO., INC., 530 Duncan Avenue, Jersey City, NJ 07306. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, NJ 07306. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are dealt in or used by discount or department stores, between the facilities of Holly Stores, Inc., located in New York, N.Y., Secaucus and North Bergen, N.J., on the one hand, and, on the other, Los Angeles, San Bernardino, Rialto, Riverside, Orange, Santa Ana, Fullerton, Buena Pari, Bellflower, Calif.; Chicago, Ill. and its commercial zone; and Denver, Colo., and its commercial zone; Lafayette, Lake Charles, Alexandria, and Monroe, La.; under contract with Holly Stores, Inc., for 180 days. Supporting shipper: Holly Stores, Inc., 550 West 59th Street, New York, NY 10019. Send protests to: District Supervisor R. E. Johnston, Bureau of Operations, Interstate Commerce Commission, 970 Broad Street, Newark, NJ 07102.

No. MC 134182 (Sub-No. 6 TA), filed May 11, 1971. Applicant: MILK PRODUCERS MARKETING COMPANY, doing business as ALL-STAR TRANSPORTATION, Second and West Turnpike Road, Post Office Box 505, Lawrence, KS 66044. Applicant's representative: Warren H. Sapp, 450 Professional Building, Kansas City, MO 64106. 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* as described in sections A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk), from the plantsite and storage facilities of Aristo Kansas Meat Packers, Inc., at or near Holton, Kans., to points in Connecticut, Delaware, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, West Virginia, and the District of Columbia, for 150 days. NOTE: Applicant does not intend to tack the authority here applied for to other authority held by it, or to interline with other carriers. Supporting shipper: Kansas Beef Packs, a division of Aristo Meat Packers, Holton, Kans. 66436. Send protests to: Thomas P.

O'Hara, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 234 Federal Building, Topeka, Kans. 66603.

No. MC 135493 (Sub-No. 1 TA), filed May 11, 1971. Applicant: LYLE GUENTZEL, Rural Route 1, Box 46, Hibbing, MN 55746. Applicant's representative: Richard M. Bosard. 1160 Northwestern Bank Building, Minneapolis, Minn. 55402. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Grinding balls*, from Hibbing, Minn., to Black River Falls, Wis., and to Hanna Mining Co.'s Groveland Mine near Randville, Mich., and on return, *steel containers* for grinding balls, under a continuing contract with Mesaballoy, Inc., Hibbing, Minn. for 150 days. Supporting shipper: Mesaballoy, Inc., Hibbing, Minn. Send protests to: District Supervisor E. C. Sjogren, Interstate Commerce Commission, Bureau of Operations, 110 South Fourth Street, 448 Federal Building, Minneapolis, MN 55401.

No. MC 135527 (Sub-No. 1 TA), filed May 11, 1971. Applicant: P. H. D. TRUCKING SERVICE, INC., Post Office Box 106, 1500 North Maine Street, Spanish Fork, UT 84660. Applicant's representative: Irene Warr, 419 Judge Building, Salt Lake City, Utah 84111. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Ore and ore concentrates*, in bulk, from Darwin, Calif., to International Smelter at Tooele, Utah, for 180 days. Supporting shipper: Mexicanus Colorado, Inc., Post Office Box, 206 Darwin, CA 93522 (J. Chisholm). Send protests to: John T. Vaughan, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 5239 Federal Building, Salt Lake City, Utah 48111.

No. MC 135528 (Sub-No. 1 TA), filed May 10, 1971. Applicant: CLIFFORD R. SMITH, doing business as C. R. SMITH TRUCKING, R.F.D., Oakley, Utah 84055. Applicant's representative: Stuart L. Poelman, Seventh Floor, Continental Bank Building, Salt Lake City, Utah 84101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Lumber* (except poles and laminated beams), from Kamas, Utah, to Phoenix, Ariz., Denver and Colorado Springs, Colo., Hawthorne, Nev., and points in Orange, Los Angeles, Riverside, San Bernardino, San Diego and Ventura Counties, Calif., under a continuing contract with Blazzard Lumber Co. of Kamas, Utah, for 180 days. Supporting shipper: Blazzard Lumber Co., Post Office Box 65, Kamas, UT 84036 (J. H. Blazzard, owner and operator). Send protests to: John T. Vaughan, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 5239 Federal Building, Salt Lake City, Utah 84111.

No. MC 135575 TA, filed May 10, 1971. Applicant: J. BRUCE LITTLEFIELD, doing business as LITTLEFIELD & SONS, Lebanon Road, North Berwick, ME 03906. Applicant's representative: Frederick T. McGonagle, 36 Main Street, Gorham, ME 04038. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Liquid asphalt*, in bulk, in tank vehicles, from Everett, Mass., to points in York County, Maine, for 180 days. Supporting shipper: Warren Brothers Co., Post Office Box 428, North Berwick, ME. Send protests to: District Supervisor Donald G. Weiler, Interstate Commerce Commission, Bureau of Operations, Room 307, 76 Pearl Street, Post Office Box 167, PSS, Portland, ME 04112.

No. MC 135576 TA, filed May 11, 1971. Applicant: AMERICAN FREIGHT CORP., 225 West Lehigh Avenue, Philadelphia, PA 19133. Applicant's representative: Alan Kahn, 2 Penn Center Plaza, Philadelphia, PA 19102. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are dealt in by retail department stores, between the facilities of Strawbridge & Clothier and its wholly owned subsidiaries in Ardmore, Plymouth Meeting, Jenkintown, Neshaminy, Springfield (Delaware County), Pa.; Voorhees Township, Cherry Hill, Marlton, and Blackwood, N.J., and Wilmington, Del. Restriction: The operations authorized herein are limited to transportation services to be performed under a continuing contract or contracts with Strawbridge & Clothier or its wholly owned subsidiaries for 180 days. Supporting shipper: Strawbridge & Clothier, Market and Filbert at Eighth, Philadelphia, PA 19105. Send protests to: District Supervisor Ross A. Davis, Bureau of Operations, Interstate Commerce Commission, 1518 Walnut Street, Room 1600, Philadelphia, PA 19102.

No. MC 135578 TA, filed May 11, 1971. Applicant: TODD & BINDNDER, INC., 3721 East 10th Street, Indianapolis, IN 46201. Applicant's representative: Lesow & Lesh, 3737 North Meridian Street, Indianapolis, IN 46208. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Carbonated beverages*, in cans, from Indianapolis, Ind., to Detroit, Mich., for 180 days. Supporting shipper: Coca-Cola Bottling Co., Indianapolis, Inc., Speedway, Ind. Send protests to: James W. Habermehl, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 802 Century Building, 36 South Pennsylvania Street, Indianapolis, IN 46204.

MOTOR CARRIER OF PASSENGERS

No. MC 61802 (Sub-No. 3 TA), filed May 17, 1971. Applicant: COLONIAL TRANSIT COMPANY, INCORPORATED, 310 Charlotte Street, Fredericksburg, VA 22401. Applicant's representative: L. C. Major, Jr., 301 Tavern Square, 421 King Street, Alexandria, VA 22314. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage, and express and newspapers* in the same vehicle with passengers, between Dale City, Va., and Washington, D.C., as follows, from Dale City over Virginia Highway 642 to its junction with Interstate Highway 95 and thence over Interstate Highway 95 to Washington, D.C., and return over the same route, serving no intermediate points, for 180 days. Supporting shippers: There are approximately 17 statements of support attached to the application, which may be examined here at the Interstate Commerce Commission in Washington, D.C., or copies thereof which may be examined at the field office named below. Send protests to: Robert W. Waldron, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 10-502 Federal Building, Richmond, Va. 23240.

No. MC 133143 (Sub-No. 1 TA), filed May 10, 1971. Applicant: PATHFINDER BUS LINES, INC., 2907 63d Street, Kenosha, WI 53104. Applicant's representative: Gordon McAleer (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage*, in charter operations, beginning and ending at points in Kenosha County, Wis., and extending to points in Iowa on and east (a) of U.S. Highway 218 extending between the Minnesota-Iowa State line and the junction of U.S. Highways 218 and 61 (west of Montrose, Iowa; and (b) of U.S. Highway 61 extending between the junction of U.S. Highways 218 and 61 and the Iowa-Missouri State line; points in Illinois on and north of U.S. Highway 136; points in Indiana on and north of Indiana Highway 26; points in Michigan on and southwest of U.S. Highway 10; and points in Ohio on and northwest of U.S. Highway 24, for 180 days. Supporting shipper: Carthage College, 2001 Alford Drive, Kenosha, WI 53140 (Gary A. Larson, Purchasing Agent). Send protests to: District Supervisor Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.71-7331 Filed 5-25-71;8:51 am]

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federal register

WEDNESDAY, MAY 26, 1971
WASHINGTON, D.C.
Volume 36 ■ Number 102

PART II

DEPARTMENT OF TRANSPORTATION

■

Dangerous Cargoes and Hazardous Materials

■

Notice of Proposed Rule Making

DEPARTMENT OF TRANSPORTATION

Coast Guard

[46 CFR Part 146]

[CGFR 71-32]

CORROSIVE LIQUIDS, N.O.S. CONTAINERS

Notice of Proposed Rule Making

The Coast Guard is considering amending the dangerous cargoes regulations to allow the bulk shipment of certain corrosive liquids, N.O.S., in tank cars, motor vehicle tank trucks complying with Department of Transportation regulations (trailerships and trainships only), and portable tanks.

