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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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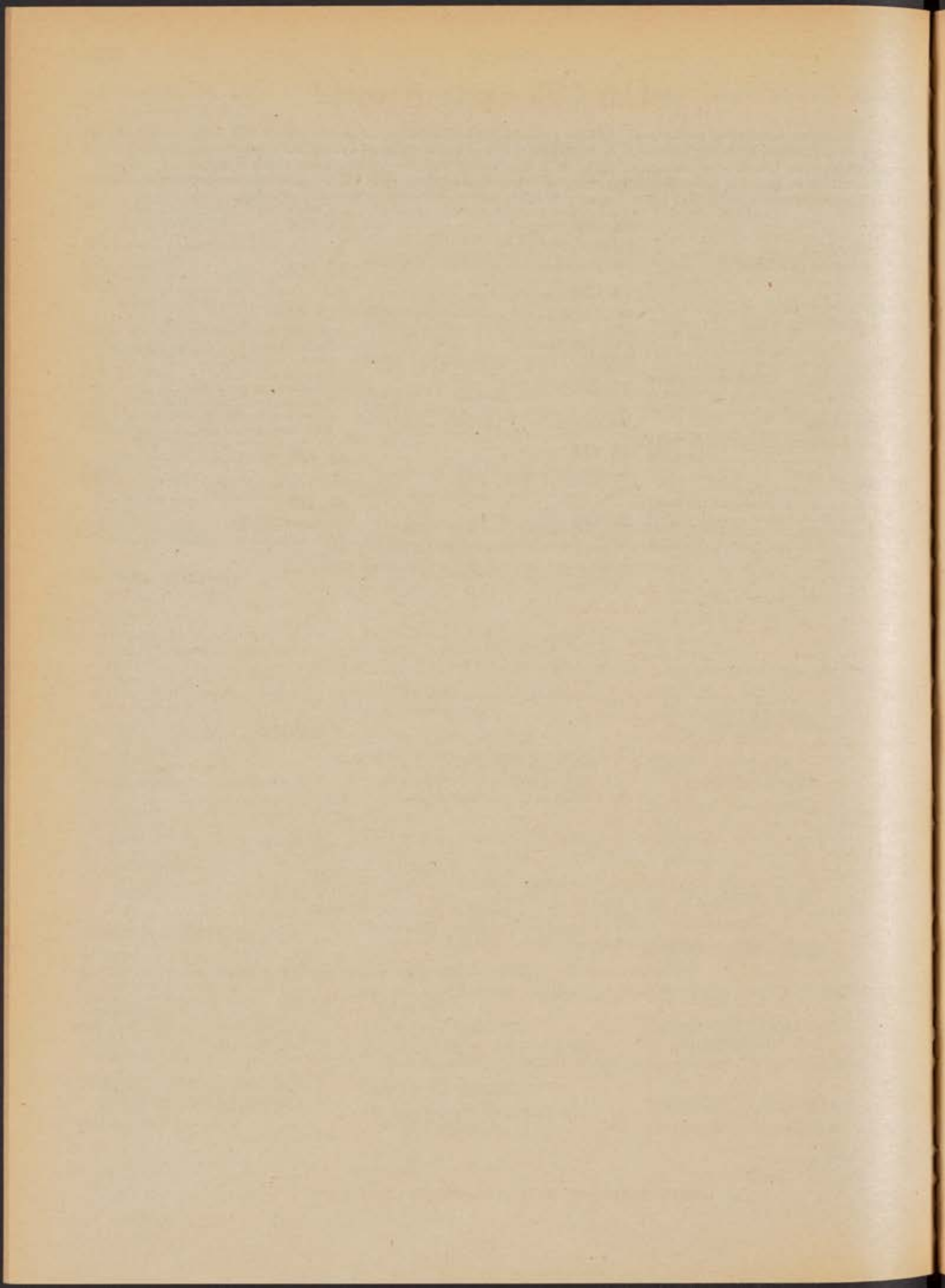
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List of CFR Parts Affected

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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.

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U.S. Constitution

Amendment 26

ADMINISTRATOR OF GENERAL SERVICES

CERTIFICATION OF AMENDMENT TO CONSTITUTION OF THE UNITED STATES EXTENDING THE RIGHT TO VOTE TO CITIZENS EIGHTEEN YEARS OF AGE OR OLDER

To All to Whom These Presents Shall Come, Greeting:

KNOW YE, That the Congress of the United States, at the first session, Ninety-second Congress begun at the City of Washington on Thursday, the twenty-first day of January, in the year one thousand nine hundred and seventy-one, passed a Joint Resolution in the words and figures as follows: to wit—

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States extending the right to vote to citizens eighteen years of age or older.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"Article—

"SECTION 1. The right of citizens of the United States, who are eighteen years of age or older, to vote shall not be denied or abridged by the United States or by any State on account of age.

"SEC. 2. The Congress shall have power to enforce this article by appropriate legislation."

And, further, that it appears from official documents on file in the General Services Administration that the Amendment to the Constitution of the United States proposed as aforesaid has been ratified by the Legislatures of the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Washington, West Virginia, and Wisconsin.

And, further, that the States whose Legislatures have so ratified the said proposed Amendment constitute the requisite three-fourths of the whole number of States in the United States.

Now, therefore, be it known that I, Robert L. Kunzig, Administrator of General Services, by virtue and in pursuance of Section 106b, Title 1

of the United States Code, do hereby certify that the Amendment aforesaid has become valid, to all intents and purposes, as a part of the Constitution of the United States.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the seal of the General Services Administration to be affixed.

DONE at the City of Washington this 5th day of July in the year of our Lord one thousand nine hundred and seventy-one.

[SEAL]

ROBERT L. KUNZIG.

The foregoing was signed in our presence on this 5th day of July, 1971.

RICHARD NIXON

Paul S. Larimer

Joseph W. Loyd, Jr.

Julianne Jones

[FR Doc. 71-9691 Filed 7-6-71; 11:07 am]

Presidential Documents

Title 3—The President

EXECUTIVE ORDER 11604

Amending Executive Order No. 11248, Placing Certain Positions in Levels IV and V of the Federal Executive Salary Schedule

By virtue of the authority vested in me by section 5317 of title 5 of the United States Code, as amended, Executive Order No. 11248¹ of October 10, 1965, as amended, is further amended as follows:

1. Section 1 of that Order, placing certain positions in level IV of the Federal Executive Salary Schedule, is amended by adding thereto the following:

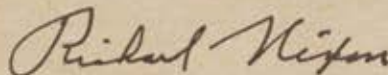
“(11) Assistant to the Secretary for Health Policy, Department of Health, Education, and Welfare.”

2. Section 2 of that Order, placing certain positions in level V of the Federal Executive Salary Schedule, is amended—

(a) by deleting “(8) Commissioner, Water Quality Office, Environmental Protection Agency”; and

(B) by renumbering items (9) through (24) as (8) through (23) respectively.

THE WHITE HOUSE,
July 2, 1971.



[FR Doc. 71-9617 Filed 7-2-71; 2:21 pm]

¹ 3 CFR, 1964-1965 Comp., p. 349; 30 F.R. 12999.

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Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission PART 213—EXCEPTED SERVICE Environmental Protection Agency

Section 213.3118 is added to show that not to exceed 12 positions of Sanitation Facility Trainees, WG-1 through 5, to implement the Alaska Village Demonstration Projects under the Water Quality Improvement Act of 1970, are excepted under Schedule A. Employment under this authority may not exceed 2 years.

Effective on publication in the FEDERAL REGISTER (7-7-71), § 213.3118 is added as set out below.

§ 213.3118 Environmental Protection Agency.

(a) Not to exceed 12 positions of Sanitation Facility Trainees, WG-1 through 5, to implement the Alaska Village Demonstration Projects under the Water Quality Improvement Act of 1970. Employment under this authority may not exceed 2 years.

(5 U.S.C. secs. 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.71-9528 Filed 7-6-71;8:48 am]

PART 213—EXCEPTED SERVICE Environmental Protection Agency

Section 213.3318 is amended to show that one position of Special Assistant to the Director, Office of Congressional Affairs, and one additional position of Congressional Liaison Representative are excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (7-7-71), paragraph (j) is amended and paragraph (t) is added to § 213.3318 as set out below.

§ 213.3318 Environmental Protection Agency.

(j) Two Congressional Liaison Representatives.

(t) One Special Assistant to the Director, Office of Congressional Affairs.

(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.71-9529 Filed 7-6-71;8:48 am]

PART 213—EXCEPTED SERVICE Environmental Protection Agency

Section 213.3318 is amended to show that the position of Secretary to the Assistant Administrator for Planning and Management is no longer excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (7-7-71), paragraph (g) is revoked under § 213.3318.

(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.71-9530 Filed 7-6-71;8:48 am]

PART 213—EXCEPTED SERVICE General Services Administration

Section 213.3337 is amended to show that one additional position of Confidential Assistant to the Assistant Administrator is excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (7-7-71), subparagraph (4) of paragraph (a) of § 213.3337 is amended as set out below.

§ 213.3337 General Services Administration.

(a) *Office of the Administrator.* * * *
(4) Three Confidential Assistants to the Assistant 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 Commissioners.*

[FR Doc.71-9531 Filed 7-6-71;8:48 am]

PART 550—PAY ADMINISTRATION (GENERAL)

Failure To Accept Assignment

Section 550.705 is amended to authorize entitlement to severance pay in in-

stances in which an employee's separation is occasioned by his declination to accept reassignment to another commuting area, except when such a reassignment is a written, agreed-upon condition of employment. The amended section, which is effective July 1, 1971, reads as follows:

§ 550.705 Failure to accept assignment.

When an employee is separated because he declines to accept assignment to another commuting area, the separation is an involuntary separation not by removal for cause on charges of misconduct, delinquency, or inefficiency for purpose of entitlement to severance pay, unless his position description or other other written agreement or understanding provides for these assignments.

(5 U.S.C. § 5595, E.O. 11257; 3 CFR 196441965 Comp., p. 357)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
*Executive Assistant to
the Commissioners.*

[FR Doc.71-9621 Filed 7-6-71;8:52 am]

Title 7—AGRICULTURE

Chapter IV—Federal Crop Insurance Corporation, Department of Agriculture

[Amdt. No. 5]

PART 406—CALIFORNIA ORANGE CROP INSURANCE

Subpart—Regulations for the 1963 and Succeeding Crop Years

CALIFORNIA ORANGES

Pursuant to the authority contained in the Federal Crop Insurance Act, as amended, the above-identified regulations are amended effective beginning with the 1971 crop year in the following respect:

Subsection 14(b) of the application and policy shown in § 406.6 is amended effective beginning with the 1971 crop year to read as follows:

(b) Losses shall be adjusted separately for each unit. The amount of loss with respect to any unit shall be determined by (1) multiplying the insured acreage of oranges on the unit by the applicable amount of insurance per acre, (2) multiplying the result thus obtained by the average percent of damage (determined in accordance with subsection (c) of this section) in excess of 20 percent, and (3) multiplying the result by the insured interests.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

Adopted by the Board of Directors on June 25, 1971.

[SEAL] MORRIE S. HILL,
Acting Secretary, Federal
Crop Insurance Corporation.

Approved on June 30, 1971.

CLARENCE D. PALMBY,
Acting Secretary.

[FR Doc.71-9514 Filed 7-6-71;8:47 am]

[Amdt. No. 3]

PART 409—ARIZONA-DESERT VALLEY CITRUS CROP INSURANCE

Subpart—Regulations for the 1967 and Succeeding Crop Years

ARIZONA-DESERT VALLEY CITRUS

Pursuant to the authority contained in the Federal Crop Insurance Act, as amended, the above-identified regulations are amended effective beginning with the 1971 crop year in the following respect:

Subsection 14(b) of the Application and Policy shown in § 409.25 is amended effective beginning with the 1971 crop year to read as follows:

(b) Losses shall be adjusted separately for each unit. The amount of loss with respect to any unit shall be determined by multiplying the amount of insurance for the unit (determined in accordance with subsection 7(c)) by the average percent of damage (determined in accordance with subsection (c) of this section) in excess of 20 percent.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

Adopted by the Board of Directors on June 25, 1971.

[SEAL] MORRIE S. HILL,
Acting Secretary, Federal
Crop Insurance Corporation.

Approved on June 30, 1971.

CLARENCE D. PALMBY,
Acting Secretary.

[FR Doc.71-9513 Filed 7-6-71;8:47 am]

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

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

[Amdt. 2]

PART 717—HOLDING OF REFERENDA

Miscellaneous Amendments

On pages 9251 and 9252 of the FEDERAL REGISTER of May 21, 1971 (36 F.R. 9251) was published a notice of proposed rule making to amend the regulation governing the holding of referenda.

Interested persons were given 30 days after publication of the notice in which

to submit written data, views, or recommendations with respect to the proposed amendments.

After consideration of the views and recommendations received, the proposed amendments, as issued in the notice, are adopted with the following additions:

1. A basis and purpose paragraph is added preceding the amendments.

2. An authority clause is added immediately following the amendments.

3. An effective date provision is added immediately following the authority clause.

Effective date: Thirty days after publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on June 29, 1971.

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

Bases and purpose. The amendments herein are issued pursuant to and in accordance with the Agricultural Adjustment Act of 1938, as amended.

The purpose of these amendments is to (1) delete provisions previously applicable only to upland cotton and wheat, (2) designate certain provisions as applicable to extra long staple cotton, (3) extend voting eligibility, in cases where the commodity on a farm was not actually planted but was regarded as planted under applicable regulations, to persons on the farm who would have had an interest in the commodity as a producer if the commodity had actually been planted (Under present regulations, only the owner and operator are eligible to vote under these circumstances.), (4) clarify the manner of voting by mail ballot with respect to voting by proxy, and (5) change the reference to "county office manager", in every instance where it appears in this part, to read "county executive director".

It is proposed that Part 717—Holding of Referenda (33 F.R. 18345), as amended, is amended as follows:

1. Section 717.3 is amended by deleting paragraphs (a) (5) and (7) and (d) and (h) thereof.

2. Section 717.3 is further amended by inserting the words "extra long staple" immediately preceding the word "cotton" in the first sentence of paragraph (b) thereof and by revising paragraph (a) (6), the second sentence of paragraph (b), and paragraph (i) to read as follows:

§ 717.3 Voting eligibility.

(a) * * *

(6) *Extra long staple cotton quotas.* Not later than December 15 following the proclamation of a national quota for extra long staple cotton there shall be a referendum under section 343 of the Act, of farmers engaged in the production of extra long staple cotton in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to the

quota for the next marketing year. If more than one-third of the farmers voting in the referendum oppose the quota, such quota shall not be in effect.

(b) * * * In addition, the phrase "farmers engaged in the production of a commodity" also includes each person who it is determined would have had an interest as a producer in the commodity on a farm for which a farm allotment for the crop of the commodity was established and no acreage of the crop was planted but an acreage of the crop was regarded as planted for history acreage purposes under the applicable commodity regulations.

(i) *Interpretation.* In the case of any commodity on a farm where no acreage of the commodity is actually planted but an acreage of the commodity is regarded as planted under applicable regulations of the Department, persons on the farm who it is determined would have had an interest in the commodity as a producer if an acreage of the commodity had been actually planted shall be eligible to vote in the referendum.

3. Section 717.6 is amended by revising the last sentence thereof to read as follows:

§ 717.6 Place of balloting.

* * * Subject to the provisions of § 717.9(c) for absentee ballots, a farmer or producer eligible to vote, shall vote only at a polling place designated for the referendum community in which he was engaged in the production of the commodity for which the referendum is held.

4. Section 717.19 is revised to read as follows:

§ 717.19 Manner of voting.

(a) *Voting procedure.* Each person to whom a ballot is issued by mail or in person may vote in the referendum by marking the ballot so as to indicate clearly how he votes, placing the ballot in a plain envelope, sealing the plain envelope, inserting it in a postage paid envelope which shall be marked clearly with the voter's name and return address, signing the certification on such envelope or making his mark thereto (which mark shall be witnessed), sealing the postage paid envelope, and delivering or mailing it to the office of the county committee for the county in which he is eligible to vote.

(b) *Voting by proxy prohibited.* There shall be no voting by proxy or agent except as provided in § 717.3.

5. The reference to "county office manager", in each instance where it appears in this part, is changed to read "county executive director."

(Secs. 312(c), 317 (c) and (d), 336, 343, 354(b), 358(b), 375(b), 52 Stat. 46, as amended, 79 Stat. 66, 52 Stat. 55, as amended, 56, as amended, 52 Stat. 61, as amended, 55 Stat. 38, as amended, 52 Stat. 66, as amended; 7 U.S.C. 1312(c), 1314c (c) and (d), 1336, 1343, 1354(b), 1358(b), 1375(b))

[FR Doc.71-9517 Filed 7-6-71;8:47 am]

Title 10—ATOMIC ENERGY

Chapter 1—Atomic Energy Commission

PART 30—RULES OF GENERAL APPLICABILITY TO LICENSING OF BY-PRODUCT MATERIAL

PART 40—LICENSING OF SOURCE MATERIAL

PART 50—LICENSING OF PRODUCTION AND UTILIZATION FACILITIES

PART 70—SPECIAL NUCLEAR MATERIAL

Miscellaneous Amendments

On December 4, 1970, the Atomic Energy Commission published in the FEDERAL REGISTER amendments to a revision of Appendix D of 10 CFR Part 50, a statement of general policy and procedure that indicates how the Commission will exercise its responsibilities under the National Environmental Policy Act of 1969, Public Law 91-190, with respect to the licensing of power reactors and fuel reprocessing plants (35 F.R. 18469). The revision reflected, among other things (1) the guidance of the Council on Environmental Quality and (2) the enactment of the Water Quality Improvement Act of 1970. Although the revision was published in effective form, comments and suggestions were invited to be submitted within 30 days of publication.

On April 23, 1971, the Council on Environmental Quality published new guidelines on "Statements on Proposed Federal Actions Affecting the Environment" required by section 102(2)(C) of the National Environmental Policy Act of 1969.

The Commission has adopted the amendments to Appendix D set out below to reflect the new guidelines published by the Council on Environmental Quality, to make changes suggested by comments submitted on the revision of Appendix D published on December 4, 1970, and to make certain other changes. Amendments to Parts 30, 40, 50, and 70 to reference Appendix D have also been adopted. Since the amendments are of a minor or clarifying nature, the Commission has found that good cause exists for omitting notice of proposed rule making and public procedure thereon as unnecessary and for making the amendments effective without the customary 30-day notice.

Pursuant to the National Environmental Policy Act of 1969, the Atomic Energy Act of 1954, as amended, and sections 552 and 553 of title 5 of the United States Code, the following amendments of title 10, Chapter 1, Code of Federal Regulations, Parts 30, 40, 50, and 70 are published as a document subject to codification, to be effective on publication in the FEDERAL REGISTER.

1. A new paragraph (f) is added to § 30.32 of 10 CFR Part 30 to read as follows:

§ 30.32 Applications for specific licenses.

(f) An application for a license to possess and use byproduct material to conduct an activity which will significantly affect the quality of the human environment shall be accompanied by any environmental report required pursuant to Appendix D of Part 50 of this chapter.

2. In § 30.33(a) of 10 CFR Part 30, the word "and" at the end of subparagraph (3) is deleted, a semicolon and the word "and" substituted for the period at the end of subparagraph (4) and a new subparagraph (5) is added to read as follows:

§ 30.33 General requirements for issuance of specific licenses.