Interested persons are invited to submit written data, views, or comments regarding the proposal to the Commandant (MHM), U.S. Coast Guard, Washington, D.C. 20591. Communication should identify the notice number CGFR 71-32, any specific wording recommended, reasons for any recommended change, and the name, address, and organization, if any, of the commentator. The Coast Guard will hold an informal hearing on August 10, 1971, at 9:30 a.m. in Conference Room 2230, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC. Interested persons are invited to attend the hearing and present oral or written statements on this proposal. There will be no cross-examination of persons presenting statements. All communications received on or before August 17, 1971, or at the hearing, will be fully considered and evaluated before final action is taken on this proposal. Copies of all written communications received will be available for examination in Room 8306, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC, both before and after the closing date for the receipt of comments. The proposal contained in this document may be changed in the light of the comments received.

By a separate document published at page 9602 of this issue of the FEDERAL REGISTER, the Hazardous Materials Regulations Board of the Department of Transportation proposes amendments to Parts 172 and 173 of Title 49, Code of Federal Regulations, relating to bulk shipments of certain corrosive liquids, N.O.S., in tank cars, tank motor vehicles, and portable tanks. For reasons fully stated in that document, the Board has found that certain bulk shipments of corrosive liquids, N.O.S., under special permits have been satisfactory and is proposing to allow these shipments in 49 CFR Parts 172 and 173.

The proposed amendment to the hazardous materials regulations of the Department of Transportation in Title 49 would make these outside containers and tank cars available to shippers by water, air, and land, and to carriers by air and land. The adoption of this proposed amendment to Title 46 would make these outside containers and tank cars available to carriers by water.

In consideration of the foregoing, the Coast Guard proposes to amend § 146.04-5 by adopting the proposed changes to 49 CFR 172.5 and 173.245 which will authorize the bulk shipment of designated corrosive liquids, N.O.S., in tank cars, motor vehicle tank trucks complying with Department of Transportation regulations (trailership and trainships only), and portable tanks.

This proposal is made under authority of R.S. 4405, as amended, R.S. 4417a, as amended, R.S. 4462, as amended, R.S. 4472, as amended, section 6(b)(1), 80 Stat. 937; 46 U.S.C. 375, 391a, 416, 170, 49 U.S.C. 1655(b)(1); 49 CFR 1.46(b).

Dated: May 17, 1971.

W. F. REA III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.71-7148 Filed 5-25-71;8:45 am]

[46 CFR Part 146]

[CGFR 71-33]

WET DESENSITIZED PENTAERYTHRITE TETRANITRATE CONTAINERS

Notice of Proposed Rule Making

The Coast Guard is considering amending the dangerous cargoes regulations to provide for the carriage by water of wet desensitized pentaerythrite tetranitrate in a specification DOT-21C fiber drum (49 CFR 178.224) having an inside polyethylene bag.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commandant (MHM), U.S. Coast Guard, Washington, D.C. 20591. Each person submitting comments should include his name and address, identify the notice (CGFR 71-33), and give reasons for any recommendations. Comments received will be available for examination by interested persons in Room 8306, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC.

The Coast Guard will hold an informal hearing on Tuesday, August 10, 1971, at 9:30 a.m. in Conference Room 2230, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC. Interested persons are invited to attend the hearing and present oral or written statements on this proposal. There will be no cross-examination of persons presenting statements.

The Commandant will evaluate all communications received before August 17, 1971, and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

By a separate document published at page 9602 of this issue of the FEDERAL REGISTER, the Hazardous Materials Regulations Board of the Department of Transportation proposed amendments to Parts 172 and 173 of Title 49, Code of Federal Regulations, relating to the shipment of wetted desensitized pentaerythrite tetranitrate (PETN) in a specification 21C fiber drum having an inside polyethylene bag. For reasons fully stated in that document, the Board has concluded that satisfactory special permit shipments of PETN for over 7 years support the proposal.

The hazardous materials regulations of the Department of Transportation in Title 49 apply to shippers by water, air, and land, and to carriers by air and land. The adoption of the proposed amendments to Title 46 would make the proposal of the Hazardous Materials Regulations Board applicable to carriers by water.

In consideration of the foregoing, the Coast Guard proposes to incorporate the Board's proposal into 46 CFR Part 146. Wet desensitized pentaerythrite tetranitrate would be added to the "List of explosives and other dangerous articles and combustible liquids" (46 CFR 146.04-5), and carriage by water of the article in a specification DOT-21C fiber drum having an inside polyethylene bag would be allowed by 46 CFR 146.20-100.

This proposal is made under authority of R.S. 4405, as amended, R.S. 4417a, as amended, R.S. 4462, as amended, R.S. 4472, as amended, section 6(b)(1), 80 Stat. 937; 46 U.S.C. 375, 391a, 416, 170, 49 U.S.C. 1655(b)(1); 49 CFR 1.46(b).

Dated: May 17, 1971.

W. F. REA III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.71-7149 Filed 5-25-71;8:45 am]

[46 CFR Part 146]

[CGFR 71-34]

BROMINE CONTAINERS

Notice of Proposed Rule Making

The Coast Guard is considering amending the dangerous cargoes regulations to allow shipment of bromine in bottles not over 1 quart in a specification 12A fiberboard box.

Interested persons are invited to submit written data, views or comments regarding the proposal to the Commandant (MHM), U.S. Coast Guard, Washington, D.C. 20591. Communications should identify the notice number, CGFR 71-34, any specific wording recommended, reasons for any recommended change, and the name, address, and organization, if any, of the commentator. The Coast Guard will hold an informal hearing on Tuesday, August 10, 1971, at 9:30 a.m. in Conference Room 2230, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC. Interested persons are invited to attend the hearing and present oral or written statements on this proposal. There will be no cross-examination of persons presenting statements. All communications received on or before August 17, 1971, or at the hearing, will be fully considered

before final action is taken on this proposal. Copies of all written communications received will be available for examination in Room 8306, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC, both before and after the closing date for the receipt of comments. The proposal contained in this document may be changed in the light of the comments received.

By a separate document published at page 9602 of this issue of the FEDERAL REGISTER, the Hazardous Materials Regulations Board of the Department of Transportation proposes an amendment to Part 173 of Title 49, Code of Federal Regulations, relating to the shipment of up to 1-quart bottles of bromine in a specification 12A fiberboard box and the shipment of bromine in nickel-clad cargo tanks. For reasons fully stated in that document, the Board has concluded that satisfactory special permit performance for over 6 years supports that proposal.

The proposed amendment of the hazardous materials regulations of the Department of Transportation in Title 49 would make the proposed authorization of bromine in bottles not over one quart in a specification 12A fiberboard box, and shipment of bromine in nickel-clad cargo tanks, specification MC 310 or MC 312 (49 CFR 178.343) available to shippers by water, air, and land, and to carriers by air and land. The adoption of the proposed amendment in this document to Title 46 would make the authorization of bromine in bottles not over 1 quart in a specification 12A fiberboard box available to carriers by water.

Authorization of the carriage of bromine in nickel-clad cargo tanks aboard certain vessels would be allowed, if the Board adopts the proposal to amend 49 CFR 173.252, without amendment of the dangerous cargoes regulations. The reason no amendment is required is that the dangerous cargoes regulation concerning bromine, 46 CFR 146.23–100, allows the article to be transported in "motor vehicle tank trucks complying with DOT regulations (trailerships and trainships only)". If the Board adopts the proposal to amend 49 CFR 173.252, that specification would be included by reference in 46 CFR Part 146.

In consideration of the foregoing, it is proposed to amend § 146.23–100 to allow the transportation of bromine in bottles not over one quart in fiberboard boxes that comply with Department of Transportation regulations.

This proposal is made under authority of R.S. 4405, as amended, R.S. 4417a, as amended, R.S. 4462, as amended, R.S. 4472, as amended, section 6(b)(1), 80 Stat. 937; 46 U.S.C. 375, 391a, 416, 170, 49 U.S.C. 1655(b)(1); 49 CFR 1.46(b).

Dated: May 17, 1971.

W. F. REA, III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.71–7150 Filed 5–25–71;8:45 am]

[46 CFR Part 146]

[CGFR 71–35]

HYDROCHLORIC ACID AND SODIUM CHLORITE SOLUTION CONTAINERS

Notice of Proposed Rule Making

The Coast Guard is considering amending the dangerous cargoes regulations to allow shipment of hydrochloric acid and sodium chlorite solutions in specification 2E (49 CFR 178.24a) polyethlene bottles up to 1 gallon capacity in DOT–12R (49 CFR 178.212) packaging.