(a) An application for a specific license will be approved if:

(5) The applicant satisfies any applicable requirements contained in Appendix D of Part 50 of this chapter.

3. A new paragraph (f) is added to § 40.31 of 10 CFR Part 40 to read as follows:

§ 40.31 Applications for specific licenses.

(f) An application for a license to possess and use source material to conduct an activity which will significantly affect the quality of the human environment shall be accompanied by any environmental report required pursuant to Appendix D of Part 50 of this chapter.

4. In § 40.32 of 10 CFR Part 40, a semicolon and the word "and" are substituted for the period at the end of paragraph (d) and a new paragraph (e) is added to read as follows:

§ 40.32 Requirements for issuance of specific licenses.

An application for a specific license for purposes other than export will be approved if:

(e) The applicant satisfies any applicable requirements contained in Appendix D of Part 50 of this chapter.

5. A new paragraph (f) is added to 50.30 of 10 CFR Part 50 to read as follows:

§ 50.30 Filing of applications for licenses; oath or affirmation.

(f) *Environmental report.* An application for a construction permit or an operating license for a nuclear power reactor or a fuel reprocessing plant shall be accompanied by any environmental report required pursuant to Appendix D.

6. A new paragraph (d) is added to § 50.40 of 10 CFR Part 50 to read as follows:

§ 50.40 Common standards.

In determining that a license will be issued to an applicant, the Commission

will be guided by the following considerations:

(d) Any applicable requirements of Appendix D have been satisfied.

7. The fourth paragraph of the introductory material in Appendix D of 10 CFR Part 50 is amended to read as follows:

APPENDIX D—STATEMENT OF GENERAL POLICY AND PROCEDURE: IMPLEMENTATION OF THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969 (PUBLIC LAW 91-190)

Since the enactment of the National Environmental Policy Act of 1969, the President has issued Executive Order 11514, dated March 5, 1970, in furtherance of the purpose and policy of that Act, and the Council on Environmental Quality established by title II of that Act has issued guidelines to Federal departments, agencies and establishments for the preparation of the detailed statements on environmental considerations (35 F.R. 7390, 36 F.R. 7724).

8. In paragraph 1. of Appendix D of 10 CFR Part 50, the words "three hundred (300) copies" are substituted for the words "one hundred and fifty (150) copies, including one reproducible copy" where they appear, and a footnote is added after the word "applicant" in the first sentence to read as follows:

¹ Where the "applicant" as used in this appendix is a Federal agency, different arrangements for implementing the National Environmental Policy Act may be made, pursuant to the guidelines established by the Council on Environmental Quality.

9. Paragraph 2 of Appendix D of 10 CFR Part 50 is amended to read as follows:

2. Each applicant for a license to operate a nuclear power reactor or a fuel reprocessing plant shall submit with his application three hundred (300) copies of a separate document, to be entitled "Applicant's Environmental Report—Operating License Stage," which discusses the same environmental considerations described in paragraph 1, but only to the extent that they differ significantly from those discussed in the Applicant's Environmental Report previously submitted in accordance with paragraph 1. The "Applicant's Environmental Report—Operating License Stage" may incorporate by reference any information contained in the Applicant's Environmental Report previously submitted in accordance with paragraph 1. With respect to the operation of nuclear power reactors, the applicant, unless otherwise required by the Commission, shall submit the "Applicant's Environmental Report—Operating License Stage" only in connection with the first licensing action that would authorize full-power operation of the facility.²

10. Paragraphs 3, 4, and 5 of Appendix D of 10 CFR Part 50 are amended to read as follows:

3. After receipt of any Applicant's Environmental Report, the Director of Regulation or his designee will cause to be published in the FEDERAL REGISTER a summary

² This report is in addition to the report required at the construction permit stage.

notice of the availability of the report, and the report will be placed in the AEC's Public Document Rooms at 1717 H Street NW., Washington, DC, and in the vicinity of the proposed site, and will be made available to the public at the appropriate State, regional, and metropolitan clearinghouses.² The Director of Regulation or his designee will analyze the report and prepare a draft Detailed Statement of environmental considerations which may consist, in whole or in part, of the comments of the Director of Regulation or his designee on the Applicant's Environmental Report. (Where a cost-benefit analysis of the proposed action has been prepared, the analysis will be attached to both draft Detailed Statements and final Detailed Statements referred to in paragraph 5.) The Commission will then transmit a copy of the report and of the draft Detailed Statement to such Federal agencies designated by the Council on Environmental Quality as having "jurisdiction by law or special expertise with respect to any environmental impact involved" or as "authorized to develop and enforce environmental standards" as the Commission determines are appropriate,³ and to the Governor or appropriate State and local officials, who are authorized to develop and enforce environmental standards, of any affected State with a request for comment on the report and the draft Detailed Statement within forty-five (45) days⁴ in the case of Federal agencies and seventy-five (75) days in the case of State and local officials, or within such longer time as the Commission may deem appropriate. (In accordance with § 2.101(b) of Part 2, the Commission will also send a copy of the application to the Governor or other appropriate official of the State in which the facility is to be located and will publish in the FEDERAL REGISTER a notice of receipt of the application, stating the purpose of the application and specifying the location at which the proposed activity will be conducted.) Comments on an "Applicant's Environmental Report—Operating License Stage" and on the draft Detailed Statement prepared in connection therewith will be requested only as to environmental matters that differ significantly from those previously considered at the construction permit stage. If any such Federal agency or State or local official fails to provide the Commission with comments within the time specified by the Commission, it will be presumed that the agency or official has no comment to make, unless a specific extension of time has been requested.

² Such clearinghouses have been established pursuant to Office of Management and Budget Circular A-95 to provide liaison and coordination between Federal and State, regional or local agencies with respect to Federal programs having an impact on the environment. The documents will be made available at appropriate State, regional, and metropolitan clearinghouses only with respect to proceedings in which the draft Detailed Statement is circulated after June 30, 1971.

³ The Commission transmits all Environmental Reports and draft Detailed Statements to the Environmental Protection Agency, whose comments may include comments with respect to water quality aspects of the proposed action for which a certification pursuant to section 21(b) of the Federal Water Pollution Control Act has been issued, and with respect to aspects of the proposed action to which section 309 of the Clean Air Act is applicable.

⁴ A draft Detailed Statement will not be prepared in cases where the Applicant's Environmental Report has been transmitted to the cognizant agencies for comments prior to Dec. 4, 1970.

4. In addition, upon preparation of a draft Detailed Statement, the Commission will cause to be published in the FEDERAL REGISTER a summary notice of the availability of the Applicant's Environmental Report and the draft Detailed Statement. The summary notice to be published pursuant to this paragraph will request, within seventy-five (75) days or such longer period as the Commission may determine to be practicable, comment from interested persons on the proposed action and on the draft Statement. The summary notice will also contain a statement to the effect that the comments of Federal agencies and State and local officials thereon will be available when received.⁵

5. After receipt of the comments requested pursuant to paragraphs 3 and 4, the Director of Regulation or his designee will prepare a final Detailed Statement on the environmental considerations specified in paragraph 1, including, where appropriate, a discussion of problems and objections raised by Federal, State, and local agencies or officials and private organizations and individuals and the disposition thereof. In preparing the Detailed Statement, the Director of Regulation or his designee may rely, in whole or in part, on, and may incorporate by reference, the appropriate Applicant's Environmental Report, and the comments submitted pursuant to paragraphs 3 and 4, as well as the regulatory staff's radiological safety evaluation.⁶ The Detailed Statement will relate primarily to the environmental effects of the facility that is subject to the licensing action involved.

Detailed Statements prepared in connection with an application for an operating license will cover only those environmental considerations which differ significantly from those discussed in the Detailed Statement previously prepared in connection with the application for a construction permit and may incorporate by reference any information contained in the Detailed Statement previously prepared in connection with the application for a construction permit. With respect to the operation of nuclear power reactors, it is expected that in most cases the Detailed Statement will be prepared only in connection with the first licensing action that authorizes full-power operation of the facility.⁷

11. Footnote 4 in paragraph 6 of Appendix D of 10 CFR Part 50 is renumbered footnote 9.

12. Paragraph 7 of Appendix D of 10 CFR Part 50 is amended to read as follows:

7. The Commission will transmit to the Council on Environmental Quality copies of (a) each Applicant's Environmental Report, (b) each draft Detailed Statement, (c) comments thereon received from Federal, State, and local agencies and officials and private organizations and individuals,⁸ and (d) each Detailed Statement prepared pursuant

⁵ This paragraph applies only with respect to proceedings in which the draft Detailed Statement is circulated after June 30, 1971.

⁶ Final detailed statements will include a discussion of problems and objections raised by private organizations and individuals, and may incorporate by reference comments submitted by such persons, only in proceedings in which the draft Detailed Statement is circulated after June 30, 1971.

⁷ This Statement is in addition to the Statement prepared at the construction permit stage.

⁸ Comments from private organizations and individuals will be transmitted to the Council on Environmental Quality only in proceedings in which the draft Detailed Statement is circulated after June 30, 1971.

to paragraph 5. Copies of such reports, draft Statements, comments and Statements will be made available to the public as provided in this appendix and as provided by section 552 of title 5 of the United States Code, and will accompany the application through the Commission's review processes. After each Detailed Statement becomes available, a notice of its availability will be published in the FEDERAL REGISTER, and copies will be made available to appropriate Federal, State, and local agencies and State, regional, and metropolitan clearinghouses.⁹ No construction permit or operating license in connection with which a Detailed Statement is required by this appendix will be issued until ninety (90) days after the draft Detailed Statement therefor has been circulated for comment, furnished to the Council on Environmental Quality, and made available to the public, and until thirty (30) days after the final Detailed Statement therefor has been made available to the Council and the public. If the final Detailed Statement is filed within ninety (90) days after a draft Statement has been circulated for comment, furnished to the Council and made available to the public, the thirty (30) day period and ninety (90) day period may run concurrently to the extent that they overlap.

13. Footnote 5 in paragraph 9 of Appendix D of 10 CFR Part 50 is renumbered footnote 11.

14. Paragraph 11(a) of Appendix D of 10 CFR Part 50 is amended to read as follows:

11. (a) Any party to a proceeding for the issuance of a construction permit or an operating license for a nuclear power reactor or a fuel reprocessing plant may raise as an issue in the proceeding whether the issuance of the permit or license would be likely to result in a significant, adverse effect on the environment. If such a result were indicated, in accordance with the declaration of national policy expressed in the National Environmental Policy Act of 1969, consideration will be given to the need for the imposition of requirements for the preservation of environmental values consistent with other essential considerations of national policy, including the need to meet on a timely basis the requirements for electric power in the affected region.

The above-described issues shall not be construed as including (a) radiological effects, since radiological effects are considered pursuant to other provisions of this part or (b) matters of water quality covered by section 21(b) of the Federal Water Pollution Control Act. This paragraph applies only to proceedings in which the notice of hearing in the proceeding is published on or after March 4, 1971, and, with respect to a proceeding for the issuance of an operating license, only in connection with the licensing action for which a Detailed Statement has been prepared.

15. A new paragraph (f) is added to § 70.21 of 10 CFR Part 70 to read as follows:

§ 70.21 Filing.

(f) An application for a license to possess and use special nuclear material to conduct an activity which will significantly affect the quality of the human environment shall be accompanied by any Environmental Report required under Appendix D of Part 50 of this chapter.

16. A new paragraph (h) is added to § 70.23 of 10 CFR Part 70 to read as follows:

§ 70.23 Requirements for the approval of applications.

An application for a license, other than a license for export, will be approved if the Commission determines that

(h) The applicant has satisfied any applicable requirements contained in Appendix D of Part 50 of this chapter.

(Sec. 102, 83 Stat. 853; 33 U.S.C.A. 4332)

Dated at Germantown, Md., this 1st day of July 1971.

For the Atomic Energy Commission.

W. B. McCool,
Secretary of the Commission.

[FR Doc. 71-9611 Filed 7-6-71; 8:52 am]

PART 50—LICENSING OF PRODUCTION AND UTILIZATION FACILITIES

General Design Criteria for Nuclear Power Plants

On February 20, 1971, the Atomic Energy Commission published in the FEDERAL REGISTER (36 F.R. 3255) an amendment to its regulation in 10 CFR Part 50 which adds an Appendix A "General Design Criteria for Nuclear Power Plants." The amendment became effective May 21, 1971.

The Commission has adopted amendments to Appendix A of Part 50 to clarify the intent of the Commission with respect to several of the criteria.

Because these amendments related solely to correction and clarification, the Commission has found that good cause exists for omitting notice of proposed rule making and public procedure thereon as unnecessary. The Commission has also found that since the amendments correct and clarify a previous amendment which became effective on May 21, 1971, good cause exists for making the amendments effective without the customary 30-day notice.

Pursuant to the Atomic Energy Act of 1954, as amended, and sections 552 and 553 of title 5 of the United States Code, the following amendments to Title 10, Chapter 1, Code of Federal Regulations, Part 50 are published as a document subject to codification to be effective upon publication.

1. Appendix A of 10 CFR Part 50 is amended as follows:

(a) The Table of Contents, definition of Nuclear Power Unit, definition of Single Failure including footnote 2, and Criteria 18, 33, 34, 35, 38, 41, and 44 are amended by substituting the word "electric" for "electrical" where it appears.

(b) Criterion 5 is revised to read as follows:

Criterion 5—Sharing of structures, systems, and components. Structures, systems, and components important to safety shall not be shared among nuclear power units unless it can be shown that such sharing will not significantly impair their ability to perform their safety functions, including, in the event of an accident in one unit, an orderly shutdown and cooldown of the remaining units.

(c) Criterion 13 is revised to read as follows:

Criterion 13—Instrumentation and control. Instrumentation shall be provided to monitor variables and systems over their anticipated ranges for normal operation, for anticipated operational occurrences, and for accident conditions as appropriate to assure adequate safety, including those variables and systems that can affect the fission process, the integrity of the reactor core, the reactor coolant pressure boundary, and the containment and its associated systems. Appropriate controls shall be provided to maintain these variables and systems within prescribed operating ranges.

(d) Criterion 17 is revised to read as follows:

Criterion 17—Electric power systems. An onsite electric power system and an offsite electric power system shall be provided to permit functioning of structures, systems, and components important to safety. The safety function for each system (assuming the other system is not functioning) shall be to provide sufficient capacity and capability to assure that (1) specified acceptable fuel design limits and design conditions of the reactor coolant pressure boundary are not exceeded as a result of anticipated operational occurrences and (2) the core is cooled and containment integrity and other vital functions are maintained in the event of postulated accidents.

The onsite electric power supplies, including the batteries, and the onsite electric distribution system, shall have sufficient independence, redundancy, and testability to perform their safety functions assuming a single failure.

Electric power from the transmission network to the onsite electric distribution system shall be supplied by two physically independent circuits (not necessarily on separate rights of way) designed and located so as to minimize to the extent practical the likelihood of their simultaneous failure under operating and postulated accident and environmental conditions. A switchyard common to both circuits is acceptable. Each of these circuits shall be designed to be available in sufficient time following a loss of all onsite alternating current power supplies and the other offsite electric power circuit, to assure that specified acceptable fuel design limits and design conditions of the reactor coolant pressure boundary are not exceeded. One of these circuits shall be designed to be available within a few seconds following a loss-of-coolant accident to assure that core cooling, containment integrity, and other vital safety functions are maintained.

Provisions shall be included to minimize the probability of losing electric power from any of the remaining supplies as a result of, or coincident with, the loss of power generated by the nuclear power unit, the loss of power from the transmission network, or the loss of power from the onsite electric power supplies.

(e) Criteria 18, 36, 39, 42, and 45 are amended by inserting the word "appropriate" between the words "permit" and "periodic" where they appear.

(f) Criterion 25 is amended by deleting the phrase "or unplanned dilution of soluble poison."

(g) Criterion 26 is revised to read as follows:

Criterion 26—Reactivity control system redundancy and capability. Two independent reactivity control systems of dif-

ferent design principles shall be provided. One of the systems shall use control rods, preferably including a positive means for inserting the rods, and shall be capable of reliably controlling reactivity changes to assure that under conditions of normal operation, including anticipated operational occurrences, and with appropriate margin for malfunctions such as stuck rods, specified acceptable fuel design limits are not exceeded. The second reactivity control system shall be capable of reliably controlling the rate of reactivity changes resulting from planned, normal power changes (including xenon burnout) to assure acceptable fuel design limits are not exceeded. One of the systems shall be capable of holding the reactor core subcritical under cold conditions.

(h) Criterion 35 is amended (1) by inserting the word "reactor" between the words "of" and "coolant" and (2) by deleting the word "accident."

(i) Criterion 53 is amended by inserting the words "appropriate periodic" between the number "(1)" and the word "inspection."

(j) Criterion 61 is amended by inserting the words "appropriate periodic" between the words "permit" and "inspection."

(Secs. 161, 182, 68 Stat. 948, 953; 42 U.S.C. 2201, 2232)

Dated at Germantown, Md., this 2d day of July 1971.

For the Atomic Energy Commission.

W. B. McCool,
Secretary of the Commission.

[FR Doc. 71-9620 Filed 7-6-71; 8:52 am]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket No. 71-EA-94; Amdt. 39-1240]

PART 39—AIRWORTHINESS DIRECTIVES

Piper Aircraft

The Federal Aviation Administration is amending § 39.12 of Part 39 of the Federal Aviation Regulations so as to issue AD 63-26-3, applicable to Piper PA-23 type aircraft.

Subsequent to the publication of AD 63-26-3 it was determined that the visual inspection of the subject castings should be corroborated at periodic intervals by a dye penetrant inspection. The proposed amendment does concern a deficiency which affects the airworthiness of the subject type aircraft. In view of the foregoing, notice and public procedure hereon are impractical and the amendment may be made effective in less than 30 days.

Therefore, in consideration of the foregoing and pursuant to the authority delegated to me by the Administrator, 14 CFR 11.89 (31 F.R. 13697), § 39.13 of

Part 39 of the Federal Aviation Regulations is amended by amending AD 63-26-3, as follows:

Applies to Piper Models PA-23 and PA-23-160 Aircraft, Serial Nos. 23-1 through 23-1267, inclusive.

Compliance required as indicated:

(a) Within the next 50 hours in service after the effective date of this AD, unless already accomplished within the last 50 hours in service, and thereafter at intervals not to exceed 100 hours in service from the last inspection, visually inspect for cracks each of the castings listed herein. When any casting is replaced by the respective forging listed herein, the repetitive inspections of this paragraph and paragraph (b) are no longer required for that forging.

Name	Casting part No.	Forging
Elevator torque tube bracket.	17033-00 and 17033-01.	19407-00.
Front stabilizer attachment.	17049-00 and 19253-00.	19409-02.
Rudder torque tube horn.	17069-00.	19405-00.
Elevator torque tube horn.	17066-00.	19404-00.
Rudder torque tube bracket.	17062-00.	19408-00.
Fin attachment bracket.	17072-00.	19406-00 or 19406-02.

(b) For airplanes having 1,000 or more hours in service, remove the subject castings from the aircraft, clean thoroughly removing all paint, and perform a dye penetrant inspection for cracks, within the next 100 hours in service, after the effective date of this AD, unless already accomplished within the last 400 hours in service, and thereafter at intervals not to exceed 500 hours in service from the last inspection. Prior to reinstallation of castings without cracks, clean thoroughly, and apply zinc chromate primer.