Interested persons are invited to submit written data, views or comments regarding the proposal to the Commandant (MHM), U.S. Coast Guard, Washington, D.C. 20591. Communications should identify the notice number, CGFR 71–35, any specific wording recommended, reasons for any recommended change, and the name, address, and organization, if any, of the commentator. The Coast Guard will hold an informal hearing on Tuesday, August 10, 1971, at 9:30 a.m. in Conference Room 2230, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC. Interested persons are invited to attend the hearing and present oral or written statements on this proposal. There will be no cross-examination of persons presenting statements. All communications received on or before August 17, 1971, or at the hearing, will be fully considered and evaluated before final action is taken on this proposal. Copies of all written communications received will be available for examination in Room 8306, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC., both before and after the closing date for the receipt of comments. The proposal contained in this document may be changed in the light of the comments received.

By a separate document published at page 9602 of this issue of the FEDERAL REGISTER, the Hazardous Materials Regulations Board of the Department of Transportation proposes an amendment to Part 173 of Title 49, Code of Federal Regulations, relating to the authorization of shipments of sodium chlorite solutions in cargo tanks constructed of Type 316 stainless steel, and to authorize the shipment of hydrochloric acid and sodium chlorite solutions in specification 2E polyethylene bottles up to 1 gallon capacity in DOT–12R packaging. For reasons fully stated in that document, the Board has concluded that satisfactory special permit performance supports that proposal.

The proposed amendment of the hazardous materials regulations of the Department of Transportation in Title 49 would make these container specifications available to shippers by water, air, and land, and to carriers by air and land. The adoption of this proposed amendment to Title 46 would authorize the shipment of hydrochloric acid and sodium chlorite solutions in specification 2E polyethylene bottles up to 1 gallon capacity in DOT–12R packaging by water. Authorization of sodium chlorite solutions in cargo tanks constructed of Type 316 stainless steel would only be permitted if the Board adopts the proposal to amend 49 CFR 173.263.

The proposed amendment tc 49 CFR 173.263 would prescribe the specification for tank motor vehicles made from Type 316 stainless steel. The dangerous cargoes regulations concerning sodium chlorite solutions, 46 CFR 146.23–100, allow the article to be transported in "motor vehicle tank trucks complying with DOT regulations (trailerships and trainships only)". If the Board adopts the proposal to amend 49 CFR 173.263, that specification would be included by reference in 46 CFR 146.23–100 and sodium chlorite solutions could be carried aboard trailerships and trainships in motor vehicle tank trucks complying with 49 CFR 173.263 without further amendment of the dangerous cargo regulations.

In consideration of the foregoing, it is proposed to amend § 146.23–100 to allow the transportation of hydrochloric acid and sodium chlorite solutions in specification 2E polyethlene bottles up to 1 gallon capacity in DOT–12R packaging.

This proposal is made under authority of R.S. 4405, as amended, R.S. 4417a, as amended, R.S. 4462, as amended, R.S. 4472, as amended, section 6(b)(1), 80 Stat. 937; 46 U.S.C. 375, 391a, 416, 170, 49 U.S.C. 1655(b)(1); 49 CFR 1.46(b).

Dated: May 17, 1971.

W. F. REA III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.71–7151 Filed 5–25–71;8:45 am]

[46 CFR Part 146]

[CGFR 71–36]

CHROMIC ACID SOLUTIONS

Notice of Proposed Rule Making

The Coast Guard is considering amending the dangerous cargoes regulations to take out that portion of the present definition of chromic acid solutions that could be construed to authorize the use of packaging prohibited by Department of Transportation regulations, to delete authorization for packaging that apparently is no longer in use, and to add specifications DOT–29 (49 CFR 178.226) and 33A (49 CFR 178.150) packaging for chromic acid solutions.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commandant (MHM), U.S. Coast Guard, Washington, D.C. 20591. Each person submitting comments should include his name and address, identify the notice (CGFR 71–36), and give reasons for any recommendations. Comments

received will be available for examination by interested persons in Room 8306, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC.

The Coast Guard will hold an informal hearing on Tuesday, August 10, 1971, at 9:30 a.m. in Conference Room 2230, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC. Interested persons are invited to attend the hearing and present oral or written statements on this proposal. There will be no cross examination of persons presenting statements.

The Commandant will evaluate all communications received before August 17, 1971, and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

By a separate document published at page 9602 of this issue of the FEDERAL REGISTER, the Hazardous Materials Regulations Board of the Department of Transportation proposes amendments to Part 173 of Title 49, Code of Federal Regulations, relating to the amendment of § 173.287 to define chromic acid solutions by eliminating that portion which could be construed to authorize the use of packaging prohibited by § 173.24, to delete authorization for packaging that allegedly is no longer in use, and to add specifications 29 and 33A packaging that is currently authorized for use under the terms of special permits. For reasons fully stated in that document, the Board has proposed these changes to § 173.287 because of problems that have arisen in applying its present provisions.

The hazardous materials regulations of the Department of Transportation in Title 49 apply to shippers by water, air, and land, and to carriers by air and land. The adoption of this proposed amendment to Title 46 would make the proposal of the Hazardous Materials Regulations Board applicable to carriers by water.

In consideration of the foregoing, the Coast Guard proposes to incorporate the substance of the Board's proposal in 46 CFR Part 146. The amendments proposed for 49 CFR 173.287 would be incorporated into 46 CFR 146.23-100 by revising the requirements for outside containers for chromic acid solutions in columns 4, 5, 6, and 7.

This proposal is made under authority of R.S. 4405, as amended, R.S. 4417a, as amended, R.S. 4462, as amended, R.S. 4472, as amended, section 6(b)(1), 80 Stat. 937; 46 U.S.C. 375, 391a, 416, 170, 49 U.S.C. 1655(b)(1); 49 CFR 1.46(b).

Dated: May 17, 1971.

W. F. REA III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.71-7152 Filed 5-25-71;8:45 am]

[46 CFR Part 146]

[CGFR 71-37]

REFRIGERANT GAS CONTAINERS

Notice of Proposed Rule Making

The Coast Guard is considering amending the dangerous cargoes regulations to delete the requirement that Department of Transportation specifications 2P (49 CFR 178.33) and 2Q (49 CFR 178.33a) metal containers be equipped with safety relief devices for shipment of refrigerant gases that are nonpoisonous and nonflammable.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commandant (MHM), U.S. Coast Guard, Washington, D.C. 20591. Each person submitting comments should include his name and address, identify the notice (CGFR 71-37), and give reasons for any recommendations. Comments received will be available for examination by interested persons in Room 8306, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC.

The Coast Guard will hold an informal hearing on August 10, 1971, at 9:30 a.m. in Conference Room 2230, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC. Interested persons are invited to attend the hearing and present oral or written statement on this proposal. There will be no cross-examination of persons presenting statements.

The Commandant will evaluate all communications received before August 17, 1971, and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

By a separate document published at page 9602 of this issue of the FEDERAL REGISTER, the Hazardous Materials Regulations Board of the Department of Transportation proposed amendments to Part 173 of Title 49, Code of Federal Regulations, relating to the deletion of the requirement that DOT specifications 2P and 2Q metal containers be equipped with safety relief devices for shipment of refrigerant gases that are nonpoisonous and nonflammable. For reasons fully stated in that document, the Board has found that successful transportation experience with the packaging supports the proposal.

The hazardous materials regulations of the Department of Transportation in Title 49 apply to shippers by water, air, and land, and to carriers by air and land. The adoption of the proposed amendment to Title 46 would make the proposal of the Hazardous Materials Regulations Board applicable to carriers by water.

In consideration of the foregoing, the Coast Guard proposes to amend 46 CFR 146.24-15(f) by incorporating the Board's proposal for the amendment to 49 CFR 173.304(e)(1) by allowing refrigerant gases which are nonflammable and nonpoisonous to be carried by water in inside metal containers, specifications DOT 2P and 2Q.

This proposal is made under authority of R.S. 4405, as amended, R.S. 4417a, as amended, R.S. 4462, as amended, R.S. 4472, as amended, section 6(b)(1), 80 Stat. 937; 46 U.S.C. 375, 391a, 416, 170, 49 U.S.C. 1655(b)(1); 49 CFR 1.46(b).

Dated: May 17, 1971.

W. F. REA III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.71-7153 Filed 5-25-71;8:45 am]

[46 CFR Part 146]

[CGFR 71-38]

CHLORPICRIN AND CHLORPICRIN MIXTURE CONTAINERS

Notice of Proposed Rule Making

The Coast Guard is considering amending the dangerous cargoes regulations to allow the use of specification 4BW cylinders and to increase the quantity allowable in cylinders authorized for the carriage of chlorpicrin and mixtures of chlorpicrin containing no compressed gas or Class A poisonous liquids on cargo vessels.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commandant (MHM), U.S. Coast Guard, Washington, D.C. 20591. Each person submitting comments should include his name and address, identify the notice (CGFR 71-38), and give reasons for any recommendations. Comments received will be available for examination by interested persons in Room 8306, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC.