(c) Replace cracked castings before further flight with a replacement forged or cast part.

(d) Inspection and reassembly shall be accomplished in accordance with Piper Service Bulletin No. 155B, dated October 28, 1963, or FAA-approved equivalent.

NOTE: For paragraph (a), it is necessary to remove the tail cone, covers, and fairings to gain access to most of the parts to be inspected. However, parts need not be disassembled and/or removed from the aircraft to accomplish this inspection. All of the forged parts listed herein have integral raised digit forging numbers. Therefore, the absence of raised digits will serve to identify the part as a casting.

This amendment is effective July 13, 1971.

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

Issued in Jamaica, N.Y., on June 28, 1971.

LOUIS J. CARDINALI,
Acting Director, Eastern Region.

[FR Doc.71-9510 Filed 7-6-71; 8:46 am]

[Airspace Docket No. 71-50-124]

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

Alteration of Transition Area

The purpose of this amendment to Part 71 of the Federal Aviation Regulations

is to alter the Rocky Mount, N.C., transition area.

The Rocky Mount transition area is described in § 71.181 (36 F.R. 2140). In the description, an extension predicated on Rocky Mount VORTAC 083° radial has a designated width of 4.5 miles and length of 8.5 miles.

U.S. Standards for Terminal Instrument Procedures (TERPs), issued after extensive consideration and discussion with government agencies concerned and affected industry groups, are now being applied to update the criteria for instrument approach procedures. The criteria for the designation of controlled airspace protection for these procedures were revised to conform to TERPs and achieve increased and efficient utilization of airspace.

Because of this revised criteria, it is necessary to alter the description by increasing the extension predicated on Rocky Mount VORTAC 083° radial 1 mile in width and 3 miles in length.

In consideration of the foregoing, notice and public procedure hereon are unnecessary and Part 71 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 71.181 (36 F.R. 2140), the Rocky Mount, N.C., transition area is amended to read:

ROCKY MOUNT, N.C.

That airspace extending upward from 700 feet above the surface within a 7-mile radius of Rocky Mount Municipal Airport (lat. 35°-58'00" N., long. 77°47'35" W.); within 5 miles each side of Rocky Mount VORTAC 083° radial, extending from the 7-mile-radius area to 11.5 miles east of the VORTAC; within an 8.5-mile radius of Rocky Mount-Wilson Airport (lat. 35°51'15" N., long. 77°53'40" W.).

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

Issued in East Point, Ga., on June 25, 1971.

JAMES G. ROGERS,
Director, Southern Region.

[FR Doc.71-9511 Filed 7-6-71; 8:46 am]

Title 21—FOOD AND DRUGS

Chapter II—Bureau of Narcotics and Dangerous Drugs, Department of Justice

PART 301—REGISTRATION OF MANUFACTURERS, DISTRIBUTORS, AND DISPENSERS OF CONTROLLED SUBSTANCES

PART 308—SCHEDULES OF CONTROLLED SUBSTANCES

Amphetamine, Methamphetamine, and Optical Isomers

A notice was published in the FEDERAL REGISTER of May 26, 1971 (36 F.R. 9563) proposing the transfer of amphetamine and methamphetamine and their salts,

optical isomers, and salts of their optical isomers from Schedule III to Schedule II of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Public Law 91-513), with certain exceptions. All interested persons were given 30 days after publication to submit their objections, comments, or requests for hearing.

No objections nor requests presenting reasonable grounds for a hearing regarding the proposed order in its entirety were received. However, the following objections and requests for hearing were received as to specific combination products:

(1) Smith Kline & French Laboratories requested a hearing on the transfer of Eskatrol Spansule Capsules, a combination product containing 15 mg. of dextroamphetamine sulfate and 7.5 mg. of prochlorperazine, from Schedule III to Schedule II.

(2) Mission Pharmacal Co. requested a hearing on the transfer of Fetamin, a combination product containing 5 mg. of d-methamphetamine hydrochloride and 20 mg. of sodium pentobarbital with vitamins and minerals, from Schedule III to Schedule II.

(3) Pennwalt Corp. requested a hearing on the transfer of Biphedamine, a resin complex of d- and d,l-amphetamine, and Biphedamine-T, a resin complex of d- and d,l-amphetamine and methaqualone, from Schedule III to Schedule II.

The following comments were also submitted regarding the proposed order:

(1) The National Wholesale Druggists Association expressed concern over the Schedule II security requirements at the wholesale level for amphetamine and methamphetamine.

(2) The Minnesota State Board of Pharmacy also expressed concern over the Schedule II security requirements at the pharmacy level for amphetamine and methamphetamine. The Board further suggested that a major educational effort be instituted to inform prescribing practitioners of the Schedule II prescription refill limitations and the emergency prescription procedures. Finally, the Board suggested that the Schedule III recordkeeping requirements be deemed adequate for amphetamine and methamphetamine after their placement in Schedule II.

(3) The U.S. Pharmacopeial Convention, Inc., expressed concern as to, and requested exemption from, the increased Schedule II requirements for distribution of amphetamine and methamphetamine as U.S.P. Reference Standards.

(4) The National Association of Chain Drug Stores, Inc. (NACDS), requested sufficient time for compliance with the Schedule II security, prescription refill and order form requirements. NACDS also raised questions as to whether an additional inventory must be taken for amphetamine and methamphetamine products and whether State or Federal laws and regulations apply where a conflict exists as to the maintenance of prescription records. Lastly,

NACDS requested that a list of the specific combination products excluded or exempted from the order be published.

(5) The Christian Life Commission expressed its support of the proposed order in its entirety as a means of diminishing amphetamine and methamphetamine abuse.

(6) The city of New York submitted a memorandum in support of the proposed order in its entirety, together with a "Report of the New York City Special Committee on Amphetamine Abuse."

(7) Abbott Laboratories expressed its support of the proposed order in its entirety; but did request that sufficient time for compliance with the various Schedule II requirements be granted and that the separate recordkeeping requirements of Schedule II not be applied to amphetamine and methamphetamine substances. Abbott also raised a question as to whether an additional inventory must be taken for amphetamine and methamphetamine upon transfer to Schedule II.

(8) The American Medical Association expressed its support of the proposed order in its entirety by the following resolutions passed by its House of Delegates:

Resolved, that the American Medical Association urge all physicians to limit their use of amphetamines and other stimulant drugs to specific, well-recognized medical indications, and be it further

Resolved, that the American Medical Association support the proposal of the Bureau of Narcotics and Dangerous Drugs to transfer Amphetamine and Methamphetamine and their Salts, Optical Isomers, and Salts of their Optical Isomers from Schedule III to Schedule II published in the May 26, 1971 FEDERAL REGISTER.

The Manufacturers Educational Drug Information Association (MEDIA) objected to, and requested a hearing as to, the proposed order in its entirety on the grounds that the increased security requirements and manufacturing controls and production and procurement quotas of Schedule II would force small independent manufacturers to cease manufacturing amphetamine and methamphetamine. After consultation with members of the Bureau, MEDIA withdrew its objections and request for a hearing in this proceeding, reserving its right, however, to intervene in the forthcoming quota proceedings and security regulations proceedings.

After careful consideration of the comments submitted and in view of the fact no objections nor requests for a hearing were received as to the proposed transfer order in its entirety and based upon the investigation 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 methamphetamines 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, it is ordered, That:

1. Section 301.02 of Title 21 of the Code of Federal Regulations be amended by revising paragraph (b) (6) and adding a new paragraph (b) (7) to read:

§ 301.02 Definitions.

(b) (6) Methamphetamine, its salts, isomers, and salts of its isomers.

(7) Amphetamine, its salts, optical isomers, and salts of its optical isomers.

2. Section 308.12(d) of Title 21 of the Code of Federal Regulations be deleted and replaced with a new paragraph 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, and salts of its isomers 1,105

3. Section 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... 1,830
- (2) Methylphenidate 1,726
- (3) Those compounds, mixtures or preparations in dosage unit form containing any stimulant substances 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.

4. The additional requirements imposed upon amphetamines and methamphetamine, their salts, optical isomers and salts of their optical isomers by virtue of their reclassification into Schedule II shall become effective as follows:

(a) *Labeling and packaging.* All labels and seals on commercial containers of, and all labeling of, the above controlled substances, which are packaged more than 180 days following the effective date of this order shall comply with the requirements of 21 CFR Part 302.

(b) *Order forms.* All distributions of the above controlled substances shall comply with the order form requirements of 21 CFR Part 305 within 30 days from the effective date of this order.

(c) *Records and inventories.* All separate and other recordkeeping requirements of 21 CFR Part 304 for the above controlled substances shall be complied within 30 days of the effective date of this order. Records maintained and inventories taken prior to the above compliance date, which are in compliance with the recordkeeping requirements for Schedule III controlled substances, shall not be affected by this order. No new inventories of the above controlled substances, in addition to that of May 1, 1971, is required as a result of this order. Where a positive conflict exists between the recordkeeping requirements of State and Federal laws and regulations, so that the two cannot stand together, Federal law governs in accordance with section 708 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 903).

(d) *Prescriptions.* All prescriptions for the above controlled substances shall comply with 21 CFR 306.01-306.15 within 30 days from the effective date of this order. Any prescriptions for the above controlled substances, which are entitled to be refilled under § 306.22, shall not be entitled to such refill in accordance with § 306.12 on and after the above compliance date.

(e) *Importation and exportation.* All importation and exportation of the above controlled substances shall be in compliance with 21 CFR Part 312, specifically as to import and export permits, within 30 days of the effective date of this order.

(f) *Security.* Since the regulations regarding security for Schedule II controlled substances are undergoing revision, compliance with the present security requirements shall be deemed adequate pending publication of the final order on security regulations.

(g) *Registration.* Any registrant presently not authorized to handle amphetamines or methamphetamines or both and/or Schedule II controlled substances should apply to modify his registration to authorize the handling of such controlled substances by submitting within 30 days of the effective date of this order a letter of request to the Registration Branch, Bureau of Narcotics and Dangerous Drugs, Post Office Box 28083, Central Station, Washington, DC 20005. The letter shall contain the registrant's name, address, registration number, and the substances and/or schedules to be added to his registration, and shall be signed by the same person who signed the most recent application for registration or re-registration. No fee shall be required to be paid for the modification. The request for modification shall be handled in the same manner as an application for registration.

5. The hearing scheduled for June 30, 1971 is hereby canceled since no objections nor requests for a hearing on the proposed order in its entirety were received within the designated time period.

It is further ordered, That application of this order to Eskatrol, Fetamin, Biphetamine, and Biphetamine-T, the combination products for which hearings

were requested, is reserved pending review of these products by the Bureau. Hearings regarding their transfer to Schedule II will be held after such review.

This order does not amend 21 CFR 308.32. Those combination products containing amphetamine or methamphetamine currently excepted under § 308.32 will remain excepted. The Bureau recognizes that certain combination drugs containing amphetamine or methamphetamine excepted under the Drug Abuse Control Amendments of 1965 have not been excepted under § 308.32. As a matter of policy, those substances shall be deemed excepted under § 308.32 pending further action by the Bureau.

This order is effective on the date of its publication in the FEDERAL REGISTER (7-7-71).

Dated: June 30, 1971.

JOHN E. INGERSOLL,
Director, Bureau of
Narcotics and Dangerous Drugs.

[FR Doc. 71-9480 Filed 7-6-71; 8:45 am]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 7129]

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

Average Basis for Regulated Investment Company Stock

On December 3, 1970, notice of proposed rule making with respect to the amendment of the Income Tax Regulations (26 CFR Part 1) under section 1012 of the Internal Revenue Code of 1954, relating to the use of an average basis for certain regulated investment company stock, was published in the FEDERAL REGISTER (35 F.R. 18389). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the following amendments are hereby adopted:

PARAGRAPH 1. Section 1.1012-1 is amended by redesignating paragraph (e) as paragraph (f), and by inserting immediately after paragraph (d) a new paragraph (e). These redesignated and added provisions read as follows:

§ 1.1012-1 Basis of property.

(e) *Election as to certain regulated investment company stock*—(1) *General rule*—(i) *In general*. Notwithstanding paragraph (c) of this section, and except as provided in subdivision (ii) of this subparagraph, if—

(a) Shares of stock of a regulated investment company (as defined in subparagraph (5) of this paragraph) are left by a taxpayer in the custody of a custodian or agent in an account main-

tained for the acquisition or redemption of shares of such company, and

(b) The taxpayer purchased or acquired shares of stock held in the account at different prices or bases,

the taxpayer may elect to determine the cost or other basis of shares of stock he sells or transfers from such account by using one of the methods described in subparagraphs (3) and (4) of this paragraph. The cost or other basis determined in accordance with either of such methods shall be known as the "average basis". For purposes of this paragraph, securities issued by unit investment trusts shall be treated as shares of stock and term "share" or "shares" shall include fractions of a share.

(i) *Certain gift shares*. (a) Except as provided in subdivision (b) of this subdivision (ii), this paragraph shall not apply to any account which contains shares which were acquired by the taxpayer by gift after December 31, 1920, if the basis of such shares (adjusted for the period before the date of the gift as provided in section 1016) in the hands of the donor or the last preceding owner by whom it was not acquired by gift was greater than the fair market value of such shares at the time of the gift. However, shares acquired by a taxpayer as a result of a taxable dividend or a capital gain distribution from such an account may be included in an account to which this paragraph applies.

(b) Notwithstanding the provisions of subdivision (a) of this subdivision (ii), this paragraph shall apply with respect to accounts containing gift shares described in such subdivision (a) if, at the time the election described in this paragraph is made in the manner prescribed in subparagraph (6) of this paragraph, the taxpayer includes a statement, in writing, indicating that the basis of such gift shares shall be the fair market value of such gift shares at the time they were acquired by the taxpayer by gift and that such basis shall be used in computing average basis in the manner described in subparagraph (3) or (4) of this paragraph. Such statement shall be effective with respect to gift shares acquired prior to making such election and with respect to gift shares acquired after such time and shall remain in effect so long as such election remains in effect.

(2) *Determination of average basis*. Average basis shall be determined using either the method described in subparagraph (3) of this paragraph (the double-category method) or the method described in subparagraph (4) of this paragraph (the single-category method). The taxpayer shall specify, in the manner described in subparagraph (6) of this paragraph, the method used. Such method shall be used with respect to an account until such time as the election is revoked with the consent of the Commissioner. Although a taxpayer may specify different methods with respect to accounts in different regulated investment companies, the same method shall

be used with respect to all of the taxpayer's accounts in the same regulated investment company.

(3) *Double-category method*—(i) *In general*. In determining average basis using the double category method, all shares in an account at the time of each sale or transfer shall be divided into two categories. The first category shall include all shares in such account having, at the time of the sale or transfer, a holding period of more than 6 months (the "more-than-6-months" category), and the second category shall include all shares in such account having, at such time, a holding period of 6 months or less (the "6-months-or-less" category). The cost or other basis of each share in a category shall be an amount equal to the remaining aggregate cost or other basis of all shares in that category at the time of the sale or transfer divided by the aggregate number of shares in that category at such time.

(ii) *Order of disposition of shares sold or transferred*. Prior to a sale or transfer of shares from such an account, the taxpayer may specify, to the custodian or agent having custody of the account, from which category (described in subdivision (i) of this subparagraph) the shares are to be sold or transferred. Shares shall be deemed sold or transferred from the category specified without regard to the stock certificates, if any, actually delivered if, within a reasonable time thereafter, confirmation of such specification is set forth in a written document from the custodian or agent having custody of the account. In the absence of such specification or confirmation, shares sold or transferred shall be charged against the more-than-6-months category. However, if the number of shares sold or transferred exceeds the number in such category, the additional shares sold or transferred shall be charged against the shares in the 6-months-or-less category. Any gain or loss attributable to a sale or transfer which is charged against shares in the more-than-6-months category shall constitute long-term gain or loss, and any gain or loss attributable to a sale or transfer which is charged against shares in the 6-months-or-less category shall constitute short-term gain or loss. As to adjustments from wash sales, see section 1091(d) and subdivisions (iii) (c) and (d) of this subparagraph.

(iii) *Special rules with respect to shares from the 6-months-or-less category*. (a) After the taxpayer's holding period with respect to a share is more than 6 months, such share shall be changed from the 6-months-or-less category to the more-than-6-months category. For purposes of such change, the basis of a changed share shall be its actual cost or other basis to the taxpayer or its basis determined in accordance with the rules contained in subdivision (b) (2) of this subdivision (iii) if the rules of such subdivision (b) (2) are applicable.

(b) If, during the period that shares are in the 6-months-or-less category some but not all of the shares in such category are sold or transferred, then—

(1) The shares sold or transferred (the basis of which was determined in the manner prescribed by subdivision (i) of this subparagraph) shall be assumed to be those shares in such category which were earliest purchased or acquired, and

(2) The basis of those shares which are not sold or transferred and which are changed from the 6-months-or-less category to the more-than-6-months category shall be the average basis of the shares in the 6-months-or-less category at the time of the most recent sale or transfer of shares from such category. For such purposes, the average basis shall be determined in the manner prescribed in subdivision (i) of this subparagraph.

(c) Paragraph (a) of § 1.1091-2 contains examples which illustrate the general application of section 1091(d), relating to unadjusted basis in the case of a wash sale of stock. However, in the case of certain wash sales of stock from the 6-months-or-less category, the provisions of section 1091(d) shall be applied in the manner described in subdivision (d) of this subdivision (iii).

(d) In the case of a wash sale of stock (determined in accordance with the provisions of section 1091) from the 6-months-or-less category which occurs after the acquisition of shares of stock into such category, the aggregate cost or other basis of all shares remaining in the 6-months-or-less category after such sale shall be increased by the amount of the loss which is not deductible because of the provisions of section 1091 and the regulations thereunder. The provisions of this subdivision may be illustrated by the following example:

Example. Assume the following acquisitions to, and sale from, the 6-months-or-less category:

6-MONTHS-OR-LESS CATEGORY

Date	Action	Number shares	Price/share	Aggregate
1-5-71	Purchase	10	\$110	\$1,100
2-5-71	do	10	100	1,000
3-5-71	do	10	90	900
Average		30	100	3,000
3-15-71	Sale	10	90	900
	Loss	10	10	100

In this example, the unadjusted basis of the shares remaining in the account after the sale is \$2,000 (aggregate basis of \$3,000 before the sale, less \$1,000, the aggregate basis of the shares sold after the averaging of costs). The adjusted basis of the shares remaining in the 6-months-or-less category after the sale and after adjustment is \$2,100 (the unadjusted basis of \$2,000, plus the \$100 loss resulting from the sale).

(4) *Single-category method*—(1) *In general.* In determining average basis using the single-category method, the cost or other basis of all shares in an account at the time of each sale or transfer (whether such shares have a holding

period of more than 6 months or 6 months or less) shall be used in making the computation. The cost or other basis of each share in such account shall be an amount equal to the remaining aggregate cost or other basis of all shares in such account at the time of the sale or transfer divided by the aggregate number of shares in such account at such time.