The Coast Guard will hold an informal hearing on August 10, 1971, at 9:30 a.m. in Conference Room 2230, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC. Interested persons are invited to attend the hearing and present oral or written statements on this proposal. There will be no cross-examination of persons presenting statements.

The Commandant will evaluate all communications received and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

By a separate document published at page 9602 of this issue of the FEDERAL REGISTER, the Hazardous Materials Regulations Board of the Department of Transportation proposes amendments to Part 173 of Title 49, Code of Federal Regulations, relating to the authorization of

the use of specification 4BW and to the increase of the quantity allowable in cylinders authorized for the shipment of chlorpicrin and mixtures of chlorpicrin containing no compressed gas or Class A poisonous liquid. For reasons fully stated in that document, the Board has found the proposed specification equivalent to or better than currently authorized packaging and the packaging has been satisfactorily shipped under special permits.

The hazardous materials regulations of the Department of Transportation in Title 49 apply to shippers by water, air, and land, and to carriers by air and land. The adoption of this proposed amendment to Title 46 would make the proposal of the Hazardous Materials Regulations Board applicable to carriers by water.

In consideration of the foregoing, the Coast Guard proposes to incorporate the substance of the Board's proposal into 46 CFR Part 146. The carriage of chlorpicrin and mixtures of chlorpicrin containing no compressed gas or Class A poisonous liquid in packages specified in the Board's proposal, on board cargo vessels, would be allowed by 46 CFR 146.25-200.

This proposal is made under authority of R.S. 4405, as amended, R.S. 4417a, as amended, R.S. 4462, as amended, R.S. 4472, as amended, section 6(b)(1), 80 Stat. 937; 46 U.S.C. 375, 391a, 416, 170, 49 U.S.C. 1655(b)(1); 49 CFR 1.46(b).

Dated: May 17, 1971.

W. F. REA III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.71-7154 Filed 5-25-71;8:45 am]

[46 CFR Part 146]

[CGFR 71-39]

BORON TRIBROMIDE TRANSPORTATION

Notice of Proposed Rule Making

The Coast Guard is considering amending the dangerous cargoes regulations to prescribe requirements for the carriage of boron tribromide on all vessels except passenger vessels.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commandant (MHM), U.S. Coast Guard, Washington, D.C. 20591. Each person submitting comments should include his name and address, identify the notice (CGFR 71-39), and give reasons for any recommendations. Comments received will be available for examination by interested persons in Room 8306, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC.

The Coast Guard will hold an informal hearing on August 10, 1971, at 9:30 a.m. in Conference Room 2230, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC. Interested persons are invited to attend the hearing and present oral or written statements on this proposal. There will be no cross-examination of persons presenting statements.

The Commandant will evaluate all communications received and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

By a separate document published at page 9602 of this issue of the FEDERAL REGISTER, the Hazardous Materials Regulations Board of the Department of Transportation proposes amendments to Parts 172 and 173 of Title 49, Code of Federal Regulations, relating to the packaging for the shipment of boron tribromide. For reasons fully stated in that document, the Board has found that the proposed packaging has been adequately in use for several years.

The hazardous materials regulations of the Department of Transportation in Title 49 apply to shippers by water, air, and land, and to carriers by air and land. The adoption of this proposed amendment to Title 46 would make the proposal of the Hazardous Materials Regulations Board applicable to carriers by water.

In consideration of the foregoing, the Coast Guard proposes to incorporate the substance of the Board's proposal into 46 CFR Part 146. The article "boron tribromide" would be added to 46 CFR 146.04-5 and the carriage of boron tribromide in packages specified in the Board's proposal, on board all vessels except passenger vessels, on deck protected and under cover would be allowed by 46 CFR 146.23-100.

This proposal is made under authority of R.S. 4405, as amended, R.S. 4417a, as amended, R.S. 4462, as amended, R.S. 4472, as amended, section 6(b)(1), 80 Stat. 937; 46 U.S.C. 375, 391a, 416, 170, 49 U.S.C. 1655(b)(1); 49 CFR 1.46(b).

Dated: May 17, 1971.

W. F. REA III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.71-7155 Filed 5-25-71;8:45 am]

[46 CFR Part 146]

[CGFR 71-40]

FLAMMABLE LIQUID CONTAINERS

Notice of Proposed Rule Making

The Coast Guard is considering amending the dangerous cargoes regulations to allow shipment of certain flammable liquids in packaging using a specification DOT-2S (49 CFR 178.35) inner polyethylene container where a specification DOT-2SL (49 CFR 178.35a) unit is now authorized.

Interested persons are invited to submit written data, views, or comments regarding the proposal to the Commandant (MHM), U.S. Coast Guard, Washington, D.C. 20591. Communications should identify the notice number, CGFR 71-40, any specific wording recommended, reasons for any recommended change, and the name, address, and organization, if any, of the commentator. The Coast Guard will hold an informal hearing on Tuesday, August 10, 1971, at 9:30 a.m. in Conference Room 2230, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC. Interested persons are invited to attend the hearing and present oral or written statements on this proposal. There will be no cross-examination of persons presenting statements. All communications received on or before August 17, 1971, or at the hearing, will be fully considered and evaluated before final action is taken on this proposal. Copies of all written communications received will be available for examination in Room 8306, Department of Transportation, Nassif Building, 400 Seventh Street SW., Washington, DC, both before and after the closing date for the receipt of comments. The proposal contained in this document may be changed in the light of the comments received.

By a separate document published at page 9602 of this issue of the FEDERAL REGISTER, the Hazardous Materials Regulations Board of the Department of Transportation proposes an amendment to Part 173 of Title 49, Code of Federal Regulations, relating to the authorization of shipments of certain flammable liquids in specification 109A100ALW tank cars, and to authorize the shipment of certain flammable liquids in packaging using a specification DOT-2S inner polyethylene container where a DOT-2SL unit is now authorized. For reasons fully stated in that document, the Board has concluded that the proposed packaging is equivalent to or better than presently authorized packaging.

The proposed amendment of the hazardous materials regulations of the Department of Transportation in Title 49 would make this proposed packaging available to shippers by water, air and land, and to carriers by air and land. The adoption of this proposed amendment to Title 46 would allow carriage by water of certain flammable liquids in packages using specification DOT-2S inner polyethylene containers where a specification DOT-2SL unit is now authorized. However, the dangerous cargoes regulations in Title 46 presently allow the flammable liquids designated by the Board to be transported in tank cars complying with Department of Transportation regulations (trainships only). Therefore, the adoption of the Department of Transportation proposal will allow shipment of these articles in specification 109A100ALW tank cars under Title 46, and no amendment will be made.

In considerations of the foregoing, the Coast Guard proposes to amend § 146.21-100 to allow shipment of certain flammable liquids in packaging using a specification DOT-2S inner polyethylene container where a specification DOT-2SL unit is now authorized for the following articles: Acetone; butyraldehyde;

ethyl acetate; ethyl methyl ketone; heptane; isopropyl acetate; methyl acetate; methyl acetone; methyl isopropenyl ketone, inhibited; motor fuel, n.o.s.; pentane, pentane, methyl; petroleum distillate; allyl bromide; antifreeze compounds, liquids; butyl acetate; box toe gum; cement, leather; cigar and cigarette lighter fluid; coal tar distillate; coal tar naphtha; coal tar oil; compounds, cleaning, liquid; compounds, tree or weed killing, liquid; crontonaldehyde; crude oil, petroleum; dimethylamine, aqueous solution; drugs, chemicals, medicines, or cosmetics, n.o.s.; ethylene dichloride; insecticide, liquid; methyl methacrylate monomer; oil; pyridine; resin solution; sodium methylate alcohol mixture; solvents, n.o.s.; toluol; turpentine substitutes; vinyl acetate; xylol; inflammable liquids, n.o.s.; insecticide, liquid (vermin exterminator).

This proposal is made under authority of R.S. 4405, as amended, R.S. 4417a, as amended, R.S. 4462, as amended, R.S. 4472, as amended, section 6(b)(1), 80 Stat. 937; 46 U.S.C. 375, 391a, 416, 170, 49 U.S.C. 1655(b)(1); 49 CFR 1.46(b).

Dated: May 17, 1971.

W. F. REA III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.71-7156 Filed 5-25-71;8:45 am]

Hazardous Materials Regulations Board

[49 CFR Parts 172, 173, 178]

[Docket No. HM-85; Notice 71-14]

TRANSPORTATION OF HAZARDOUS MATERIALS

Notice of Proposed Rule Making

The Hazardous Materials Regulations Board is considering amendment of several unrelated sections of the Hazardous Materials Regulations. In the past, most proposals have been individually published to make review by the public easier. From the experience gained in publishing proposals in this manner, one serious drawback manifested itself. The number of rule-making actions underway at any one time became substantial enough to cause confusion and create difficulty due to frequent unexpected publication of unrelated changes. This is reported to have caused many interested persons difficulty in preparing complete and timely comments.