(ii) *Order of disposition of shares sold or transferred.* In the case of the sale or transfer of shares from an account to which the election provided by this paragraph applies, and with respect to which the taxpayer has specified that he uses the single-category method of determining average basis, shares sold or transferred shall be deemed to be those shares first acquired. Thus, when shares are sold or transferred from an account such shares will be those with a holding period of more than 6 months to the extent that such account contains shares with a holding period of more than 6 months. If the number of shares sold or transferred exceeds the number of shares in the account with a holding period of more than 6 months, any such excess shares sold or transferred will be deemed to be shares with a holding period of 6 months or less. Any gain or loss attributable to shares held for more than 6 months shall constitute long-term gain or loss, and any gain or loss attributable to shares held for 6 months or less shall constitute short-term gain or loss. For example, if a taxpayer sells or transfers 50 shares from an account containing 100 shares with a holding period of more than 6 months and 100 shares with a holding period of 6 months or less, all of the shares sold or transferred will be deemed to be shares with a holding period of more than 6 months. If, however, the account contains 40 shares with a holding period of more than 6 months and 100 shares with a holding period of 6 months or less, the taxpayer will be deemed to have sold or transferred 40 shares with a holding period of more than 6 months and 10 shares with a holding period of 6 months or less.

(iii) *Restriction on use of single-category method.* The single-category method of determining average basis shall not be used where it appears from the facts and circumstances that a purpose of using such single-category method is to convert long-term capital gains or losses to short-term capital gains or losses or to convert short-term capital gains or losses to long-term capital gains or losses.

(iv) *Wash sales.* The provisions of section 1091(d) (relating to unadjusted basis in the case of a wash sale of stock) and the regulations thereunder shall apply in the case of wash sales of stock from an account with respect to which the single-category method of determining average basis is being used.

(5) *Definition.* (1) For purposes of this paragraph, a "regulated investment company" means any domestic corporation (other than a personal holding company as defined in section 542) which meets

the limitations of section 851(b) and § 1.851-2, and which is registered at all times during the taxable year under the Investment Company Act of 1940, as amended (15 U.S.C. 80a-1 to 80b-2), either as a management company, or as a unit investment trust.

(ii) Notwithstanding subdivision (i), this paragraph shall not apply in the case of a unit investment trust unless it is one—

(a) Substantially all of the assets of which consist (1) of securities issued by a single management company (as defined in such Act) and securities acquired pursuant to subdivision (b) of this subdivision (ii), or (2) securities issued by a single other corporation, and

(b) Which has no power to invest in any other securities except securities issued by a single other management company, when permitted by such Act or the rules and regulations of the Securities and Exchange Commission.

(6) *Election.* (i) An election to adopt one of the methods described in this paragraph shall be made in an income tax return for the first taxable year ending on or after December 31, 1970, for which the taxpayer desires the election to apply. If the taxpayer does not file a timely return (taking into account extensions of the time for filing) for such taxable year the election shall be filed at the time the taxpayer files his first return for such year. The election may be made with an amended return only if such amended return is filed no later than the time prescribed by law (including extensions thereof) for filing the return for such taxable year. If the election is made, the taxpayer shall clearly indicate on his income tax return for each year to which the election is applicable that an average basis has been used in reporting gain or loss from the sale or transfer of shares sold or transferred. In addition, the taxpayer shall specify on such return the method (either the single-category method or the double-category method) used in determining average basis. The taxpayer shall also indicate in a statement described in subparagraph (1)(ii)(b) of this paragraph if the election is to apply to accounts described in subparagraph (1)(ii) of this paragraph. Such statement shall be attached to, or incorporated in, such return. A taxpayer making the election shall maintain such records as are necessary to substantiate the average basis (or bases) used on his income tax return.

(ii) An election made with respect to some of the shares of a regulated investment company sold or transferred from an account described in subparagraph (1)(i) of this paragraph applies to all such shares in the account. Such election also applies to all shares of that regulated investment company held in other such accounts (i.e., those described in subparagraph (1)(i) of this paragraph) by the electing taxpayer for his own benefit. Thus, the election shall apply to all shares of the regulated investment company held by the electing taxpayer

(for his own benefit) in such accounts on or after the first day of the first taxable year for which the election is made. Such election does not apply to shares held in accounts described in subparagraph (1) (ii) of this paragraph unless the taxpayer indicates, in the manner described in subdivision (i) of this subparagraph, that the election is to apply to shares held in such accounts. An election made pursuant to the provisions of this paragraph may not be revoked without the prior written permission of the Commissioner.

(7) *Examples.* The provisions of this paragraph may be illustrated by the following examples:

Example (1). (i) On January 11, 1971, taxpayer A, who files his income tax return on a calendar year basis, enters into an agreement with the W Bank establishing an account for the periodic acquisition of shares of the Y Company, an open-end mutual fund. The agreement provides (1) that the bank is to purchase, for A, shares of Y stock as A may from time to time direct, (2) that all shares in the account are to be left in the custody of the bank, and (3) that the bank is to reinvest any dividends paid by Y (including capital gain dividends) in additional shares of Y stock. Pursuant to the agreement, on January 11, 1971, February 1, 1971, and March 1, 1971, respectively, the bank purchases, at A's direction, 100 shares of Y stock for a total of \$1,880, 20 shares of Y stock for a total of \$400, and 20 shares of Y stock for a total of \$410. On March 15, 1971, the bank reinvests a \$1-per-share capital gain dividend (that is, a total of \$140) in seven additional shares of Y stock. The acquisitions to A's account, are, therefore, as follows:

Date	Number of shares	Basis
Jan. 11, 1971.....	100	\$1,880
Feb. 1, 1971.....	20	400
Mar. 1, 1971.....	20	410
Mar. 15, 1971.....	7	140

On August 20, 1971, at A's direction, the bank redeems (i.e., sells) 40 shares of Y stock, and on September 20, 1971, 30 shares. A elects to determine the gain or loss from the sales of the stock by reference to its average basis using the double-category method of determining average basis. A did not specify from which category the sales were to take place, and therefore, each sale is deemed to have been made from the more-than-6-months category.

(ii) The average basis for the shares sold on August 20, 1971, is \$19, and the total average basis for the 40 shares which are sold is \$760, computed as follows:

Number of shares in the more-than-6-months category at the time of sale:	Basis
100	\$1,880
20	400
Total 120	2,280

Average cost or other basis: $\$2,280 \div 120 = \19 . 40 shares \times \$19 each = \$760, total average basis. Therefore, after the sale on August 20, 1971, 80 shares remain in the more-than-6-months category, and their remaining aggregate cost is \$1,520.

(iii) The average basis for the shares sold on September 20, 1971, must reflect the sale which was made on August 20, 1971. Accordingly, such average basis would be \$19.35 and may be computed as follows:

Number of shares in the more-than-6-months category at the time of sale:	Basis
80	\$1,520
20	410
7	140
Total 107	2,070

Average cost or other basis: $\$2,070 \div 107$ shares = \$19.35 (to the nearest cent).

Example (2). Taxpayer B, who files his income tax returns on a calendar year basis, enters into an agreement with the X Bank establishing an account for the periodic acquisition of shares of the Z Company, an open-end mutual fund. X acquired for B's account shares of Z on the following dates in the designated amounts:

January 15, 1971.....	50 shares.
February 16, 1971.....	30 shares.
March 15, 1971.....	25 shares.

Pursuant to B's direction, the Bank redeemed (i.e., sold) 25 shares from the account on February 1, 1971, and 20 shares on April 1, 1971, for a total of 45 shares. All of such shares had been held for less than 6 months. B elects to determine the gain or loss from the sales of the stock by reference to its average basis using the double-category method of determining average basis. Thus, the 45 shares which were sold are assumed to be from the 50 shares which were purchased on January 15, 1971. Accordingly, on July 16, 1971, only five shares from those shares which had been purchased on January 15, 1971, remain to be transferred from the 6-months-or-less category to the more-than-6-months category. The basis of such five shares for purposes of the change to the more-than-6-months category would be the average basis of the shares in the 6-months-or-less category at the time of the sale on April 1, 1971.

Example (3). Assume the same facts as in example (2), except that an additional sale of 18 shares was made on May 3, 1971. There were, therefore, a total of 63 shares sold during the 6-month period beginning on January 15, 1971, the date of the earliest purchase. Fifty of the shares which were sold during such period shall be assumed to be the shares purchased on January 15, 1971, and the remaining 13 shares shall be assumed to be from the shares which were purchased on February 16, 1971. Thus, none of the shares which were purchased on January 15, 1971, remain to be changed from the 6-months-or-less category to the more-than-6-months category. In the absence of further dispositions of shares during the 6-month holding period for the shares purchased on February 16, 1971, there would be 17 of such shares to be changed over after the expiration of that period since 13 of the shares sold on May 3, 1971, were assumed to be from the shares purchased on February 16, 1971. The basis of the 17 shares for purposes of the change to the more-than-6-months category would be the average basis of the shares in the 6-months-or-less category at the time of the sale on May 3, 1971.

Example (4). Taxpayer C, who files his income tax returns on a calendar year basis, enters into an agreement with Y Bank establishing an account for the periodic acquisition of XYZ Company, a closed-end mutual fund. Y acquired for B's account shares of XYZ on the following dates in the designated amounts:

Date	Number of shares	Cost
Jan. 8, 1971.....	25	\$200
Feb. 8, 1971.....	24	200
Mar. 8, 1971.....	23	200
Apr. 8, 1971.....	23	200

Pursuant to C's direction, the bank redeemed (i.e., sold) 40 shares from the account on July 15, 1971, for \$10 per share or a total of \$400. C elects to determine the gain or loss from the sale of the stock by reference to its average basis using the single-category method of determining average basis. The average basis for the shares sold on July 15, 1971 (determined by dividing the total number of shares in the account at such time (95) into the aggregate cost of such shares (\$800)) is \$8.42 (to the nearest cent). Under the rules of subparagraph (4) of this paragraph the shares sold would be deemed to be those first acquired. Thus, C would realize a \$39.50 ($\1.58×25) long-term capital gain with respect to the 25 shares acquired on January 8, 1971, and he would realize a \$23.70 ($\$.95 \times 15$) short-term capital gain with respect to 15 of the shares acquired on February 8, 1971. The next sale occurred on August 16, 1971. At that time, absent further intervening acquisitions or dispositions, the account contained nine shares (the 24 shares acquired on February 8, 1971, less 15 of such shares which were sold on July 15, 1971) with a holding period of more than 6 months, and 46 shares with a holding period of 6 months or less.

Example (5). Taxpayer D owns four separate accounts (D-1, D-2, D-3, and D-4) for the periodic acquisition of shares of the Y Company, an open-end mutual fund. Account D-4 contains shares which D acquired by gift on April 15, 1970. These shares had an adjusted basis in the hands of the donor which was greater than the fair market value of the donated shares on such date. For his taxable year ending on December 31, 1971, D elects to use an average basis for shares sold from account D-1 during such year using the single-category method of determining average basis. Under the provisions of subparagraph (1) (ii) of this paragraph, D may use an average basis for shares sold or transferred from account D-4 if he includes with his statement of election a statement, in writing, indicating that the basis of such gift shares in account D-4 shall be the fair market value of such shares at the time he acquired such shares and that such basis shall be used in computing the average basis of shares in account D-4. In addition, since D elected to use an average basis for shares sold from account D-1, he must also use an average basis for all shares sold or transferred from accounts D-2 and D-3 (as well as account D-1) for his taxable year ending on December 31, 1971, and for all subsequent years until he revokes (with the consent of the Commissioner) his election to use an average basis for such accounts. Further, D must use the single-category method of determining average basis with respect to accounts D-2, D-3 (and D-4 if the above-mentioned statement is filed).

(f) Special rules. * * *

PAR. 2. Section 1.1091-2 is amended by revising so much thereof as precedes example (1) and by adding a new paragraph (b). These amended and added provisions read as follows:

§ 1.1091-2 Basis of stock or securities acquired in "wash sales".

(a) *In general.* The application of section 1091(d) may be illustrated by the following examples:

(b) *Special rule.* For a special rule as to the adjustment to basis required under section 1091(d) in the case of wash sales involving certain regulated investment company stock for which there is an average basis, see paragraph (e) (3) (iii) (c) and (d) of § 1.1012-1.

(Sec. 7805 of the Internal Revenue Code of 1954; 68A Stat. 917; 28 U.S.C. 7805)

[SEAL]

HAROLD T. SWARTZ,
Acting Commissioner
of Internal Revenue.

Approved: July 1, 1971.

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

[FR Doc.71-9564 Filed 7-6-71;8:51 am]

Title 28—JUDICIAL ADMINISTRATION

Chapter I—Department of Justice

[Memo No. 374; Directive No. 17-71]

PART 0—ORGANIZATION OF THE DEPARTMENT OF JUSTICE

Subpart Y—Authority To Compromise and Close Civil Claims and Respon- sibility for Judgments, Fines, Pen- alties, and Forfeitures

RETURN OF CIVIL JUDGMENT CASES TO AGENCIES

By virtue of the authority vested in me by Part 0 of Title 28 of the Code of Federal Regulations, particularly §§ 0.45, 0.46, 0.160, 0.162, 0.164, 0.166, 0.168, and 0.171, it is hereby ordered that Civil Division Memo No. 374, entitled "Delegation of Authority to U.S. Attorneys in Civil Division Cases" (28 CFR, Part 0, App. to Supt. Y), as amended (30 F.R. 7819, June 17, 1965), is further amended by renumbering sections 7 and 8, respectively, as sections 8 and 9, and by inserting a new section 7, as follows:

Appendix to Subpart Y—Redelegations of Authority To Compromise and Close Civil Claims

CIVIL DIVISION
[MEMO NO. 374]

DELEGATION OF AUTHORITY TO U.S. ATTORNEYS IN CIVIL DIVISION CASES

Sec. 7. *Return of civil judgment cases to agencies.* A. Where all claims have been reduced to judgment and all moneys to be collected thereon are payable to a single referral agency, a case may be returned to that agency for servicing and surveillance, provided each of the following conditions is fully met.

(1) The judgments to be transferred to the referral agencies must be limited to:

(a) Judgments determined to be uncollectible except by installment payments which debtors agree to make to the agencies or, if otherwise enforceable, where such enforcement is being forborne in consideration of the promise of such payments; or

(b) Judgments determined to be presently uncollectible but to have potential future collectibility and the U.S. attorney

is not in a better position than the agency to keep them under surveillance.

(2) If the uncollected principal balance is in excess of \$5,000, or if the Division has an open file on the case, such action must have the approval of the Division.

(3) The U.S. attorney must be satisfied that, as a practicable matter, the transfer will not adversely affect the chances or amounts of collections.

(4) The agency must be willing to accept the transfer and must be given to understand that it is not authorized to undertake final settlement, reduction or release of judgments in respect of unpaid balances without the specific approval of the Department of Justice, and that all judicial proceedings to enforce or release judgments must be conducted by the U.S. attorney.

(5) The U.S. attorney must consider it unlikely that the case will be returned to him for further proceedings within an unreasonably brief period of time.

B. Upon transferring responsibility to an agency under this section, the U.S. attorney may close his file, subject to reopening, however, if, upon request by the agency or for any other reason, it appears that further action should be taken by his office.

C. After the return of judgments to referral agencies, judgment liens should neither be renewed nor revised, unless there is reason to believe that substantial assets have or may become subject thereto or unless the referral agencies furnish credit data showing that such action is economically desirable.

D. If the U.S. attorney can properly close a judgment under the applicable criteria, he should close the file and remove the judgment from the Department of Justice inventory, rather than return the judgment to the referral agency.

L. PATRICK GRAY III,
Assistant Attorney General.

Approved: June 28, 1971.

JOHN N. MITCHELL,
Attorney General.

[FR Doc.71-9526 Filed 7-6-71;8:45 am]

Title 30—MINERAL RESOURCES

Chapter I—Bureau of Mines, Department of the Interior

SUBCHAPTER O—COAL MINE HEALTH AND SAFETY

PART 70—MANDATORY HEALTH STANDARDS — UNDERGROUND COAL MINES

Noise Standard

In accordance with the provisions of section 206 of the Federal Coal Mine Health and Safety Act of 1969 (Public Law 91-173), and pursuant to the authority vested in the Secretary of the Interior under section 101 of the Act, there was published in the FEDERAL

REGISTER for December 9, 1970 (35 F.R. 18671), a notice of proposed rule making setting forth proposed amendments to Subpart F of Part 70, Subchapter O, Chapter I, Title 30, Code of Federal Regulations, which prescribed maximum noise exposure levels for all underground coal mines established by the Secretary of Health, Education, and Welfare, the manner of conducting tests of the noise levels at each coal mine, and the minimum requirements which must be met by any person qualified to conduct noise level tests and for the certification of such persons by the Bureau of Mines.

Interested persons were afforded a period of 30 days from the date of publication of the notice in which to submit written comments, suggestions, or objections to the proposed amendments. The comments received from interested persons regarding these proposed amendments were primarily concerned with the complexity of the proposed maximum noise exposure levels and the difficulty of data collection. In view of these comments, revisions have been made so that the maximum noise exposure levels are those prescribed by the Walsh-Healey Public Contracts Act, as amended, in effect on October 1, 1969.

All comments, suggestions, and objections were given careful consideration. The comments and an explanation of the actions taken with respect to them is available for public inspection in the Office of the Director, Room 15-59, Bureau of Occupational Safety and Health, Department of Health, Education, and Welfare, 5600 Fishers Lane, Rockville, MD 20852.

Subpart F of Part 70, Subchapter O, Chapter I, Title 30, Code of Federal Regulations, amended and revised as set forth below is herewith promulgated and shall become effective upon publication in the FEDERAL REGISTER (7-7-71).

W. T. PECORA,
Under Secretary of the Interior.

JUNE 30, 1971.

Subpart F—Noise Standard

Sec.	
70.500	Definitions.
70.501	Requirements.
70.502	Computation of multiple noise exposure.
70.503	Noise level measurements; general.
70.504	Noise level measurements; by whom done.
70.504-1	Persons qualified to measure noise levels; minimum requirements.
70.504-2	Certification of qualified persons by the Bureau of Mines.
70.505	Noise level measurement equipment.
70.506	Noise level measurement procedures.
70.507	Initial noise level survey.
70.508	Periodic noise level survey.
70.509	Supplemental noise level survey; reports and certification.
70.510	Violation of noise standard; notice of violation; action required by operator.

AUTHORITY: The provisions of this Subpart F issued under sections 101 and 206, 83 Stat. 745 and 765; 30 U.S.C. 801 and 846.

Subpart F—Noise Standard

§ 70.500 Definitions.

As used in this Subpart F, the term:

(a) "dBA" means noise level in decibels, as measured with the A-weighted network of a standard sound level meter using slow response;

(b) "Noise exposure" means a period of time during which the noise level is 90 or more dBA;

(c) "Multiple noise exposure" means the daily noise exposure is composed of two or more different noise levels;

(d) "Noise level" is the average dBA during a noise exposure; and,

(e) "Qualified person" means, as the context requires, an individual deemed qualified by the Secretary and designated by the operator to make tests and examinations required by this Act.

§ 70.501 Requirements.

Every operator of an underground coal mine shall maintain the noise levels during each shift to which each miner in the active workings of the mine is exposed at or below the permissible noise levels set forth in Table I of this subpart.

EXAMPLE: If a noise is recorded to be 110 dBA then exposure shall not exceed 30 minutes during an 8-hour shift.

§ 70.502 Computation of multiple noise exposure.

The standard will be considered to have been violated in the case of multiple noise exposure where such exposure totals exceed one as computed by adding the total time of exposure at each specified level (C_1, C_2, C_3 , etc.) divided by the total time of exposure permitted at that level (T_1, T_2, T_3). Thus,

$$\frac{C_1}{T_1} + \frac{C_2}{T_2} + \frac{C_3}{T_3} \text{ must not exceed } 1.$$

EXAMPLE I: Exposure of 2 hours at 92 dBA and 1 hour at 100 dBA during an 8-hour shift.