The Board wishes to avoid any unnecessary burden on the public in its rule-making procedures and is, therefore, adopting a new procedure set forth herein. The Board will continue to publish separate proposals when the subject matter is of distinct individual importance. However, on routine items such as those covered herein, it intends to publish collections of proposals on an intermittent basis. Commenters need only identify the particular proposal on which they wish to comment when responding. The proposals covered in this document are:

A—High explosive in fiber drums.
B—Hazardous materials in specification 106A and 110A tanks by rail freight and highway.
C—Flammable liquids in DOT-109A100ALW, 6D/2S, and 37M/2S packaging.
D—Corrosive liquids, n.o.s., shipped in bulk.
E—Packaging for boron tribromide.
F—Additional packaging for bromine.
G—Hydrochloric acid and sodium chlorite solutions.
H—Definitions and packaging for chromic acid solutions.
I—Safety relief valve requirements for DOT-2P or 2Q packaging containing refrigerant gases.
J—Packaging for chlorpicrin.
K—Specification 4L cylinder.

PROPOSAL A—HIGH EXPLOSIVES IN FIBER DRUMS

The Hazardous Materials Regulations Board is considering amending § 173.65 of the Department's Hazardous Materials Regulations to provide for the shipment of wetted desensitized pentaerythrite tetranitrate (PETN) in a specification 21C fiber drum having an inside polyethylene bag.

The proposal is based on a special permit which has authorized shipment of PETN for over 7 years. The holder of the permit has petitioned for a rule change and reports that thousands of pounds of wetted desensitized PETN have been shipped with satisfactory experience.

In consideration of the foregoing, it is proposed to amend 49 CFR 172.5 and 173.65 as follows:

Part 172: In § 172.5 paragraph (a), the Commodity List would be amended as follows:

§ 172.5 List of hazardous materials.

(a) * * *

Article	Classed as—	Exemptions and packing (see sec.)	Label required if not exempt	Maximum quantity in 1 outside container by rail express
	(*add*)			
Pentaerythrite tetranitrate, desensitized, wet. See High Explosives.				

* * * * *

Part 173: In § 173.65, the introductory text of paragraph (e) and paragraph (e)(1) would be amended; paragraph (a)(4) would be added to read as follows:

§ 173.65 High explosives with no liquid explosive ingredient nor any chlorate.

* * * * *

(e) Ammonium picrate, cyclotrimethylenetrinitramine, pentaerythrite (desensitized), picric acid, trinitrobenzene, trinitrobenzoic acid, trinitroresorcinol, trinitrotoluene, or urea nitrate, when wet with not less than 10 pounds of water to each 90 pounds of dry material must be shipped in packagings as follows:

(1) Specification 10B (§ 178.156 of this chapter). Wooden barrels or kegs. Not over 50 gallons nominal capacity. Not authorized for wet desensitized pentaerythrite tetranitrate.

* * * * *

(4) Specification 21C (§ 178.224 of this chapter). Fiber drums with an inside polyethylene bag having 0.004 mil minimum thickness and liquid tight closure. Net weight not to exceed 200 pounds. Authorized only for wet desensitized pentaerythrite tetranitrate.

* * * * *

PROPOSAL B—HAZARDOUS MATERIALS IN SPECIFICATION 106A AND 110A TANKS BY RAIL FREIGHT AND HIGHWAY

On January 28, 1970, in Docket No. HM-14; Amendment 173-18 (35 F.R. 1108), the Hazardous Materials Regulations were amended to remove the specification designation 106A500 from sections affected since the "grandfather" authorization for the use of this specification is provided for in § 173.31(a)(2). Two sections of the regulations were overlooked in making this editorial change. The Board proposes to change §§ 173.119 (a)(12), (e)(2), and (f)(3), and 173.251(a)(2) by deleting this unnecessary reference to DOT-106A500 tanks in the subject text.

PROPOSAL C—FLAMMABLE LIQUIDS IN DOT-109A100ALW, 6D/2S, AND 37M/2S PACKAGING

The Hazardous Materials Regulations Board is considering amending § 173.119 of the Department's Hazardous Materials Regulations to authorize the shipment of certain flammable liquids in specification 109A100ALW tank cars, and to authorize the shipment of certain flammable liquids in packagings using a specification DOT-2S inner polyethylene container where a DOT-2SL unit is now authorized.

These proposals are based on petitions indicating that the proposed packaging is equivalent to or better than presently authorized packaging. In comparing these specifications, the Board has concluded that the petitions have merit and that the regulations should be amended to provide for this additional packaging.

A number of the specifications listed are for tank cars known to be quite old. Conclusive information that such tanks may no longer be in use in transportation is requested. The 50-year prohibition on car age has removed ARA-II from interchange and for this reason, reference to that specification is proposed to be deleted from § 173.119 (a)(12) and (e)(2).

In consideration of the foregoing, it is proposed to amend 49 CFR Part 173, as follows:

In § 173.119, paragraphs (a)(12), (b)(8), (e)(2), and (f)(3) would be amended to read as follows:

§ 173.119 Flammable liquids not specifically provided for.

(12) Specification 103,[1] 103W, 103-ALW, 103DW, 104,[1] 104W, 105A100,[1] 105A100ALW, 105A100W, 106A500,[1] 106-A500X, 106A800XNC, 106A800NCI,[1] 109-A100ALW, 110A500W, 111A60ALW, 111A60F1, 111A60W1, 111A100W3, 111-A100W4, 111A100W6, 112A200W, 112A-400F, 114A340W, ARA–III,[1] ARA–IV,[1] or ARA–IV–A[1] (§§ 179.100, 179.101, 179.200, 179.201, 179.300, 179.301 of this chapter). Tank cars. For cars equipped with expansion domes, manway closures must be so designed that pressure will be released automatically by starting the operation of removing the manway cover. Openings in tank heads to facilitate application of lining are authorized and must be closed in an approved manner. (See §§ 179.3, 179.4 of this section) (See § 173.432 for shipping instructions).

* * * * *

(b) * * *

(8) Specification 6D or 37M (nonreusable container) (§§ 178.102, 178.134 of this chapter). Cylindrical steel overpacks with inside specification 2S or 2SL (§§ 178.35, 178.35a of this chapter) polyethylene container. Authorized only for materials that will not react with polyethylene and result in container failure.

* * * * *

(e) * * *

(2) Specification 103,[1] 103W, 103ALW, 103DW, 104,[1] 104W, 105A100,[1] 105A100-ALW, 105A100W, 106A500,[1] 106A500X, 106A800XNC, 106A800NCI,[1] 109A100-ALW, 110A500W, 111A60ALW, 111A60F1, 111A60W1, 111A100W3, 111A100W4, 111-A100W6, 112A200W, 112A400F, 114A-340W, ARA–III,[1] ARA–IV,[1] or ARA–IV–A[1] (§§ 179.100, 179.101, 179.200, 179.201, 179.-300, 179.301 of this chapter). Tank cars. Cars having expansion domes must be equipped with manway closures, identification marks, and dome placards as prescribed in paragraphs (f)(4), (g), (h), and (h)(1) of this section. Openings in tank heads to facilitate application of lining are authorized and must be closed in an approved maner (see §§ 179.3, 179.4 of this chapter) (see Note 1 of paragraph (f)(3) of this section).

* * * * *

(f) * * *

(3) Specification 105A100,[1] 105A100-ALW, 105A100W, 106A500,[1] 106A500X, 106A800XNC, 106A800NCI,[1] 109A100-ALW, 110A500W, 111A100W4, 112A200W, 112A400F, 114A340W, ARA–IV–A[1] (§§ 179.100, 179.101, 179.200, 179.201, 179.300, 179.301 of this chapter) (see Note 1). Tank cars. Specification 104,[1] 104W, 111A100W3, or ARA–IV (§§ 179.-200, 179.201 of this chapter) tank cars are authorized under the conditions prescribed in paragraphs (f)(4), (g), (h), and (h)(1) of this section and Note 3 of this subparagraph. Openings in tank heads to facilitate application of lining are authorized and must be closed in an approved manner. (See §§ 179.3 and 179.4 of this chapter.)

* * * * *

[1] Use of existing tank cars authorized, but new construction not authorized.

PROPOSAL D—CORROSIVE LIQUIDS, N.O.S., SHIPPED IN BULK

The Hazardous Materials Regulations Board is considering amendment of the Department's Hazardous Materials Regulations to authorize the bulk shipment of certain corrosive liquids, n.o.s., in tank cars, tank motor vehicles, and portable tanks. This proposal is in response to several petitions for rule making which are based upon satisfactory experience under special permits.

Corrosive liquids not named specifically in the regulations must be shipped as "Corrosive liquid, n.o.s." and are not authorized to be shipped in bulk. Bulk shipment has been authorized, however, under special permits. The Board is seeking to develop a system whereby, without extensive rule changes, the shipments authorized may be incorporated into the regulations on the basis of good experience under special permits. One method to accomplish this is the establishment of an appropriate table for corrosive liquids in bulk, proposed below. It is the Board's intention that this table be amended periodically to accommodate bulk shipments of corrosive liquids when it appears that more extensive and detailed requirements are unnecessary.

In consideration of the foregoing, it is proposed to amend § 172.5, and add a new § 173.245a in 49 CFR as follows:

I. Part 172: In § 172.5 paragraph (a), the Commodity List would be amended as follows:

§ 172.5 List of hazardous materials.

(a) * * *

Article	Classed as—	Exemptions and packing (see sec.)	Label required if not exempt	Maximum quantity in 1 outside container by rail express
(change)				
Corrosive liquid, n.o.s.	Cor. L.	173.244, 173.245, 173.245a	White	5 pints.
* * *	* * *	* * *	* * *	* * *

II. Part 173:

(A) In Part 173, Table of Contents, § 173.245a would be added to read as follows:

Sec.

173.245a Corrosive liquids, n.o.s., shipped in bulk.

(B) § 173.24a would be added to read as follows:

§ 173.245a Corrosive liquids, n.o.s., shipped in bulk.

(a) Corrosive liquids, n.o.s. may not be shipped in bulk in tank cars, tank motor vehicles, or portable tanks except as follows:

Corrosive liquid	Authorized tank car	Authorized cargo tank [1]	Authorized portable tank [4]
Diethyl phosphorochloridothionate	103AW, lined	MC 310, MC 311, MC 312, stainless steel, or lined.	
Dimethyl phosphorochloridothionate	do	MC 310, MC 311, MC 312, stainless steel, or lined.	
Ethyl chlorothiolformate			DOT–51, monel-clad.
Ethyl phosphonothioic dichloride, anhydrous.	103AW		DOT–51.
Ethyl phosphonous dichloride, anhydrous.[2]			DOT–51.
Ethyl phosphorodichloridate	103ANW, 103AW, 111A100F2, 111A100W2.[3]		
Methyl phosphonothioic dichloride, anhydrous.	103AW		DOT–51.
Methyl phosphonous dichloride [2]			DOT–51.

[1] See § 178.343–2(c) of this chapter. Corrosive protection must be provided in accordance with specification MC 312.
[2] In unlined tanks, must be loaded and shipped under a blanket of nonflammable, dry, inert gas, adequate to displace any significant amount of air.
[3] Specification 103ANW tank car tanks must be solid nickel at least 95 percent pure; all cast metal parts of the tank in contact with the lading must have a minimum nickel content of approximately 96.7 percent. Specification 103A tank car tanks must be lead-lined steel or must be made of steel at least 10 percent nickel clad; specification 103AW, 111A100F2, or 111A100W2 tanks must be lead-lined steel or made of steel with a minimum thickness of nickel cladding 1/16 inch; nickel cladding in tanks must have a minimum nickel content at least 99 percent pure nickel.
[4] Tank must be equipped with a safety-relief valve set at not less than 100 p.s.i.g. In addition, the relief valve must comply with §173.315(i)(1).

PROPOSAL E—PACKAGING FOR BORON TRIBROMIDE

The Hazardous Materials Regulations Board is considering amendments to §§ 172.5 and 173.251 of the Department's Hazardous Materials Regulations to prescribe specific packaging for the shipment of boron tribromide.

Boron tribromide presently is required to be described as a corrosive liquid, n.o.s. It may be shipped under the exemption provisions of § 173.244 and in any packagings described in § 173.245 that are compatible with the commodity.

There is at least one particularly significant hazard associated with this product, namely its property of reacting explosively if in contact with water when contained or when in large volumes. Consequently, the Board believes the material should be covered by name in the regulations, that no exemption from packaging should be granted, and that specific packaging should be provided. The packaging described herein is of

the type that has been in use for several years with reportedly satisfactory experience, and in the Board's opinion, it is adequate.

In consideration of the foregoing, 49 CFR Parts 172 and 173 would be amended as follows:

I. Part 172: In § 172.5, paragraph (a) the Commodity List would be amended as follows:

§ 172.5 List of hazardous materials.

(a) * * *

Article	Classed as—	Exemptions and packing (see sec.)	Label required if not exempt	Maximum quantity in 1 outside container by rail express
(add)				
Boron tribromide	Cor. L	No exemption, 173.251	White	1 quart.
* * *	* * *	* * *	* * *	* * *

* * * * *

II. Part 173.

(A) In Part 173 Table of Contents, § 173.251 would be amended to read as follows:

Sec.
173.251 Boron trichloride and boron tribromide.

(B) In § 173.251, the heading would be amended; paragraph (b) would be added to read as follows:

§ 173.251 Boron trichloride and boron tribromide.

* * * * *

(b) Boron tribromide must be packed in specification packaging as follows:

(1) Specification 15A, 15B, or 15P (§§ 178.168, 178.169, 178.182 of this chapter). Wooden or plywood boxes with inside glass receptacles not over 1 quart capacity each. Each glass receptacle must have a positive closure (not friction) and as prepared for shipment must be capable of withstanding an internal gage pressure of at least 15 p.s.i. The receptacle must be cushioned with sufficient absorbent incombustible material to completely absorb the contents in the event of leakage and must be packed within a securely closed metal can. Each can must then be cushioned with incombustible material within the prescribed outside packaging. Completed packaging for shipment must be capable of passing the tests prescribed in § 178.182–3(a)(1) of this chapter.

PROPOSAL F—ADDITIONAL PACKAGING FOR BROMINE

The Hazardous Materials Regulations Board is considering amendment of § 173.252 of the Department's Hazardous Materials Regulations to authorize up to 1-quart bottles of bromine in a specification 12A fiberboard box, and to authorize the shipment of bromine in nickel-clad cargo tanks.

This proposal is based on petitions by two holders of special permits who have been shipping large volumes of bromine. The permits have been in effect for over 6 years, and both shippers state that all shipments have been made without any incident or mishap involving loss of product.

By adding a new cargo tank construction, this proposal also provides for an increase in bromine payload from a maximum of 15,000 pounds or 300 percent of the water weight capacity of a tank, whichever quantity is the lesser, to a maximum of 30,000 pounds or 300 percent of the water weight capacity of a tank, whichever is the lesser. Present § 173.252 (a)(4) limits the water capacity to 5,100 pounds. This proposal would provide for a tank with a water capacity up to 10,200 pounds. This proposed added construction option is based on the successful experience with such large cargo tanks reported above.

In consideration of the foregoing, it is proposed to amend 49 CFR 173.252 as follows:

In § 173.252, paragraph (e) would be amended; paragraphs (a)(5) and (g)(3) would be added to read as follows:

§ 173.252 Bromine.

(a) * * *

(5) Specification MC 310 or MC 312 (§ 178.343 of this chapter). Tank motor vehicles. The tank must have a shell and head thickness of 3/8-inch minimum with cladding material on the inside surface comprising at least 20 percent of the total shell or head thickness. The cladding material must conform to requirements of ASTM Specification B–162–69. The composite plate must conform to requirements of ASTM Specification A–265–69. The water weight capacity of the tank must not exceed 10,200 pounds and the maximum quantity of liquid bromine loaded into the tank must not exceed 30,000 pounds or 300 percent of the water weight capacity of the tank, whichever quantity is lesser. The total quantity loaded must not be less than 98 percent of the quantity the tank is authorized to carry.

* * * * *

(e) Except as provided in paragraphs (g)(2) and (3) of this section, bottles or jugs must be securely cushioned on all sides with incombustible packaging material, such as whiting, mineral wool, infusorial earth (kieselguhr), sifted ashes, powdered china clay, or similar material, at least 1 inch thick, which will not produce heat when mixed with bromine. The use of hay, sawdust, excelsior, or other organic material, either treated or untreated, as a cushioning or packaging material is prohibited.

* * * * *

(g) * * *

(3) Specification 12A (§ 178.210 of this chapter) Fiberboard boxes with inside glass bottles having closures meeting the requirements of paragraph (d) of this section. Each bottle must be enclosed in a tinplate slipcover metal can surrounded by incombustible cushioning material. No box may contain any bottle of a capacity greater than 1 quart. Each box may contain not more than four bottles having a capacity not exceeding 1 quart, or 12 bottles having a capacity not exceeding 8 fluid ounces. The shipper must have established that the completed package closed for shipment, with inside bottles filled with a liquid of the same specfic gravity and similar viscosity as bromine, is capable of withstanding the tests prescribed in § 178.210–10 of this chapter.

PROPOSAL G—HYDROCHLORIC ACID AND SODIUM CHLORITE SOLUTIONS

The Hazardous Materials Regulations Board is considering amending § 173.263 of the Department's Hazardous Materials Regulations to authorize the shipment of sodium chlorite solutions in cargo tanks constructed of Type 316 stainless steel, and to authorize the shipment of hydrochloric acid and sodium chlorite solutions in specification 2E polyethylene bottles up to 1 gallon capacity in DOT-12R packaging.

These proposals are based on several petitions for rule change and satisfactory experience reported by the petitioner with numerous shipments made under special permits.

Paragraph (a)(10) of § 173.263 would be amended to provide for the shipment of sodium chlorite solutions in specification MC 311 and MC 312 cargo tanks made from Type 316 stainless steel, in addition to tanks made from Type 304L stainless steel. On the basis of information it has on file, the Board believes that this proposed change would provide for a better construction material than is now authorized for cargo tanks used in the transportation of sodium chlorite.