Total minutes of noise exposure at dBA level
 Total minutes of permissible noise exposure at dBA level

120 min.	60 min.	= %	+ %	= %	+ %	= %
360 min.	120 min.					

The sum of the fractions does not exceed one; hence the exposure for the shift would not violate the standard.

EXAMPLE II: Exposure of 3 hours at 95 dBA and 1 hour at 100 dBA during an 8 hour shift.

$$\frac{3}{8} + \frac{1}{8} = \frac{4}{8} = \frac{1}{2} = \frac{1}{2}$$

The sum of the fractions exceeds one; hence the exposure for the shift would violate the standard.

§ 70.503 Noise level measurements; general.

Every coal mine operator shall take accurate readings of the noise levels to which each miner in the active workings of the mine is exposed during the performance of the duties to which he is normally assigned.

§ 70.504 Noise level measurements; by whom done.

The noise level measurements required by this Subpart F shall be taken by, or

as directed by, a person who has met the minimum requirements set forth in § 70.504-1, and has been certified by the Director, Bureau of Mines as qualified to take noise level measurements as prescribed in this Subpart F.

§ 70.504-1 Persons qualified to measure noise levels; minimum requirements.

The following persons shall be considered qualified to take noise level measurements as prescribed in this Subpart F:

(a) Any person who has been certified by the Bureau of Mines as an instructor in noise measurement training programs;

(b) Any person who has satisfactorily completed a noise training course conducted by the Bureau of Mines and has been certified by the Bureau as a qualified person; and,

(c) Any person who has satisfactorily completed a noise training course approved by the Bureau of Mines and has been certified by the Bureau as a qualified person.

§ 70.504-2 Certification of qualified persons by the Bureau of Mines.

Upon a satisfactory showing that a person has met the minimum requirements for taking noise level measurements set forth in § 70.504-1, the Bureau of Mines shall certify that such person has the ability and capacity to conduct tests of the noise levels in a coal mine and to report and certify the results of such tests to the Secretary and the Secretary of Health, Education, and Welfare.

§ 70.505 Noise level measurement equipment.

(a) Noise level measurements shall be taken only with instruments which are approved by the Bureau of Mines as permissible electric face equipment under the provisions of Part 18 of this chapter (Bureau of Mines, Schedule 2G), and which meet the operational specifications of the American National Standards Institute for Sound Level Meters S1.4-1971 (Type S2A).

(b) Noise level measurement equipment shall be set to operate with the A-weighted network and slow response and shall be acoustically calibrated in accordance with the manufacturer's instructions before, during and after each shift on which such equipment is used.

§ 70.506 Noise level measurement procedures.

(a) Noise level measurements shall be made at locations where the noise is typical of that entering the ears of the miner whose exposure is under consideration.

(b) Five measurements shall be made for each type of noise exposure producing operation to which the miner under consideration is exposed.

(c) Each measurement shall be made by observing the A-scale readings for 30 seconds and recording the noise level.

(d) The average of the five noise level measurements shall be considered as the

noise level measurement which is representative of the operation.

(e) Where different and distinct noise levels occur at various phases of an operation, noise level measurements shall be made in accordance with this section for each distinct phase.

(f) The noise levels and the estimated length of time the miner is exposed to each level during a normal work shift shall be reported for the operation. The range of the five noise level measurements used in paragraph (d) of this section shall also be reported.

§ 70.507 Initial noise level survey.

On or before June 30, 1971, each operator shall:

(a) Conduct, in accordance with this subpart, a survey of the noise levels to which each miner in the active workings of the mine is exposed during his normal work shift; and,

(b) Report and certify to the Bureau of Mines, and the Department of Health, Education, and Welfare, the results of such survey using the Coal Mine Noise Data Report, Figure 1. Reports shall be sent to:

Assistant Director, Coal Mine Health and Safety, Bureau of Mines, Department of the Interior, Washington, D.C. 20240.

§ 70.508 Periodic noise level survey.

(a) At intervals of at least every 6 months after June 30, 1971, but in no case shall the interval be less than 3 months, each operator shall conduct, in accordance with this subpart, periodic surveys of the noise levels to which each miner in the active workings of the mine is exposed and shall report and certify the results of such surveys to the Bureau of Mines, and the Department of Health, Education, and Welfare, using the Coal Mine Noise Data Report Form. Reports shall be sent to:

Assistant Director, Coal Mine Health and Safety, Bureau of Mines, Department of the Interior, Washington, D.C. 20240.

(b) Where no A-scale reading recorded for any miner during an initial or periodic noise level survey exceeds 90 dBA, the operator shall not be required to survey such miner during any subsequent periodic noise level survey required by this section: *Provided, however*, That the name and job position of each such miner shall be reported in every periodic survey and the operator shall certify that such miner's job duties and noise exposure levels have not changed substantially during the preceding 6-month period.

§ 70.509 Supplemental noise level survey; reports and certification.

(a) Where the certified results of an initial noise level survey conducted in accordance with § 70.507, or a periodic noise level survey conducted in accordance with § 70.508, show that any miner in the active workings of the mine is exposed to a noise level in excess of the permissible noise level prescribed in Table I, the operator shall conduct a supplemental noise level survey with respect

to each miner whose noise exposure exceeds this standard. This survey shall be conducted within 15 days following notification to the operator by the Bureau of Mines to conduct such survey.

(b) Supplemental noise level surveys shall be conducted by taking noise level measurements in accordance with § 70.506, however, noise level measurements shall be taken during the entire period of each individual operation to which the miner under consideration is actually exposed during his normal work shift.

(c) Each operator shall report and certify the results of each supplemental noise level survey conducted in accordance with this section to the Bureau of Mines and the Department of Health, Education, and Welfare using the Coal Mine Noise Data Report Form to record noise level readings taken with respect to all operations during which such measurements were taken.

(d) Supplemental noise level surveys shall, upon completion, be mailed to:

Assistant Director, Coal Mine Health and Safety, Bureau of Mines, Department of the Interior, Washington, D.C. 20240.

§ 70.510 Violation of noise standard; notice of violation; action required by operator.

(a) Where the results of a supplemental noise level survey conducted in accordance with § 70.509 show that any miner in the active workings of the mine is exposed to noise levels which exceed the permissible noise levels prescribed in Table I, the Secretary shall issue a notice to the operator that he is in violation of this subpart.

(b) Upon receipt of a Notice of Violation issued pursuant to paragraph (a) of this section, the operator shall:

(1) Institute promptly administrative and/or engineering controls necessary to assure compliance with the standard. Such controls may include protective devices other than those devices or systems which the Secretary or his authorized representative finds to be hazardous in such mine.

(2) Within 60 days following the issuance of any Notice of Violation of this subpart, submit for approval to a joint Bureau of Mines-Health, Education, and Welfare committee, a plan for the administration of a continuing, effective hearing conservation program to assure compliance with this subpart, including provision for:

(i) Reducing environmental noise levels;

(ii) Personal ear protective devices to be made available to the miners;

(iii) Preemployment and periodic audiograms.

(3) Plans required under subparagraph (2) of this paragraph shall be submitted to:

Assistant Director, Coal Mine Health and Safety, Bureau of Mines, Department of the Interior, Washington, D.C. 20240.

TABLE I—PERMISSIBLE NOISE EXPOSURES

Duration per day (hours)	Noise level (dBA)
8	90
6	92
4	95
3	97
2	100
1½	102
1	105
¾	107
½	110
¼ or less	115

Figure 1
(Submit one form for each miner)

COAL MINE NOISE DATA REPORT

Date: _____ Mine ID No.: _____
 Section ID No.: _____ Miner's SSA No.: _____
 Occupation: _____
 Actual production—tons this shift: _____
 Type of mining: _____
 Development _____
 Retreat _____
 Method of mining: _____
 Continuous _____
 Conventional _____
 Longwall _____
 Other _____
 Equipment in operation: _____
 Electric _____
 Pneumatic _____
 Other _____
 Voltage _____ Pressure-p.s.i. _____
 a.c. or d.c. _____
 Total horsepower _____
 Description of equipment (make, model No., order No., etc.): _____

 Seam conditions: Name of seam: _____

 Coal height—Inches: _____
 Average width of place: _____
 Type of roof (sandstone, slate, etc.): _____

 Hearing protective device used? _____
 Yes _____ No _____
 Type and model number of sound level meter: _____
 Check if section will be closed before next sampling: Yes _____ No _____
 Initial survey Periodic survey supplementary survey
 Signature of qualified person: _____

Figure 1
Page 2
Coal Mine Noise Data Report

Date: _____ Mine ID No.: _____
 List noise level measurements for each level of exposure.

Operation (loading, tramping, etc.)	Noise level dBA average	Range (high and low readings)	Cumulative exposure—minutes
Mantrip	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Signature of qualified person: _____

[FR Doc.71-9501 Filed 7-6-71;8:45 am]

Title 32A—NATIONAL DEFENSE, APPENDIX

Chapter VI—Bureau of Domestic Commerce, Department of Commerce

[DPS Reg. 1 (formerly BDSA Reg. 2), Amdt. 6 of July 1, 1971]

DPS REG. 1—BASIC RULES OF THE PRIORITIES SYSTEM

Time Period for Use of Priority Ratings for Inventory Replacement

This amendment is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In connection with the formulation of this amendment a notice of proposed rule making was published in the FEDERAL REGISTER on April 24, 1971 (36 F.R. 7751) and interested persons were invited to file their views with the Director, Bureau of Domestic Commerce, within 30 days from the date of such publication. Views of interested persons have been received and considered. There has also been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

This amendment affects DPS Reg. 1, as amended by Amendment 2, dated April 27, 1960, by reducing the time period within which rated orders must be placed to replace in inventory material taken from inventory to fill rated orders to the month in which such material was taken from inventory or in the immediately succeeding 2 calendar months.

Paragraph (a) of section 9 of DPS Reg. 1, dated March 23, 1953, as amended by Amendment 2, dated April 27, 1960, is hereby amended to read as follows:

Sec. 9 Special provisions applicable to extensions; grouping of orders.

(a) No person shall place a rated order to replace in inventory material taken from inventory to fill rated orders except within the calendar month in which such material was taken from inventory for such purpose, or in the immediately succeeding two calendar months.

(Sec. 704, 64 Stat. 816, as amended, 50 U.S.C. App. 2154)

This amendment shall take effect July 1, 1971.

BUREAU OF DOMESTIC COMMERCE,
 HUDSON B. DRAKE,
 Director.

[FR Doc.71-9548 Filed 7-6-71;8:49 am]

[DMS Reg. 1, Amdt. 3 of July 1, 1971]

DMS REG. 1—BASIC RULES OF THE DEFENSE MATERIALS SYSTEM**Time Period for Placement of ACM Orders for Inventory Replacement**

This amendment is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this amendment, there was consultation with industry representatives, including trade association representatives, and consideration was given to their recommendations.

This amendment affects DMS Reg. 1, dated December 1, 1959, by reducing the time period within which ACM orders and rated orders must be placed to replace in inventory materials taken from inventory to fill authorized controlled materials orders or rated orders to the calendar month in which such material was taken from inventory or the immediately succeeding 2 calendar months and by authorizing a prime consumer who has used controlled materials from his inventory to fill rated orders for Class A products to replace such controlled materials in his inventory as provided in this section.

Paragraph (b) of section 9 of DMS Reg. 1, dated December 1, 1959, is hereby amended to read as follows:

Sec. 9 Self-authorization procedure for Class A and Class B products.

(b) A prime consumer who has a rated order for Class A products or a self-authorizing consumer who has a rated order for Class A or Class B products must use the program identification thereon as the allotment number in placing ACM orders to obtain controlled materials needed to fill such order or to replace in inventory controlled materials used to fill such order. However, with respect to inventory replacement of controlled materials he shall place such ACM orders only in the calendar month in which such materials were taken from inventory or in the immediately succeeding 2 calendar months. If it is impracticable for him to determine the exact requirements of controlled materials needed to fill a rated order for Class A or Class B products, he must place ACM orders for delivery in a particular calendar quarter of an amount equal to his best estimates of controlled materials needed in such quarter to fill such rated order.

(Sec. 704, 64 Stat. 816, as amended, 50 U.S.C. App. 2154)

This amendment shall take effect July 1, 1971.

BUREAU OF DOMESTIC
COMMERCE,
HUDSON B. DRAKE,
Director.

[FR Doc.71-9546 Filed 7-6-71;8:49 am]

[DMS Reg. 1, Dir. 3, Amdt. 1 of July 1, 1971]

DMS REG. 1, DIR. 3—CONTROLLED MATERIALS PRODUCERS AND DISTRIBUTORS**Time Period for the Placement of ACM Orders and Rated Orders for Inventory Replacement by Controlled Materials Producers and Distributors**

This amendment is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this amendment, there was consultation with industry representatives, including trade association representatives, and consideration was given to their recommendations.

This amendment affects DMS Reg. 1, Dir. 3, dated December 1, 1959, by providing that controlled material producers and distributors shall place ACM orders or rated orders, as appropriate, to replace in inventory materials taken from inventory to fill ACM orders or rated orders in the calendar month in which such materials were taken from inventory or in the immediately succeeding 2 calendar months.

Section 4 of DMS Reg. 1, Dir. 3, dated December 1, 1959, is hereby amended to add paragraph (f) which reads as follows:

Sec. 4 Production requirements of controlled materials producers.

(f) Persons obtaining controlled materials or materials other than controlled materials to replace in inventory materials used to fill ACM orders or rated orders pursuant to the provisions of this section shall place rated orders or ACM orders, as appropriate, for such inventory replacement, in the calendar month in which such materials were taken from inventory to fill such ACM orders or rated orders, or in the immediately succeeding 2 calendar months.

(Sec. 704, 64 Stat. 816, as amended, 50 U.S.C. App. 2154)

This amendment shall take effect July 1, 1971.

BUREAU OF DOMESTIC
COMMERCE,
HUDSON B. DRAKE,
Director.

[FR Doc.71-9547 Filed 7-6-71;8:49 am]

[DMS Order 1 (formerly BDSA Order M-1A, as amended August 14, 1970) Amdt. 1 of July 1, 1971]

DMS ORDER 1—IRON AND STEEL**Time Period for Placement of ACM Orders for Inventory Replacement**

This amendment is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this

amendment, there was consultation with industry representatives, including trade association representatives, and consideration was given to their recommendations.

This amendment affects DMS Order 1 by amending paragraphs (b) and (c) of section 9 and paragraph (a) of section 12 to reduce the time period within which a further converter or a steel distributor must place further converter (FC) orders or ACM orders, as appropriate, to replace in inventory materials taken from inventory to fill ACM orders or rated orders to the month in which such material was taken from inventory or the immediately succeeding 2 calendar months.

Paragraphs (b) and (c) of section 9 of DMS Order 1 are hereby amended to read as follows:

Sec. 9 Further converters.

(b) Each further converter order placed according to the provisions of paragraph (a) of this section must be identified by the symbol FC and shall be certified as follows: "Certified for National Defense use under DMS Reg. 1" and signed as provided in DPS Reg. 1 (formerly BDSA Reg. 2). Such FC orders shall be placed for the purpose of obtaining steel mill products to fill ACM orders already accepted at the time of placement thereof, or for the purpose of replacing in inventory steel mill products used within the same calendar month or the immediately preceding 2 calendar months to fill ACM orders. No further converter shall place FC orders with his producer-supplier for delivery of a greater quantity of any steel mill product than is necessary to enable him to comply with his production directive: *Provided*, That a further converter shall place FC-DX orders with his producer-supplier in an amount necessary to fill ACM-DX orders which he has accepted in excess of his production directive. A further converter who has accepted ACM orders in excess of his set-aside may place FC orders in obtaining the steel mill products required to fill such excess over his set-aside or to replace in inventory the steel mill products used by him for such purpose: *Provided*, The excess tonnage has been mutually agreed upon between the producer-supplier and the further converter involved.

(c) A further converter who does not have a production directive and who requires steel mill products to fill ACM orders or to replace in inventory steel mill products used to fill ACM orders must, in obtaining steel mill products for either purpose, place an ACM order with his regular supplier of such products. Such orders shall be certified and signed as provided in paragraph (b) of this section. In placing such ACM orders, the further converter shall indicate the program identification D-3 and the calendar quarter in which delivery of the steel mill products is required: *Provided*, That ACM orders placed by a further converter pursuant to this paragraph shall

call only for the delivery of the quantity of steel mill products such further converter requires to fill ACM orders already accepted or to replace in inventory the steel mill products used to fill ACM orders: *And provide further*, With respect to inventory replacement, the program identification D-3 shall be used to place orders for steel mill products pursuant to this paragraph only in the calendar month in which such products were taken from inventory or in the immediately succeeding 2 calendar months. If acceptance of an ACM order by a further converter who does not have a production directive results in a need for him to acquire steel mill products in any calendar month in excess of the quantities shown in Table II of this order, he shall promptly apply to BDC for authority to use a program identification in obtaining the steel mill products required to fill such excess or to replace in inventory the steel mill products used by him for such purpose. Such application shall be by letter, in duplicate, addressed to the Metals and Minerals Division, BDC, Department of Commerce, Washington, D.C. 20230, and shall contain a full statement of the relevant facts: *Provided*, That such further converter shall place ACM-DX orders identified with the program identification D-3 in an amount necessary to fill ACM-DX orders which he has accepted, without regard to the quantity limitations provided in Table II of this order.

Paragraph (a) of section 12 of DMS Order 1 is hereby amended to read as follows:

Sec. 12 How a distributor places authorized controlled material orders.

(a) Any steel distributor who requires steel mill products to fill ACM orders or to replace in inventory steel mill products used to fill ACM orders must obtain such products by affixing the program identification D-8 to the delivery order he places with his regular supplier of such products. Such delivery orders are hereby designated as ACM orders and shall be certified by the steel distributor as follows: "Certified for National Defense use under DMS Reg. 1" and signed as provided in DPS Reg. 1 (formerly BDSA Reg. 2). In placing such ACM orders the distributor shall indicate thereon the program identification D-8 and the calendar quarter in which delivery is required: *Provided, however*, That ACM orders placed by a steel distributor for replacement of inventory shall call only for delivery of the carbon, alloy, or stainless steel mill product of the same form and of substantially the same size in a quantity no greater than the quantity of such product which such distributor delivered from his inventory pursuant to ACM orders: *And provided further*, That the program identification D-8 shall be used to place orders for steel mill products to replace such products used from inventory to fill ACM orders only in the calendar month in which such products were taken from inventory, or in the immediately succeeding 2 calendar months.

(Sec. 704, 64 Stat. 816, as amended, 50 U.S.C. App. 2154)

This amendment shall take effect July 1, 1971.

BUREAU OF DOMESTIC
COMMERCE,
HUDSON B. DRAKE,
Director.

[FR Doc.71-9542 Filed 7-6-71; 8:49 am]

[DMS Order 2 (formerly BDSA Order M-1B)
Amdt. 3 of July 1, 1971]

DMS ORDER 2—NICKEL ALLOYS

Time Period for Placement of Authorized Controlled Material Orders for Inventory Replacement

This amendment is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this amendment, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

This amendment affects DMS Order 2 by amending section 10 and by amending paragraph (b) of section 11, as amended by Amendment 2, dated January 20, 1958, in order to reduce the time period within which a further converter or a nickel alloy distributor must place further converter (FC) orders or authorized controlled material orders, as appropriate, to replace in inventory materials taken from inventory to fill authorized controlled material orders to the month in which such material was taken from inventory or the immediately succeeding 2 calendar months.