Paragraph (a)(27) would be amended by adding authorization for use of specification 2E inside polyethylene bottles for hydrochloric acid and sodium chlorite solutions in addition to the glass bottles now authorized. Paragraph (a)(29) would be added to provide for the shipment of hydrochloric acid and sodium chlorite solutions in not over four 1-gallon specification 2E polyethylene bottles within a DOT–12R packaging. A slight increase in total volume with this packaging would be allowed by the latter proposal when compared to paragraph (a)(27). However, the Board believes that both changes would provide for an increase in level of safety over the non-specification glass bottles now authorized.

In consideration of the foregoing, Part 173 would be amended as follows:

In § 173.263, paragraph (a)(10) and (27) would be amended; (a)(29) would be added to read as follows:

§ 173.263 **Hydrochloric (muriatic) acid, hydrochloric (muriatic) acid mixtures, hydrochloric (muriatic) acid solutions, inhibited, sodium chlorite solutions (not exceeding 42 percent sodium chlorite), and cleaning compounds, liquid, containing hydrochloric (muriatic) acid.**

(a) * * *

(10) Specification MC 310, MC 311, or MC 312 (§ 178.343 of this chapter). Tank motor vehicles lined with rubber or equally acid-resistant material of equivalent strength and durability. Unlined specifications MC 311 and MC 312 tank motor vehicles made from Type 304L or 316 stainless steel are authorized for sodium chlorite solutions not exceeding 42 percent sodium chlorite only.

* * * * *

(27) Specification 12R (§ 178.212 of this chapter). Paper-faced expanded polystyrene board boxes with not more than six inside glass bottles or specification 2E (§ 178.24a of this chapter) inside polyethylene bottles, not over 5 pints capacity each.

* * * * *

(29) Specification 12R (§ 178.212 of this chapter). Paper-faced expanded polystyrene board boxes with not more than four specification 2E (§ 178.24a of this chapter) inside polyethylene bottles, not over 1-gallon capacity each.

* * * * *

PROPOSAL H—DEFINITIONS AND PACKAGING FOR CHROMIC ACID SOLUTIONS

The Hazardous Materials Regulations Board is considering amending § 173.287 to define chromic acid solutions to eliminate that portion of the present regulations that could be construed to authorize the use of packaging prohibited by § 173.24, to delete authorization for packaging that allegedly is no longer in use, and to add specifications 29 and 33A packaging that is currently authorized for use under the terms of special permits.

The basis for this proposal is a petition to improve § 173.287 because of problems that have arisen in its application as presently written. The proposal is based in part on a study by the Manufacturing Chemists' Association, Inc., in cooperation with the Bureau of Explosives (AAR) in an effort to remedy these problems. This study included inquiries of known manufacturers and shippers of chromic acid solutions, and testing of a variety of formulations by the Bureau of Explosives' Laboratory.

Chromic acid solutions are not presently defined in the regulations as to composition. The petitioner states that liquid solutions of chromic acid alone, i.e., chromic acid anhydride dissolved in water without the presence of other acids, are seldom shipped. Solutions of chromic acid in water, containing one or more mineral acids, are shipped routinely throughout the United States and vary greatly in composition.

Regardless of composition, the designation generally being used for these solutions on shipping papers is "Chromic acid solution." This is done even though other acids may be present in greater amounts than chromic acid, and possibly may present a greater hazard than chromic acid. The Board believes there is a need for better guidelines on determining packaging for such solutions. Such guidelines should be based on descriptions for these solutions.

In the listing of packagings in § 173.287 there is no distinction between the different types of solutions, and therefore the section is unsatisfactory. Unlined steel drums, for example, are satisfactory for chromic acid alone in water but are not adequate if mineral acids are present. The Board knows of two incidents where polyethylene packaging, as prescribed, was used for high concentration chromic acid solution. In each case packagings failed, in one instance shortly after filling and before shipment.

The proposed change includes a major change from the petitioner's proposal. A break point of 40 percent between solutions was recommended, but the Board proposes reducing this to 35 percent. The Board is aware of at least one instance with a 37-percent solution that involved leakage even though previous testing had apparently determined that the solution was compatible with polyethylene. Also solutions of higher concentration may cause fire when in contact with certain organic material and polyethylene is not safe to use for packaging the higher concentrations. The use of different shipping names as proposed herein would preserve this distinction.

The greater number of liquid mixtures containing chromic acid in industrial use today fall into the "Corrosive liquid, n.o.s." category, as described in this proposal. On the basis of experience, it is the petitioner's position that a person seeking information in the DOT regulations about such a solution would tend to think of the solution as a "chromic acid solution". This is the reason for the proposed novel structuring in § 173.287 described herein.

In consideration of the foregoing, 49 CFR Part 173 would be amended as follows:

Section 173.287 would be amended to read as follows:

§ 173.287 **Chromic acid solution.**

(a) For the purposes of these regulations, a chromic acid solution is a solution of chromic acid (chromium trioxide) in water, with or without other acids, containing 35 percent or more of chromic acid by weight. (For solutions containing less than 35 percent chromic acid, see paragraph (c) of this section.) Packagings authorized must be of a design and be constructed of materials that will not react dangerously with or be decomposed by the chemical solution packaged therein.

(b) Chromic acid solutions must be packaged in specification containers as follows:

(1) Specification 1A (§ 178.1 of this chapter). Glass carboys in boxes.

(2) Specifications 5, 5A, 5B (§§ 178.80, 178.81, 178.82 of this chapter). Metal barrels or drums with openings not excedeing 2.3 inches in diameter. Authorized for solutions containing chromic acid only.

(3) Specification 17E (§ 178.116 of this chapter). Steel drums. Authorized for solutions containing chromic acid only.

(4) Specification 12A or 12B (§§ 178.210, 178.205 of this chapter). Fiberboard boxes with one inside glass container not over 4 fluid ounces capacity, packed in a wax-lined cylindrical fiber carton with metal ends. The bottle closure must consist of a tightly secured, fitted, ground glass stopper. Space must remain between the bottle and the inner surface of the fiber cylinder and must be filled with closely packed asbestos in sufficient quantity to completely absorb the contents of the bottle in the event of breakage. Not authorized for solutions containing nitric acid.

(5) Specification 12R (§ 178.212 of this chapter). Paper-faced expanded polystyrene board boxes with inside glass bottles not over 5 pints capacity each. Not more than six 5-pint bottles may be packaged in one box. Each bottle must be well cushioned. Partitioning and cushioning must be provided to prevent bottles from shifting, or coming in contact with each other, the box wall, or the bottom. Each bottle closure must consist of a tightly secured, fitted, ground glass stopper, or a threaded-type, acid-resistant cap with a gasket or lining impervious to the acid, sufficiently resilient or cushioned to give an acidproof, leakproof closure.

(6) Specification 33A (§ 178.150 of this chapter). Polystyrene cases (nonreusable container) with inside glass bottles not over 5 pints capacity each. Not more than four 5-pint bottles may be packaged in one outside container. Each bottle closure must consist of a tightly secured, fitted, ground glass stopper, or a threaded-type, acid-resistant cap with a gasket or lining impervious to the acid, sufficiently resilient or cushioned to give an acidproof, leakproof closure.

(7) Specification 29 (§ 178.226 of this chapter). Mailing tubes, with glass bottles not over 1 ounce capacity each. Each bottle must be well cushioned. Partitioning and cushioning must be provided to prevent bottles from shifting or coming in contact with each other or the tube wall, bottom, or top.

(c) Solutions containing chromic acid in water, in concentration not exceeding 35 percent by weight (other acids may also be present), and which are not otherwise regulated by Subpart E of this part, must be described as "Corrosive Liquids, n.o.s.". In addition to the packaging and the limitations prescribed therefor in paragraph (b) of this section, solutions of this composition may also be packaged as follows:

(1) In packaging as prescribed in § 173.245, except (a) (4), (14), (15), (18), (19), and (24).

(2) Specification 21P (§ 178.225 of this chapter). Fiber drum overpack with inside specification 2S or 2SL (§§ 178.35, 178.35a of this chapter) polyethylene container.

PROPOSAL I—SAFETY RELIEF VALVE REQUIREMENTS FOR DOT–2P OR 2Q PACKAGING CONTAINING REFRIGERANT GASES

The Hazardous Materials Regulations Board is considering amendment of § 173.304(e)(1) of the Department's Hazardous Materials Regulations to delete the requirement that DOT specifications 2P and 2Q metal containers be equipped with safety relief devices for shipment of refrigerant gases that are nonpoisonous and nonflammable.

The Board has received a petition from a shipper who formerly interpreted the regulations to authorize shipment of refrigerant gases under the exemptions provided in § 173.306(a)(3). In light of Docket No. HM–62; Amendment No. 173–38 (35 F.R. 16683), the petitioner became unsure of his interpretation and petitioned for confirmation of his interpretation, amendment of the regulations, or a special permit waiving the applicability of the particular provision.

The Board does not agree with the interpretation made by the petitioner. In the petition, however, it was stated that the shipper had 20 years of successful experience shipping refrigerant gases in 15-ounce seamless metal containers (commonly referred to as aerosol cans). These containers were not equipped with safety relief devices. The petitioner estimates he has shipped more than 25 million packages without a single incident occurring due to inadequate packaging.

Although the Board is not in agreement with the interpretation, in view of the considerable successful transportation experience with this packaging and the likelihood that other shippers could benefit from a similar authorization, the Board believes the petition for amendment of the regulations has merit.

In consideration of the foregoing, the Board proposes to amend paragraph (e)(1) of § 173.304 as follows:

§ 173.304 Charging of cylinders with liquefied compressed gas.

* * * * *

(e) * * *

(1) Specifications 2P and 2Q (§§ 178.33, 178.33a of this chapter). Inside metal containers packed in strong wooden or fiberboard boxes of such design as to protect valves from injury or accidental functioning under conditions incident to transportation. Pressure in the container must not exceed 85 pounds p.s.i. absolute at 70° F. Each completed metal container filled for shipment must be heated until content reaches a minimum temperature of 130° F. without evidence of leakage, distortion, or other defect. Each outside shipping container must be plainly marked "Inside Containers Comply With Prescribed Specification."

* * * * *

PROPOSAL J—PACKAGING FOR CHLORPICRIN

The Hazardous Materials Regulations Board is considering an amendment to § 173.357 of the Department's Hazardous Materials Regulations to authorize the use of specification 4BW cylinders and to increase the quantity allowable in cylinders authorized for shipment of chlorpicrin and mixtures of chlorpicrin containing no compressed gas or Class A poisonous liquid.

This proposal is based on petitions for rule change and accumulated satisfactory shipping experience under special permits. Shipments under conditions as described in the proposed rule have been made for several years. The regulations now limit specification cylinders used for shipping chlorpicrin to a maximum water capacity of 275 pounds. This proposal would amend the regulations to authorize cylinders up to 1,000 pounds water capacity by deleting the quantity restriction now appearing in section 173.357(b)(1). Quantity limitations would then be determined by the cylinder specifications, the largest being 1,000 pounds water capacity. It is also proposed to add specification 4BW as an authorized packaging under the same conditions, since the Board considers this specification equivalent or better than the other packaging prescribed.

The special permits now in effect contain a minimum cylinder design pressure of 225 p.s.i. for cylinders over 275 pounds water capacity. The proposed change maintains this minimum.

Upon adoption of this proposal, Note 1 would become obsolete and is therefore proposed to be deleted.

In consideration of the foregoing, 49 CFR Part 173 would be amended as follows:

In § 173.357, paragraph (b)(1) would be amended; Note 1 thereto would be canceled as follows:

§ 173.357 Chlorpicrin and chlorpicrin mixtures containing no compressed gas or poisonous liquid, class A.

* * * * *

(b) * * *

(1) Specification 3A, 3AA, 3B, 3C, 3D, 3E, 4A, 4B, 4BA, 4BW, or 4C (§§ 178.36, 178.37, 178.38, 178.40, 178.41, 178.42, 178.49, 178.50, 178.51, 178.61, 178.52 of this chapter). Metal cylinders. Each cylinder having a water capacity over 275 pounds must have a minimum design pressure of 225 p.s.i.g., unless the specification requires a higher minimum design pressure. Valves or other closing devices must be protected by screw-on metal caps, or by packaging the cylinders in boxes or crates, to protect the valves from damage during transportation. A cylinder closed by means of a solid plug may have the closure protected by a metal collar. Cylinders having a wall thickness of less than 0.08 inch must be packaged in boxes or crates.

NOTE 1: [Canceled]

* * * * *

PROPOSAL K—SPECIFICATION 4L CYLINDER

The Hazardous Materials Regulations Board is considering amending §§ 178.57–11 and 178.57–21 of the Department's Hazardous Materials Regulations to update the cylinder material specification and to prohibit heat treating of the material.

This proposal is based, in part, on a petition by the Compressed Gas Association, Inc. In its petition the Association stated that the current material description is for a chemically nonstandard material. Although proper when originally specified, it appears that standardization has almost eliminated the described material from the market place. Apparently many suppliers even refuse to accept orders for the specified material. It is reported to have been replaced by ASTM–S–240, Type 304. The petitioner also states that low temperature properties, especially in the weld zone, would be improved by the requested change.

The Board proposes to amend § 178.57–11(a) to prohibit heat treating of the material, for there is no apparent reason for the use of heat treatment on this austenitic steel. Further, it has been contended that heat treatment may be detrimental to the finished cylinder. If heat treatment is desirable, any person having data to support the rule as presently written is requested to specifically comment on this matter and to furnish that supporting data to the Board.

In consideration of the foregoing, 49 CFR Part 178 would be amended as follows:

In § 178.57–11, paragraph (a) would be amended; in § 178.57–21 paragraph (a), Table 1 and Note 1 would be amended; footnotes 1 and 3 would be canceled, footnote 2 would be redesignated footnote 1 as follows:

§ 178.57 Specification 4L; welded cylinders insulated.

§ 178.57–11 Heat treatment.

(a) Not permitted.

* * * * *

§ 178.57–21 Authorized steels.

(a) Electric furnace steel of uniform quality. Chemical analysis must conform to ASTM S–240, Type 304 Stainless Steel. The following chemical analyses and physical properties are authorized:

TABLE I—AUTHORIZED MATERIALS

Designation	*Chemical analysis, limits in percent; stainless steel; type 304*
Carbon[1]	0.08 maximum.
Manganese	2.00 maximum.
Phosphorus	0.045 maximum.
Sulphur	0.030 maximum.
Silicon	1.00 maximum.
Nickel	8.00–10.00.
Chromium	18.00–20.00.
Molybdenum	
Titanium	
Columbium	

	Physical properties (annealed)
Tensile strength, p.s.i. (minimum)	75,000
Yield strength, p.s.i. (minimum)	30,000
Elongation in 2-inch (minimum) (percent)	30.0
Elongation other permissible gage lengths (percent)	15.0

[1] The carbon analysis must be reported to the nearest hundredth of 1 percent.

NOTE 1: A heat of steel made under the above specifications is acceptable, even though its check chemical analysis is slightly out of the specified range, if it is satisfactory in all other respects, provided the tolerances shown in the following table are not exceeded except as approved by the Department.

Check Analysis Tolerances table remains the same.

* * * * *

Interested persons are invited to give their views on these proposals. Communications should identify the docket number and the proposal and be submitted in duplicate to the Secretary, Hazardous Materials Regulations Board, Department of Transportation, 400 Sixth Street SW., Washington, DC 20590. Communications received on or before August 17, 1971, will be considered before final action is taken on these proposals. All comments received will be available for examination by interested persons at the Office of the Secretary, Hazardous Materials Regulations Board, both before and after the closing date for comments.

These proposals are made under the authority of sections 831–835 of title 18, United States Code, section 9 of the Department of Transportation Act (49 U.S.C. 1657), and title VI and section 902(h) of the Federal Aviation Act of 1958 (49 U.S.C. 1421–1430 and 1472(h)).

Issued in Washington, D.C., on May 18, 1971.

W. J. BURNS,
Chairman, Hazardous Materials Regulations Board.

[FR Doc.71-7147 Filed 5-25-71;8:45 am]

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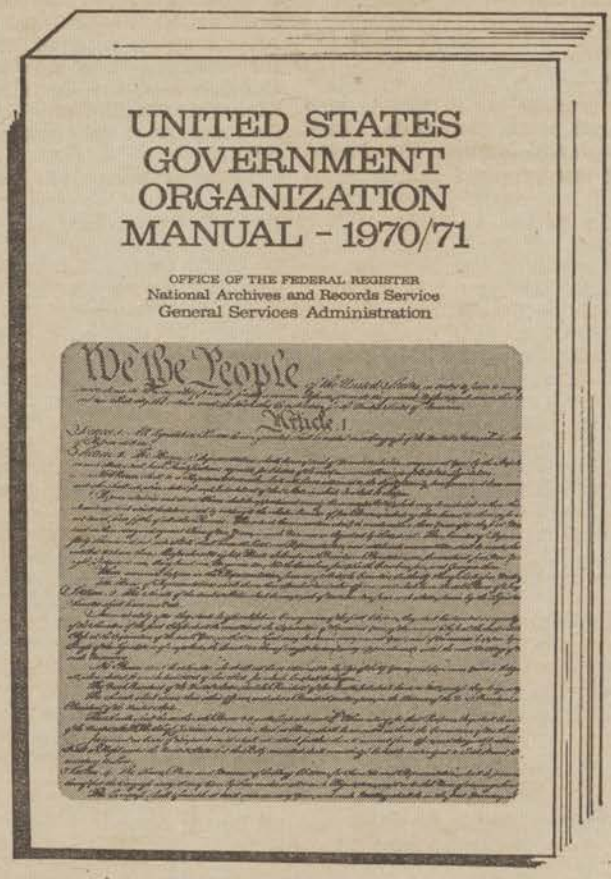

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