Section 10 of DMS Order 2 is hereby amended to read as follows:

Sec. 10 Further converters.

In obtaining nickel alloy products to fill authorized controlled material orders or to replace in inventory such products used by him to fill authorized controlled material orders, a further converter shall place further converter (FC) orders with his regular supplier or suppliers of such products. Such FC orders are hereby designated as authorized controlled material orders and shall be certified by the further converter as provided in section 20 of DMS Reg. 1. In placing such orders, the further converter shall indicate thereon the program identification "FC" and the calendar quarter in which delivery of the nickel alloy products is required: *Provided, however*, That such orders shall be placed only for the purpose of obtaining material required to fill authorized controlled material orders already accepted at the time of placement thereof, or for the purpose of replacing in inventory material used within the same month or within the immediately preceding 2 calendar months to fill authorized controlled material orders.

Paragraph (b) of section 11 of DMS Order 2 is hereby amended to read as follows:

Sec. 11 Acceptance of orders and replacement of inventory by distributors.

(b) Any distributor who has delivered nickel alloy products from his inventory to fill authorized controlled material orders must, in obtaining nickel alloy products to replace in inventory nickel alloy products delivered pursuant to such orders, place authorized controlled material orders with his regular supplier of such products. Such orders must be certified by the distributor as provided in section 20 of DMS Reg. 1. In placing such authorized controlled material orders, the distributor must indicate thereon the program identification D-8 and the calendar quarter in which delivery of the nickel alloy products is required: *Provided, however*, That authorized controlled material orders placed by a distributor pursuant to this section shall call for delivery of a quantity of each nickel alloy product no greater than the quantity of such product which such distributor delivered from his inventory pursuant to authorized controlled material orders: *And provided further*, That the program identification D-8 may be used to place orders for nickel alloy products pursuant to this paragraph only in the calendar month in which they were taken from inventory or in the immediately succeeding 2 calendar months.

(Sec. 704, 64 Stat. 816, as amended, 50 U.S.C. App. 2154)

This amendment shall take effect July 1, 1971.

BUREAU OF DOMESTIC
COMMERCE,
HUDSON B. DRAKE,
Director.

[FR Doc.71-9543 Filed 7-6-71; 8:49 am]

[DMS Order 3 (formerly BDSA Order M-5A)
Amdt. 3 of July 1, 1971]

DMS ORDER 3—ALUMINUM

Time Period for Placement of Authorized Controlled Material Orders for Inventory Replacement

This amendment is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this amendment, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

This amendment affects DMS Order 3 by amending paragraphs (a) and (b) of section 11 and by amending paragraph (b) of section 12, as amended by Amendment 2, dated January 20, 1958, in order to reduce the time period within which an aluminum foil or powder fabricator must place authorized controlled material orders to replace in inventory materials taken from inventory to fill authorized controlled material orders to the calendar month in which such material was taken from inventory or the

Immediately succeeding two calendar months, and to change the provisions relating to the use of authorized controlled material orders by distributors to replace in inventory controlled materials used to fill authorized controlled material orders, from the placement of such authorized controlled material orders providing for delivery during the calendar quarter in which the material was taken from inventory or the next succeeding calendar quarter to the placement of such authorized controlled material orders during the month in which the material was taken from inventory or the immediately succeeding 2 calendar months.

Paragraphs (a) and (b) of section 11 of DMS Order 3 are hereby amended to read as follows:

Sec. 11 Production materials for foil or powder fabricators.

(a) A foil fabricator who receives a rated order for foil shall place authorized controlled material orders using the program identification AM in obtaining aluminum sheet (foil stock) and aluminum cores needed to produce and package the foil covered by such rated order or to replace in inventory the quantities of such materials used to fill such rated order: *Provided, however*, That with respect to inventory replacement of such materials he shall use the program identification AM to place orders for such replacement materials only in the calendar month in which taken from inventory or in the immediately succeeding two calendar months. In placing orders under this section, no foil fabricator may order a quantity of aluminum sheet (foil stock) in excess of the weight of foil shipped or to be shipped against rated orders.

A powder fabricator who receives a rated order for powder shall place authorized controlled material orders using the program identification AM in obtaining the aluminum pig or ingot needed to fill such rated order or to replace in inventory the quantities of such material used in the manufacture of the powder covered by such rated order: *Provided, however*, That with respect to inventory replacement of such materials, he shall place authorized controlled material orders using the program identification AM for such materials only in the calendar month in which taken from inventory or in the immediately succeeding two calendar months. In placing orders under this section, no powder fabricator may order a quantity of aluminum pig or ingot in excess of the aluminum content by weight of the powder shipped or to be shipped against rated orders.

Paragraph (b) of section 12 of DMS Order 3, as amended by Amendment 2, dated January 20, 1958, is hereby amended to read as follows:

Sec. 12 Rules applicable to aluminum distributors.

(b) A distributor who has delivered aluminum from his inventory to fill authorized controlled material orders shall place authorized controlled material or-

ders using the program identification AM-9000 in obtaining aluminum to replace in inventory the aluminum delivered pursuant to such orders. Such orders must be certified by the distributor as provided in section 20 of DMS Reg. 1: *Provided, however*, That authorized controlled material orders placed by a distributor pursuant to this section shall call only for delivery of an equal weight of the form or shape of aluminum which he has delivered pursuant to authorized controlled material orders, and that any such order placed by him with any supplier shall be placed only during the calendar month in which the materials were taken from his inventory or in the immediately succeeding two calendar months.

(Sec. 704, 64 Stat. 816, as amended, 50 U.S.C. App. 2154)

This amendment shall take effect July 1, 1971.

BUREAU OF DOMESTIC
COMMERCE,
HUDSON B. DRAKE,
Director.

[FR Doc.71-9544 Filed 7-6-71;8:49 am]

[DMS Order 4 (formerly BDSA Order M-11A) Amdt. 1 of July 1, 1971]

DMS ORDER 4—COPPER AND COPPER-BASE ALLOYS

Time Period for Placement of ACM Orders for Inventory Replacement

This amendment is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this amendment, there was consultation with industry representatives, including trade association representatives, and consideration was given to their recommendations.

This amendment affects DMS Order 4, as amended October 28, 1966, by amending paragraph (b) of section 10 to change the provisions relating to the use of ACM orders to replace in inventory controlled materials used to fill ACM orders, from the placement of such ACM orders providing for delivery during the calendar quarter in which the material was taken from inventory or the next succeeding calendar quarter to the placement of such ACM orders during the month in which the material was taken from inventory or the immediately succeeding 2 calendar months.

Paragraph (b) of section 10 of DMS Order 4 is hereby amended to read as follows:

Sec. 10 Rules applicable to distributors.

(b) During each calendar month a distributor who has delivered copper controlled materials from his inventory to fill ACM or ACM-DX orders shall, in obtaining such materials to replace in inventory the materials delivered therefrom pursuant to such orders, place an ACM order bearing the allotment num-

ber D-8: *Provided, however*, That in placing such orders a distributor shall obtain copper controlled materials in an amount equal in terms of copper content weight to that of the copper controlled materials which he delivered from his inventory to fill such orders, and that such orders shall be placed by him only during the calendar month in which the materials were taken from his inventory, or in the immediately succeeding 2 calendar months.

(Sec. 704, 64 Stat. 816, as amended, 50 U.S.C. App. 2154)

This amendment shall take effect July 1, 1971.

BUREAU OF DOMESTIC
COMMERCE,
HUDSON B. DRAKE,
Director.

[FR Doc.71-9545 Filed 7-6-71;8:49 am]

Title 45—PUBLIC WELFARE

Chapter I—Office of Education, Department of Health, Education, and Welfare

PART 177—FEDERAL, STATE AND PRIVATE PROGRAMS OF LOW-INTEREST LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

Special Allowances

Subparagraph (3) of § 177.4(c), *Special Allowances*, which deals with the payment to lenders of the allowances authorized by section 2 of the "Emergency Insured Student Loan Act of 1969" (Public Law 91-95) is amended to provide for the payment of such an allowance for the period April 1, 1971, through June 30, 1971, inclusive.

As so amended § 177.4(c) (3) reads as follows:

§ 177.4 Payment of interest benefits, administrative cost allowances and special allowance.

(c) *Special allowances*

(3) Special Allowances are authorized to be paid as follows:

(viii) For the period April 1, 1971, through June 30, 1971, inclusive, a special allowance is authorized to be paid in an amount equal to the rate of 1¼ percent per annum of the average unpaid balance of disbursed principal of eligible loans.

(Sec. 2, 83 Stat. 141)

Dated: July 1, 1971.

S. P. MARLAND, Jr.,
Commissioner of Education.

Approved: July 2, 1971.

ELLIOT L. RICHARDSON,
Secretary.

[FR Doc.71-9616 Filed 7-6-71;8:52 am]

Proposed Rule Making

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[25 CFR Part 221]

FLATHEAD IRRIGATION PROJECT

Operation and Maintenance Rates

This notice is published in exercise of authority delegated by the Secretary of the Interior to the Commissioner of Indian Affairs by 230 DM 2 (32 F.R. 13938), and by virtue of the authority delegated to the Commissioner of Indian Affairs to the Area Director (10 BIAM-3; 34 F.R. 637), and by authority delegated to the Project Engineer and to the Superintendent by the Area Director June 11, 1969, Release 10-2, 10 BIAM 7.0, sections 2.70-2.75.

Notice is hereby given that it is proposed to revise §§ 221.16 and 221.17 of Title 25, Code of Federal Regulations, dealing with the irrigable lands of the Flathead Indian Irrigation Project, Montana, that are not subject to the jurisdiction of the several irrigation districts. The purpose of the amendment is to establish the assessment rate for nondistrict lands of the Flathead Indian Irrigation Project for 1971 and thereafter until further notice.

It is the policy of the Department of the Interior, whenever practicable, to afford the public the opportunity to participate in the rule making process. Accordingly, interested persons may submit written comments, suggestions or objections with respect to the proposed amendment to the Project Engineer, Bureau of Indian Affairs, Flathead Indian Irrigation Project, St. Ignatius, Mont. 59865, within 30 days of publication of this notice in the FEDERAL REGISTER.

Section 221.16 is amended to read as follows:

§ 221.16 Charges, Joeko Division.

(a) An annual minimum charge of \$3.48 per acre, for the season of 1971 and thereafter until further notice, shall be made against all assessable irrigable land in the Joeko Division that is not included in an Irrigation District organization, regardless of whether water is used.

(b) The minimum charge when paid shall be credited on the delivery of the pro rata per acre share of the available water up to 1½ acre-feet per acre for the entire assessable area of the farm unit, allotment or tract. Additional water, if available, will be delivered at the rate of two dollars and thirty-two (\$.32) per acre-foot or fraction thereof.

Section 221.17 is amended to read as follows:

§ 221.17 Charges, Mission Valley and Camas Division.

(a) (1) An annual minimum charge of \$3.72 per acre, for the season of 1971 and thereafter until further notice, shall be made against all assessable irrigable land in the Mission Valley Division that is not included in an Irrigation District organization regardless of whether water is used.

(2) The minimum charge when paid shall be credited on the delivery of pro rata per acre share of the available water up to 1½ acre-feet per acre for the entire assessable area of the farm unit, allotment or tract. Additional water, if available, will be delivered at the rate of two dollars and forty-eight cents (\$.48) per acre-foot or fraction thereof.

(b) (1) An annual minimum charge of \$4.13 per acre, for the season of 1971 and thereafter until further notice, shall be made against all assessable irrigable land in the Camas Division that is not included in an Irrigation District organization regardless of whether water is used.

(2) The minimum charge when paid shall be credited on the delivery of the pro rata per acre share of the available water up to 1½ acre-feet per acre for the entire assessable area of the farm unit, allotment or tract. Additional water, if available, will be delivered at the rate of two dollars and seventy-five (\$.75) per acre-foot or fraction thereof.

GEORGE L. MOON,
Project Engineer.

[FR Doc.71-9524 Filed 7-6-71;8:45 am]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 52]

CANNED GREEN BEANS AND WAX BEANS

Proposed Standards for Grades¹

Notice is hereby given that the U.S. Department of Agriculture is considering an amendment to the U.S. Standards for Grades of Canned Green Beans and Canned Wax Beans (7 CFR 52.441-52.456) pursuant to the authority contained in the Agricultural Marketing Act of 1946 (sec. 205, 60 Stat. 1090, as amended, 7 U.S.C. 1624).

¹ Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act or with applicable State laws and regulations.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed amendment should file the same in duplicate, not later than 60 days after publication hereof in the FEDERAL REGISTER, with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250. All written submissions made pursuant to this notice will be available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Statement of consideration leading to the proposed amendment. The current U.S. Standards for Grades of Canned Green Beans and Canned Wax Beans have been in effect since 1961. Since that time the Department has received several requests to lower slightly the drained weight recommendations for whole style beans for the various sizes of containers.

Studies indicate that the current recommended drained weight of whole beans in No. 10 cans is slightly higher than is consistently attainable under current good commercial practices. Further, the studies revealed that there was a slight impairment of quality—because of breakage of the whole bean pod—when the cans are filled as to meet the current recommended drained weight. The problem is more acute in the smallest size beans—Nos. 1, 2, and 3 designations and blends thereof—because of their lower specific gravities in comparison to larger beans. The smaller size beans are the ones used most often in the whole bean style.

In consideration thereof, the proposal would amend the recommended drained weights:

- (1) In the whole bean style only;
- (2) Of size 1, 2, and 3 designations or any blends thereof; and
- (3) In No. 10 containers only.

The amendment proposed is:

In Table I of this subpart, the first two lefthand columns only are deleted and the following tabular material substituted in lieu thereof:

Container size or designations:	Whole (ounces)
8 Z Tall.....	4.0
8 ounce glass.....	3.9
No. 1 (picnic).....	5.6
No. 300.....	8.2
No. 300 glass.....	8.2
No. 1 tall.....	8.5
No. 303.....	8.5
No. 303 glass.....	9.0
No. 2.....	10.5
No. 2½.....	16.0
No. 2½ glass.....	15.8
No. 3 cylinder.....	26.6
No. 10.....	57.5

(Sec. 205, 60 Stat. 1090, as amended, 7 U.S.C. 1624)

Dated: June 30, 1971.

JOHN C. BLUM,
Acting Deputy Administrator,
Marketing Services.

[FR Doc. 71-9493 Filed 7-6-71; 8:45 am]

[7 CFR Part 52]

CANNED RIPE OLIVES

Proposed Standards for Grades¹

Notice is hereby given that the U.S. Department of Agriculture is considering amendments to the U.S. Standards for Grades of Canned Ripe Olives (7 CFR 52.3751-52.3766) pursuant to the authority contained in the Agricultural Marketing Act of 1946 (secs. 202-208, 60 Stat. 1087, as amended; 7 U.S.C. 1621-1627).

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed amendments should file the same, in duplicate, not later than 30 days after publication hereof in the FEDERAL REGISTER, with the Hearing Clerk, Room 112, Administration Building, Washington, D.C. 20250. All written submissions made pursuant to this notice will be available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Statement of consideration leading to the proposed amendments. There is an increasing market potential for quartered style ripe olives—a style not recognized in the current U.S. Grade Standards. To permit the marketing of this new style, the rules and regulations (7 CFR 932.108-932.161) of the Marketing agreement and Order No. 932, as amended (7 CFR Part 932) regulating the handling of olives grown in California were amended, effective December 21, 1970.

The California Olive Association and the Olive Administrative Committee have both requested that the U.S. Standards for Grades of Canned Ripe Olives be amended to provide for the quartered style.

Therefore, amendments are proposed that would change the following sections:

1. Section 52.3753 would be revised by adding a new paragraph (d) and redesignating the present paragraphs (d), (e), and (f). As amended, the section would read as follows:

§ 52.3753 Styles of canned ripe olives.

(a) *Whole*. "Whole" olives are those which have not been pitted.

(b) *Pitted*. "Pitted" olives are those from which pits have been removed.

(c) *Halved*. "Halved" olives are pitted olives in which each olive is cut lengthwise into two approximately equal parts.

¹ Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act or with applicable State laws and regulations.

(d) *Quartered*. "Quartered" olives are pitted olives in which each olive is cut lengthwise into four approximately equal parts.

(e) *Sliced*. "Sliced" olives consist of parallel slices of fairly uniform thickness prepared from pitted olives.

(f) *Chopped or Minced*. "Chopped" or "Minced" olives are random-size cut pieces or cut bits prepared from pitted olives.

(g) *Broken pitted*. "Broken pitted" olives consist substantially of large pieces that may have been broken in pitting but have not been sliced or cut.

2. Section 52.3754 would be changed to read:

§ 52.3754 Grades of canned ripe olives.

(a) "U.S. Grade A" (or "U.S. Fancy") is the quality of canned ripe olives of whole, pitted, halved, quartered, sliced, and chopped or minced styles that possess a good flavor, that possess a good color, that are practically uniform in size in whole and pitted styles of single sizes, that are practically free from defects, that possess a good character; and that for those factors which are rated in accordance with the scoring system outlined in this subpart, the total score is not less than 90 points: *Provided*, That such canned ripe olives may possess a reasonably good color and may be reasonably uniform in size, if the total score is not less than 90 points.

(b) "U.S. Grade B" (or "U.S. Choice") is the quality of canned ripe olives of whole, pitted, halved, quartered, sliced, and chopped or minced styles that possess a good flavor, that possess a reason-

ably good color, that are reasonably uniform in size in whole and pitted styles of single sizes, that are reasonably free from defects, that possess a reasonably good character; and that for those factors which are rated in accordance with the scoring system outlined in this subpart, the total score is not less than 80 points.

(c) "U.S. Grade C" (or "U.S. Standard") is the quality of canned ripe olives of whole, pitted, halved, quartered, sliced, chopped or minced, and broken pitted styles that possess a normal flavor, that possess a fairly good color, that are fairly uniform in size in whole and pitted styles of single sizes or whole style in mixed sizes, that are fairly free from defects, that possess a fairly good character; and that for those factors which are rated in accordance with the scoring system outlined in this subpart, the total score is not less than 70 points.

(d) "Substandard" is the quality of canned ripe olives of any style that fail to meet the applicable requirements for U.S. Grade C.

3. Section 52.3757 would be revised by changes to Table III and Table IV. In both tables, recommended drained weights for No. 300 metal containers would be added. In Table IV, recommended drained weights for quartered olives would be included. In addition, the recommended drained weights for No. 10 size cans of halved and sliced olives would be changed. As amended, the tables would read as follows:

§ 52.3757 Recommended minimum drained weights.

TABLE III—RECOMMENDED MINIMUM DRAINED WEIGHTS FOR CANNED RIPE OLIVES (WHOLE AND PITTED STYLES)

Container sizes (metal) (overall measurements: width X height)	Buffet or 8 Z Tall (2 1/8 X 2 1/8 inches)		No. 1 Tall (3 1/8 X 4 1/8 inches) and 2 11 X 600 Cylinder (2 1/8 X 6 inches)		No. 300 (3 X 4 7/8 inches)		No. 10 (6 3/8 X 7 inches)
	Whole	Pitted	Whole	Pitted	Whole	Pitted	Whole
<i>Size designations</i>	<i>Ounces</i>	<i>Ounces</i>	<i>Ounces</i>	<i>Ounces</i>	<i>Ounces</i>	<i>Ounces</i>	<i>Ounces</i>
Small (or) select (or) standard (s)	4 1/2	3 3/4	9	7	7 3/4	6	66
Medium	4 1/2	3 3/4	9	7	7 3/4	6	66
Large	4 1/2	3 3/4	9	7 1/4	7 3/4	6	66
Extra large	4 1/2	3 3/4	9	7 1/2	7 3/4	6	66
Mammoth	4 1/2	3 3/4	9	7 1/2	7 3/4	6	66
Giant	4	3 1/4	8 1/2	7	7 1/4	5 1/2	64
Jumbo	4	3 1/4	8 1/2	7	7 1/4	5 1/2	64
Colossal	4	3 1/4	8 1/2	7	7 1/4	5 1/2	64
Super colossal or special super colossal	4	3 1/4	8	6 1/2	7 1/4	5 1/2	64
Family	4 1/2	3 3/4	9	7 1/2	7 3/4	6	66
King	4	3 1/4	8 1/2	6 1/2	7 1/4	5 1/2	64
Royal	4	3	8	6 1/2	7 1/4	5 1/2	64
Other blends	4 1/2	3 3/4	9	7 1/2	7 3/4	6	66
Mixed sizes	4 1/2	3 1/2	9	7 1/2	7 3/4	6	66

TABLE IV—RECOMMENDED MINIMUM DRAINED WEIGHTS FOR CANNED RIPE OLIVES (HALVED, QUARTERED, CHOPPED OR MINCED, SLICED, AND BROKEN PITTED STYLES)

Container sizes (metal) (overall measurements: width X height)	211 x 200 can (211/16 x 2 inches) and 200 x 214 can (2 x 214/16 inches)		211 x 304 can (211/16 x 34/16 inches)	No. 300 can (3 x 47/16 inches)	No. 10 (6 3/8 x 7 inches)
	<i>Ounces</i>	<i>Ounces</i>	<i>Ounces</i>	<i>Ounces</i>	<i>Ounces</i>
<i>Styles</i>					
Halved	21/4	33/4	61/2	61/2	55
Quartered	21/4	33/4	61/2	61/2	55
Chopped or minced	41/2	6 1/2	61/2	61/2	55
Sliced	21/4	33/4	61/2	61/2	55
Broken pitted	21/4	33/4	61/2	61/2	55

4. Section 52.3761 would be amended by including quartered style in (a) and headings of (d) (1) (i), (e) (1) (i) and (f) (1) (i). The amended section would read as follows:

§ 52.3761 Color.

(a) *General.* The evaluation of color shall be determined approximately 5 minutes after the olives are removed from the container and, as applicable for the type, while olives are moist, is based upon the uniformity of the exterior color or general appearance as to color of the olives within the container. The evaluation of color in "halved" and "quartered" styles is based on the uncut surfaces.

(d) (1) *Ripe type*—(i) *Whole; pitted; halved; quartered.*

(e) (1) *Ripe type*—(i) *Whole; pitted; halved; quartered.*

(f) (1) *Ripe type*—(i) *Whole; pitted; halved; quartered.*

5. Section 52.3762 would be changed to read:

§ 52.3762 Uniformity of size.

(a) *General.* . . .
 (2) The factor of uniformity of size for whole or pitted olives of blended sizes and halved, quartered, sliced, chopped or minced, or broken pitted styles is not based on any detailed requirements and is not scored; the other three factors (color, absence of defects, and character as applicable) are scored and the total is multiplied by 100 and divided by 80, dropping any fractions to determine the total score.

6. Section 52.3763 would be revised to include allowances for defects specific to quartered style olives. As amended, the revisions would read as follows:

§ 52.3763 Absence of defects.

(b) . . .
 (7) *Broken piece.* A "broken piece" in quartered style olives is any piece of olive flesh that appears to be less than three-fourths of a full quarter-olive.

(c) (A) *Classification.* Canned ripe olives of whole, pitted, halved, quartered, sliced, and chopped or minced styles that are practically free from defects may be given a score of 27 to 30 points. "Practically free from defects" means that the canned ripe olives are practically free from any defects not specifically mentioned and that these defects may affect no more than slightly the appearance or edibility of the olives; that the overall appearance of the product is not materially affected by olives or units with insignificant blemishes; and, in addition, has the following meanings for the applicable styles:

(1) *Whole; pitted; halved; quartered.*
 (i) There may be present, on an average,

per 100 whole or pitted olives; per 200 units in halved style; or per 9 ounces in quartered style:

Not more than one piece of harmless extraneous material;

Not more than one pit or one piece of pit in pitted style;

Not more than three minor and major stems of which not more than one stem may be a major stem; and

(iii) There may be not more than 8 percent, by count, of broken pieces in quartered olives.

(d) (B) *Classification.* If canned ripe olives of whole, pitted, halved, quartered, sliced, and chopped or minced styles are reasonably free from defects, a score of 24 to 26 points may be given. Canned ripe olives that fall into this classification shall not be graded above U.S. Grade B or U.S. Choice, regardless of the total score for the product (this is a limiting rule). "Reasonably free from defects" means that the canned ripe olives are reasonably free from any defects not specifically mentioned and that these defects may affect more than slightly but not materially the appearance or edibility of the olives; that the overall appearance of the product may be materially affected by olives or units with insignificant blemishes; and, in addition, has the following meanings for the applicable styles:

(1) *Whole; pitted; halved; quartered.*

(i) There may be present, on an average, per 100 whole or pitted olives; per 200 units in halved style; or per 9 ounces in quartered style:

Not more than two pieces of harmless extraneous material;

Not more than a total of two pits and pieces of pit in pitted style;

Not more than six minor and major stems of which not more than three stems may be major stems; and

(iii) There may be not more than 15 percent, by count, of broken pieces in quartered olives.

(e) (C) *Classification.* If canned ripe olives of whole, pitted, halved, quartered, sliced, chopped and minced, and broken pitted styles are fairly free from defects, a score of 21 to 23 points may be given. Canned ripe olives that fall into this classification shall not be graded above U.S. Grade C or U.S. Standard, regardless of the total score for the product (this is a limiting rule). "Fairly free from defects" means that the canned ripe olives are fairly free from any defects not specifically mentioned and that these defects may affect materially but not seriously the appearance and edibility of the olives; that the overall appearance of the product may be seriously affected by olives or units with insignificant blemishes; and, in addition, has the following meanings for the applicable styles:

(1) *Whole; pitted; halved; quartered.*
 (i) There may be present, on an average, per 100 whole or pitted olives; per 200 units in halved style; or per 9 ounces in quartered style:

Not more than two pieces of harmless extraneous material;

Not more than a total of two pits and pieces of pit in pitted style;

Not more than eight minor and major stems of which not more than four stems may be major stems; and

(iii) There may be not more than 25 percent, by count, of broken pieces in quartered olives.

7. Section 52.3764 would be changed to read:

§ 52.3764 Character.

(b) (A) *Classification.* Canned ripe olives of whole, pitted, halved, quartered, sliced, and chopped or minced styles that possess a good character may be given a score of 27 to 30 points. "Good character" means that for the type the olives have a fleshy texture characteristic for the variety and size; that not less than 95 percent, by count, of the olives are practically uniform in texture and are tender but not soft.

(c) (B) *Classification.* If canned ripe olives of whole, pitted, halved, quartered, sliced, and chopped or minced styles possess a reasonably good character, a score of 24 to 26 points may be given. Canned ripe olives that fall into this classification shall not be graded above U.S. Grade B or U.S. Choice, regardless of the total score for the variety (this is a limiting rule). "Reasonably good character" means that for the type the olives may vary moderately in texture in that not less than 90 percent, by count, of the olives are practically uniform in texture and of the remainder not more than 5 percent, by count, of the olives may be excessively soft.

(d) (C) *Classification.* If canned ripe olives of whole, pitted, halved, quartered, sliced, chopped, and broken pitted styles possess a fairly good character, a score of 21 to 23 points may be given. Canned ripe olives that fall into this classification shall not be graded above U.S. Grade C or U.S. Standard, regardless of the total score for the variety (this is a limiting rule). "Fairly good character means" that the olives may vary considerably in texture, varying from fairly soft to firm but the olives are not excessively soft; and that not less than 80 percent, by count, of the olives are practically uniform in texture and of the remainder not more than 10 percent, by count, of the olives may be excessively soft.

Dated: June 29, 1971.

JOHN C. BLUM,
 Acting Deputy Administrator,
 Marketing Services.

[FR Doc.71-9473 Filed 7-6-71;8:45 am]

[7 CFR Part 911]

LIMES GROWN IN FLORIDA

Approval of Expenses and Fixing of Rate of Assessment for the 1971-72 Fiscal Year

Consideration is being given to the following proposals submitted by the Florida Lime Administrative Committee, established under the marketing agreement, as amended, and Order No. 911, as amended (7 CFR 911; 35 F.R. 16626), regulating the handling of limes grown in Florida, 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 Florida Lime Administrative Committee, during the period from April 1, 1971, through March 31, 1972, will amount to \$18,500.

(2) That there be fixed, at \$0.035 per bushel of limes, the rate of assessment payable by each handler in accordance with § 911.41 of the aforesaid marketing agreement and order.

All persons who desire to submit written data, views, or arguments in connection with the aforesaid proposals shall 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: June 30, 1971.

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

[F.R. Doc. 71-9516 Filed 7-6-71; 8:47 am]

CIVIL AERONAUTICS BOARD

[14 CFR Part 207]

[Docket No. 22880; EDR-206]

PART 207—CHARTER TRIPS AND SPECIAL SERVICES

Expansion of "Area of Operations" of Airlift International, Inc., for Cargo Charters

JUNE 30, 1971.

Notice is hereby given that the Civil Aeronautics Board has under consideration the amendment of Part 207 of the economic regulations (14 CFR Part 207) to expand the "area of operations" of Airlift International, Inc. (Airlift), to include cargo charter authority to the islands of the Caribbean. The principal

features of the proposed amendment are described in the attached explanatory statement and the proposed amendment is set forth in the attached rule. This amendment is proposed under the authority of section 204(a) and 401 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 754 (as amended by 76 Stat. 143, 82 Stat. 867), 49 U.S.C. 1324, 1371.

Interested persons may participate in the proposed rule making through submission of twelve (12) copies of written data, views, or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington, D.C. 20428. All relevant material received on or before August 9, 1971, will be considered by the Board before taking final action on the proposed rule. Copies of such communications will be available for examination by interested persons in the Docket Section of the Board, Room 712 Universal Building, 1825 Connecticut Avenue NW., Washington, DC upon receipt thereof.

By the Civil Aeronautics Board.

[SEAL] HARRY J. ZINK,
Secretary.

EXPLANATORY STATEMENT

In its present form, § 207.6 of the Board's regulations (14 CFR 207.6) limits the volume of off-route charters¹ of the certificated all-cargo carriers in any calendar year to 2 percent of the base revenue plane miles flown by the carrier during the preceding calendar year. However, section 207.6 permits an all-cargo carrier to perform unlimited off-route cargo charters within the carrier's designated geographic "area of operations." The 2-percent limitation on off-route charters is designed to ensure that the charter services of the all-cargo carriers will be subservient to their primary certificated route operations, but to allow the carriers some leeway in obtaining better equipment usage and some additional revenue. Similarly, the purpose of the geographic area restriction is to ensure that the all-cargo carriers concentrate on serving their certificated routes while giving them the "flexibility they require to meet the needs of the freight distribution system."²

On December 14, 1970, Airlift International, Inc. (Airlift), filed a petition for rule making in which it seeks amendment of Part 207, (1) to increase the off-route charter authorization for all-cargo carriers in § 207.6 from 2 percent to 20 percent of the base revenue plane miles flown by the carrier during the preceding calendar year, and (2) to expand Airlift's geographical "area of operations" to include cargo charter authority to Alaska, Hawaii, Central America, South America, and the Caribbean. In support of its petition Airlift asserts that

¹ For the purposes of Part 207, passenger charters performed by an all-cargo carrier are treated as "off-route."

² ER-419, Oct. 28, 1964.

(1) since the all-cargo carriers have extremely small base revenue plane mileage, the 2-percent off-route charter limitation is overly restrictive and unfair to the smaller all-cargo carriers as a class; (2) due to the drastic reduced military charter business in recent years, this overly restrictive condition has not been ameliorated by the volume limitation exemption in Part 207 for civilian charters performed as backhaul to one-way military charters; (3) expansion of Airlift's "area of operations" as requested would reduce the competitive imbalances which currently favor its all-cargo competitors; and (4) the markets in which enlarged charter authority is sought have need for the services of an all-cargo carrier. It is further asserted that the expanded authority requested will rescue Airlift from its rapidly deteriorating financial condition by compensating for its lack of profitable transatlantic and transpacific routes. Finally, Airlift states that while it does not possess certificate authority in the Alaska, Hawaiian, and Latin American markets, the broad charter authority requested will permit the establishment of a market identity and promotional program which should "hasten the time that it can seek formal certification."

Answers in opposition to Airlift's petition have been filed by three scheduled air carriers, Seaboard World Airlines, Inc. (Seaboard), and member carriers of the National Air Carrier Association (NACA). They argue that the Board has denied similar requests in the past for reasons which are still valid. Airlift has demonstrated no need for additional cargo lift in the markets into which it seeks expansion, the requested authority would divert traffic from the combination and competing all-cargo carriers without alleviating the economic plight of Airlift, and the economic downturn and reduction in military charter business are conditions now affecting all carriers alike. In addition the NACA carriers assert that the relief sought by Airlift is in clear conflict with the purpose of the restriction contained in Part 207, would directly contravene the policies of Congress and the Board to preserve charter operations as a specialty of the supplementals, and is inconsistent with the Board's policy underlying the area of operations limitation, i.e., "to enable the all-cargo carriers to develop off-route cargo charters in areas which are in geographic proxim-

* Airlift also states that as to any increase in off-route charter authority requested, it will accept any restrictions on passenger charters deemed appropriate by the Board; and specifically will agree to a 10-percent limitation on off-route transatlantic charters.

³ Eastern Air Lines, Inc., Pan American World Airways, Inc., and Trans World Airlines, Inc.

ity to their certificated route authority (ER-636, August 14, 1970)."

Upon consideration of the matter contained in the petition of Airlift, the Board has determined to grant the petition in only one respect, namely, we are proposing to amend Part 207 to expand Airlift's "area of operations" to include the Islands of the Caribbean.* In our view, since Airlift's route structure presently includes New York/Puerto Rico and New York/Virgin Islands segments, the proposed expansion would be consistent with the Board's policy that an all-cargo carrier's "area of operations" consist of areas which are in geographical proximity to its certificated routes.⁷ Moreover, since Airlift's expanded authority would be limited to the Islands of the Caribbean, wherein it has provided a certain volume of service and achieved some market identity, the proposed expansion should not significantly affect the scheduled operations of the incumbent combination carrier, Eastern. However, we expect that Airlift and Eastern will submit further data on the question of whether the Islands of the Caribbean will support additional cargo capacity.

Except, then, to the foregoing extent, the petition of Airlift will be denied. Airlift's petition for increased off-route charter authority for the all-cargo carriers and expansion of its "area of operations" into the Alaska, Hawaii, and Latin American markets is simply another variation on the same request Airlift has been making for the past several years. What, in essence, Airlift asks is that the Board invoke extraordinary procedures to strengthen Airlift's depressed financial posture. While the Board is concerned about the continued economic viability

*Several of the opposing parties' specific contentions are as follows: Eastern objects to Airlift's requested expansion into the Mexican and Caribbean markets. It contends that no additional need for cargo capacity exists in these markets which are already being adequately served by Eastern. In TWA's opinion Airlift's request for expansion into the Hawaii/Mainland market would, in light of the recent "spate" of route awards in that market, produce serious diversionary results. Pan American adds that Airlift should not be permitted to expand its "area of operations" without first having met need for service and fitness requirements in a formal route proceeding. Seaboard's opposition is directed only to Airlift's request for liberalization of the off-route charter volume restrictions. In this regard, Seaboard states that since the transatlantic cargo market already suffers from intense competition between 20 or more international scheduled airlines, increased transatlantic cargo authority for Airlift could adversely affect the scheduled operations of Seaboard even if limited to 10 percent of Airlift's base revenue plane miles. Lastly, the NACA carriers contend that the requested volume increase, even if confined to off-route cargo charters, would injure supplementals such as Universal, which relies heavily upon revenues from cargo charters.

⁷The proposed rule also defines "Islands of the Caribbean" (§ 207.1) to insure there is no ambiguity as to what we intend to include in Airlift's "area of operations."

⁸See ER-419 and ER-636 supra.

of Airlift, for the reasons explored in greater detail below, the resuscitative measures requested by it cannot be adopted.

We first agree with the opposing parties' contention that no public need has been shown to exist for additional cargo lift in the markets into which Airlift seeks expansion, and that an increase in off-route charter authority for the all-cargo carriers as a class would, even if limited to cargo charters, create serious diversionary results, especially in the highly competitive Hawaii/Mainland and transatlantic cargo markets. Thus, with the limited exception previously discussed, it would be manifestly illogical for the Board to permit Airlift to enter markets which have no connection with its certificated route structure; and as the NACA carriers point out, the increased off-route authority would make Airlift (and the other all-cargo carriers) effectively a world-wide supplemental carrier at the expense of competing supplementals and in derogation of its obligation to serve its certificated routes.⁸ In addition, as the opposing parties further note, Airlift is only one of many carriers which are experiencing revenue losses as the result of the cutback in military charters and the generally lower level of economic activity.⁹

Finally, as before stated, the Board has faced requests for similar relief by Airlift in the past by application for exemption and has consistently denied them.¹⁰ Therefore, in the absence of further convincing justification for the relief requested herein, we are not persuaded to depart from our earlier determinations.¹¹ However, our action herein does not preclude Airlift from requesting waivers with respect to individual charter flights.¹²

Accordingly, it is proposed to amend Part 207 of the Board's regulations (14 CFR Part 207) as follows:¹³

⁷It is noteworthy that neither of Airlift's competitors, Tigers or Seaboard, filed in support of Airlift's request to increase the off-route charter authorization for all-cargo carriers and, as noted above, Seaboard opposes further transatlantic authority for Airlift.

⁸Although Airlift admittedly lacks the more profitable transatlantic and transpacific routes, it does have long-haul routes (New York-Miami, New York-Puerto Rico) which, if concentrated upon, could generate additional revenues and, perhaps, somewhat relieve its financial distress.

⁹For example, Order 70-11-3, Nov. 3, 1970. See also Order 70-10-59, Oct. 9, 1970.

¹⁰By its initial rule making petition and supplemental petition filed Feb. 19, 1971, Airlift also requests, inter alia, an exemption or waiver of the 2-percent off-route charter volume limitation as to Airlift and/or exemption to operate off-route cargo charters without any volume limitation for an experimental period of 2 years. For the same reasons as discussed above, Airlift's request for specific relief incorporated in its petition and supplemental petition for rule making is denied.

¹¹Cf. ER-419, Oct. 26, 1964.

¹²Although technically Bermuda is not located in the Caribbean Sea, we intend to include it in the proposed operating authority for Airlift.

1. Amend § 207.1 by adding a new definition of "Islands of the Caribbean" to read as follows:

§ 207.1 Definitions.

As used in this part, unless the context otherwise requires:

"Islands of the Caribbean" means points in Jamaica, the Bahama Islands, Bermuda, Haiti, the Dominican Republic, Puerto Rico, the Virgin Islands, Trinidad and Tobago, the Cayman Islands, Aruba, the Leeward and Windward Islands, Barbados, and Curacao.

2. Amend paragraph (c) (3) of § 207.6 to read as follows:

§ 207.6 All-cargo carriers: limitation on amount of charter trips which may be performed.

(c) Within the meaning of paragraph (b) of this section, the areas of operations of the all-cargo carriers are the following:

(3) Between the 48 contiguous States, on the one hand, and the Islands of the Caribbean on the other hand—Airlift International, Inc.

[FR Doc.71-9554 Filed 7-6-71;8:50 am]

SMALL BUSINESS ADMINISTRATION

[13 CFR Part 121]

SMALL BUSINESS SIZE STANDARDS

Definition of Small Business Concern for Purpose of Government Procurements for Food Services

Pursuant to authority contained in section 3 of the Small Business Act (15 U.S.C. 632), notice is hereby given that the Small Business Administration (SBA) proposes to decrease the small business size standard for the purpose of Government procurements for food services from average annual receipts not exceeding \$4 million to average annual receipts not exceeding \$3 million.

For a number of years prior to November 1968, the applicable size standard for procurements of food services was average annual receipts not exceeding \$1 million. In 1967, proponents of an increase in the food services size standard argued that (1) the food services field of operation was labor intensive, (2) wage scales had increased tremendously with the result that contract prices had to be revised upward, and (3) the size of Government contracts in this field often exceeded \$1 million so that concerns receiving a single award were precluded from bidding even on the renewal of the contracts awarded to them. For such reasons they requested an increase in the standard. After consideration of all of

the evidence available, the Small Business Administration increased the standard to \$3 million average annual sales or receipts effective November 23, 1968.

On May 15, 1969, the Small Business Administration was again requested to increase the food services size standard. The principal argument in support of the new request was that, since 1967 (the year in which the Small Business Administration first proposed to raise the standard to \$3 million) wages in the industry dramatically increased, in many cases doubling, and that as a result of the Vietnam War the size of contracts had increased to the point that smaller concerns were unable to compete.

Because data concerning the size of food service concerns were and are scarce, the Small Business Administration (1) conducted a survey of the views of its Procurement and Management Assistance Program coordinators in the field and also its procurement center representatives, (2) held a public hearing on August 5, 1969, pursuant to a notice thereof published in the *FEDERAL REGISTER* on July 17, 1969 (34 F.R. 12049), and (3) conducted an analysis and a sampling of food service procurements awarded in May, June, and July of calendar years 1968 and 1969.

Various points of view were offered at the hearing or in written comment filed in connection therewith. Proponents of an increase in the food service standard took the position that (1) there are about 15 concerns which compete nationwide in Government food services contracts, (2) these concerns are closely held and most of them do all of their business with the Federal Government, (3) 95 percent or more of Government food service procurements are set aside for award to small business concerns, (4) the size of food service contracts has greatly increased due to increases in labor costs and due to Vietnam War requirements, (5) as a result, the average annual receipts of several of the 15 concerns have increased to the point where some have lost their small business status under the currently effective standard and others soon will lose such status, (6) in general, smaller concerns are not competent to perform these increasingly large contracts, and (7) in view of the above, the size standard should be increased to \$5 million in order to prevent the demise of concerns which have or soon will lose their small business status. Opponents of an increase took the position that smaller local concerns including franchises are competent to perform most of the contracts involved and that when concerns which operate on a national and even international basis grow to the point that they no longer meet the definition of a small business, they should no longer be permitted to compete with the eligible concerns; i.e., that the protective umbrella should not be enlarged to accommodate the growth of a few concerns.

After consideration of all views the then Acting Administrator of SBA determined that the size standard should

be increased from \$3 million to \$4 million.

The present Administrator of SBA is of a different view. The fundamental purpose of Small Business Act assistance is to preserve free competitive enterprise by strengthening the competitive position of small business concerns. In order to accomplish this the small business size standard (i.e., the maximum size for eligibility as small business) for each industry should be established at a point which will have the effect of continuing free entry into a particular field and providing an opportunity for smaller concerns to compete and survive in such field. The standard cannot be so high as to bring undue competitive strength against the concerns which need help. Further, it cannot be adjusted upward solely to accommodate concern which with the assistance of the small business program have prospered and grown to the point that they no longer qualify.

From time to time there are situations which demand increases in the size standard for an industry. For example, if it were demonstrated that in a particular industry small business needs assistance and the standards is so low that there is insufficient small business competition to permit small business set-aside procurements, the standard should be raised. Also, if the structure of an industry were to change so that there are concerns which fail to qualify under the effective standard but which the Small Business Administration deems to be in need of competitive protection, the standard should be raised.

However, in the case of food service procurements no reasonable basis existed for increasing the standards to \$4 million. While there may be particular installations at which small business set-asides are not possible due to lack of small business competition, on a nationwide basis there generally seems to be adequate small business participation. The consensus of reports filed by Small Business Administration field procurement personnel supported this conclusion. At the time the standard was raised to \$4 million, most SBA field personnel had recommended retention of the \$3 million standard.

Under all of the circumstances, it has been concluded that the size standard for food services procurements probably should be reduced to \$3 million average annual receipts.

Interested parties may file with the Small Business Administration within 30 days of publication of this proposal in the *FEDERAL REGISTER*, written statements of facts, opinions, or arguments concerning the proposal.

All correspondence shall be addressed to:

Small Business Administration, 1441 L Street NW., Washington, DC 20416. Attention: Size Standards Staff.

Dated: June 28, 1971.

THOMAS S. KLEPPE,
Administrator.

[FR Doc.71-9512 Filed 7-6-71;8:46 am]

INTERSTATE COMMERCE COMMISSION

[49 CFR Part 1207]

[No. 32155 (Sub-No. 2)]

UNIFORM SYSTEM OF ACCOUNTS FOR CLASS I AND CLASS II COMMON AND CONTRACT MOTOR CARRIERS OF PROPERTY

Notice of Proposed Rule Making

JUNE 17, 1971.

Notice is hereby given pursuant to the provisions of section 553 of the Administrative Procedure Act that the Commission has under consideration the revision of the Uniform System of Accounts for Class I and Class II Common and Contract Motor Carriers of Property, to be effective as of January 1, 1972.

The proposed revision was submitted on petition filed by the American Trucking Associations, Inc., on behalf of the motor freight industry. The revised system of accounts was designed to meet the financial informational needs of motor carrier management, the requirements of the Interstate Commerce Commission and other interested parties.

The proposed revision as submitted contained accounting concepts for several items that represented major departures from Commission policy. Petitioner realized these proposed changes to present policy were controversial and were interrelated with similar items in the several modes of transportation regulated by the Commission. To expedite consideration of the proposed revision, petitioner indicated it would accept current policy relating to these items with the understanding that the accounting rules in question would be considered separately at a later date. In the circumstance, these controversial items have been eliminated from consideration at the present time and the appended detailed statement of proposed rule presents the proposed revision so modified.

The Commission also has under study several other items including "accounting for investments in subsidiary companies by the equity method" and "accounting for mergers." Any changes adopted by the Commission resulting from the study of these items or the items proposed by ATA would amend the system of accounts in effect at the time, be it the current system or the revised system proposed herein.

Based upon the foregoing conditions, the Commission is hereby initiating an investigation concerning the proposed revision submitted by the American Trucking Associations, Inc.

Any party desiring to make representation in favor or against the proposed changes may do so through submission of written data, views, or comments for consideration. An original and 15 copies of such representation must be filed with the Secretary of the Interstate Commerce Commission, Washington, D.C., 20423, within 30 days after publication

of this notice in the FEDERAL REGISTER. The Commission will consider all such responses and representations before deciding this matter, after which such order as may be appropriate will be entered.

Written material or suggestions submitted will be available for public inspection at the offices of the Interstate Commerce Commission, 12th and Constitution Avenue, Washington, DC, during regular business hours.

Notice will be given motor carriers of property hereby affected subject to the provision of part II of the Interstate Commerce Act and the general public by depositing a copy of this notice in the office of the Secretary of the Commission at Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

(Secs. 204, 220, 49 Stat. 546 as amended, 563 as amended; 49 U.S.C. 304, 320)

By the Commission, Division 2.

(SEAL) ROBERT L. OSWALD,
Secretary.

The text of Part 1207 is revised to read as follows:

PART 1207—CLASS I AND CLASS II COMMON AND CONTRACT MOTOR CARRIERS OF PROPERTY

DEFINITIONS

When used in this system of accounts:

1. "Accounts," means the accounts prescribed in this system of accounts.

2. "Activity," applies to the cost groupings to which operating expense accounts shall be distributed. These activities are identified in the individual expense account numbers by the unit position of the account number. The activities are defined as follows:

(0) "Control": The control accounts contain the explanation for the content of the group of detail accounts for each natural class. They may include the total of the expenses in the natural class which have been distributed to the various activities.

(1) "Line-haul": This activity refers to the physical transportation of traffic between intercity terminals or areas enroute. It includes such items as:

(a) All mileage or hourly costs incurred by drivers and helpers, while engaged in this activity, excluding costs incurred while performing pickup and delivery or peddle service.

(b) Expenses incurred in the operation and maintenance of all vehicle classified as "line-haul." (See instruction 27.)

(c) Operating taxes and license expense, depreciation expense, and equipment rents and purchased transportation expense incurred in connection with line-haul vehicles.

(2) "Pickup and delivery": This activity refers to the physical operations for assembly or distribution from terminals, either in picking up freight from shippers and connecting carriers or delivering freight to consignees and connecting carriers. It includes such items as:

(a) All costs incurred from the time the vehicle leaves the carrier's terminal to pick up or deliver freight, until it returns to the terminal.

(b) Expenses incurred in peddle trips. Peddle trips are trips operated out of a local area, consisting of a city or town and contiguous suburban areas, the purpose of which is to pick up or deliver freight.

(c) Expenses incurred by drivers and helpers, while engaged in this activity.

(d) Expenses incurred in the operation and maintenance of all vehicles classified as "Pickup and Delivery". (See instruction 27.)

(e) Operating taxes and license expense, depreciation expense, and equipment rents and purchased transportation expense incurred in connection with pickup and delivery vehicles.

(3) "Billing and collecting": This activity refers to the rating, billing, manifesting, collecting, and settlement of revenue of freight shipments. It includes such items as:

(a) Salaries and wages of employees engaged in this activity at the terminal, or central offices.

(b) Salaries and wages of employees engaged in revenue accounting, and collecting freight bills.

(c) Payments to outside organizations for manifesting rating or collecting freight bills.

(d) Costs of renting equipment such as accounting machines used in billing, collecting, or accounting for the revenue earned.

(4) "Platform": This activity refers to the handling of freight at the carrier's terminal platform. It includes such items as:

(a) Salaries and wages of employees while working on the carrier's platform, or while assisting in the loading or unloading of vehicles at the terminal platform.

(b) Expenses directly related to platform duties of the carrier's operation.

(5) "Terminal": This activity refers to the operation of the carrier's terminal. It includes such items as:

(a) Salaries and wages of employees within the terminal, the cost of which is not provided elsewhere.

(b) Costs of operating and maintaining service vehicles used in terminal operations.

(c) Depreciation expense of terminal facilities.

(d) Operating supplies.

(6) "Maintenance": This activity refers to the repairing and servicing of vehicles and shop and garage equipment used in motor carrier operations. It includes such items as:

(a) Costs incurred in maintaining revenue and service vehicles not charged to another activity, such as line-haul or pickup and delivery.

(b) Depreciation expense of vehicles used in maintaining other vehicles, such as tow trucks, as well as depreciation expense of maintenance buildings.

(7) "Traffic and sales": This activity refers to the promotion and solicitation of traffic. It includes such items as:

(a) Salaries and wages of employees engaged in the solicitation of traffic, and the preparation of tariffs and schedules.

(b) Costs of advertising, sales commissions and fees, and other costs of preparing the tariffs and schedules.

(8) "Insurance and safety": This activity refers to the administering of insurance (other than employee benefit programs), approval and payment of freight claims, and directing the safety program. It includes such items as:

(a) Salaries and wages of employees engaged in administering the insurance, claims and safety programs for the carrier.

(b) Premiums and costs of self-insurance covering liability, and other insurance.

(c) Expenses incidental to operating an insurance department.

(9) "General and administrative": This activity refers to overall administrative functions performed which relate to the carrier's entire transportation system. It includes such items as:

(a) Salaries of general officers administering overall operation of the company.

(b) Salaries and wages in administrative departments such as general accounting.

(c) Costs of materials and supplies used by administrative departments.

(d) All other costs, or portions of costs which are not directly chargeable to another activity, or which cannot be allocated to another activity on a reasonable basis.

3. "Actually issued," as applied to securities, means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) so that the purchasers secured them free from control by the issuing carrier, also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking and other funds.

4. "Actually outstanding," as applied to securities issued or assumed by the carrier, means those which have been actually issued and are neither retired nor held by or for the carrier: *Provided, however,* That securities held by trustees of special funds shall be considered as actually outstanding.

5. "Addition," means structures, facilities or equipment added to those in service, or the extensions or enlargement of existing property, and not taking the place of anything previously existing.

6. "Amortization," means the gradual extinguishment of an amount in an account by prorating such amount over either a fixed period dependent on the requirements of regulatory bodies, the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

7. (a) "Affiliated companies," means persons (see definition 30) that directly, or indirectly through one or more intermediaries, control or are controlled by.

or are under common control with the accounting carrier.

(b) "Control," (including the terms "controlling," "controlled by," and "under common control") as used herein, means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a person (see definition 30), whether through the ownership of voting securities, by contract or otherwise. If in any instance the existence of control is or may be open to reasonable doubt, the carrier shall report to the Commission all of the material facts pertinent to the possible existence of control.

8. "Book cost," means the amount at which property is recorded on the books of the carrier without the deduction of related depreciation and amortization.

9. "Carrier or motor carrier," includes both a common carrier by motor vehicle and a contract carrier by motor vehicle, subject to the Interstate Commerce Act.

10. "Carrier operating property," means the property which is used (see definition 38) by the carrier in the conduct of its motor carrier operations or leased to others for such operations, and which has an expectation of life in service of more than 1 year from date of installation. This includes land, structures, equipment, and facilities necessary for such operations and service incidental thereto.

11. "Company," means any individual, firm, copartnership, corporation, association, or joint-stock association, and includes any trustee, receiver, assignee, or personal representative thereof. (See definition 30.)

12. "Commission or the Commission," means the Interstate Commerce Commission.

13. "Contingent assets," means a possible source of value to the carrier dependent upon the fulfillment of conditions regarded as uncertain.

14. "Contingent liabilities," means items which may under certain conditions become obligations of the carrier but which are neither direct nor assumed liabilities at the date of the balance sheet.

15. "Cost of removal," means the cost of demolishing, dismantling, tearing down, or otherwise removing operating property, including the cost of transportation and handling incidental thereto.

16. "Current assets," means cash as well as those assets that are readily convertible into cash or are held for current use in operations or construction; current use in operations or construction; current claims against others, payment of which is reasonably assured; and other amounts accruing to the carrier which are subject to settlement within 1 year from the date of the current financial statements or upon demand.

17. "Current liabilities," means those obligations the amount of which is definitely determined or closely estimated which are either matured or become due within one year from date of the current

financial statements or assumption or upon demand.

18. "Date of retirement," as applied to operating property, means the date at which such property is permanently withdrawn from service.

19. "Debt expense," means all expense in connection with the issuance and sale of evidence of long-term debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other evidences of debt; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing evidences of debt; fees and expenses of listing on exchanges; and other like costs.

20. "Delayed items," means items relating to transactions which occurred before the current calendar year. It includes adjustments of errors in the income, operating revenue and operating expense accounts of prior years (see instruction 8).

21. "Depreciation and depreciation methods," as applied to depreciable property, means the loss in service value (see definition 36) not restored by current maintenance, incurred in connection with the consumption or prospective retirement of property in the course of service from causes against which the carrier is not protected by insurance, which are known to be in current operations. Among the causes to be given consideration are wear and tear, decay, action of the elements, obsolescence, inadequacy, changes in demand, and requirements of public authority.

(a) Depreciation, except as set out in paragraph (b) below, shall be accounted for by means of the straight-line method under which the service value (see definition 36) of property is debited to depreciation and amortization expenses or other appropriate accounts through periodic charges which should be equal, as nearly as possible, during its service life.

(b) Depreciation of vehicles may be accounted for by means of the mileage method under which the service value is charged to depreciation expenses at a fixed rate per mile run.

22. "Discount," as applied to securities issued or assumed by the carrier, means the excess of the par or face value of the securities, plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from the sale.

23. "Distinct operating unit," means all or any portion of a route or routes covered by a certificate of convenience and necessity or a permit, including motor vehicles and other physical property owned and used in the operation thereof.

24. "Joint facility," means any owned or leased carrier operating property occupied or operated jointly by the carrier and one or more other carriers by motor, rail, water, air, etc., under an arrangement whereby the costs are borne

by the parties to the joint agreement. Portions of a structure or other property used exclusively by each of two or more carriers are not joint facilities.

25. "Long-term obligations," means obligations having a life of more than 1 year from date of creation or assumption, all unmatured bonds and receivers' or trustees' certificates, and demand obligations which by mutual agreement will not be paid within 1 year from date of the current financial statements.

26. "Methods of depreciation" (see definition 21).

27. "Minor items," as applied to carrier operating property (see definition 10), means the associated parts or elements of which units of property (see definition 37) are composed.

28. "Net book costs," when applied to property, means the book cost (see definition 8) less related depreciation and amortization.

29. "Nominally issued," as applied to securities issued or assumed by the carrier, means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the carrier, but which have not been sold or issued directly to trustees of sinking funds in accordance with contractual requirements.

30. "Person," when not otherwise indicated in the context, means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any other organization, or any receiver or trustee. (See definitions 7 and 11.)

31. "Premium," as applied to securities issued or assumed by the carrier, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face values plus interest or dividends accrued at the date of sale. (See Note A under account 2631.)

32. "Property retired," as applied to operating property, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been permanently withdrawn from service.

33. "Replacing or replacement," when not otherwise indicated in the context, means the acquisition, construction, or installation of property in place of property of like purpose retired, together with the removal of the property retired.

34. "Salvage value," means the amount received for property retired, less any expenses (including commissions) incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recovered is chargeable to account 1151—Material and Supplies, or other appropriate account.

35. "Service life," means the period between the date when carrier operating property (see definition 10) is placed in service and the date of its retirement. (See definition 32.)

36. "Service value," means the difference between the book cost (see definition 8) and the salvage value (see definition 34) of carrier operating property.

37. "Unit of property," for the purpose of this system of accounts, means any item of carrier property which when retired, with or without replacements by sale, abandonment, disposal or replacement, is accounted for by crediting the book cost (see definition 8) thereof to the operating property account in which it is included, as provided in instruction 21.

38. "Used," as applied to operating property, means actually and necessarily in current service or ready for and reasonably required to be currently held for future services.

CLASS I AND CLASS II MOTOR CARRIERS

INSTRUCTIONS

1 Classification of carriers.

(a) For purposes of the accounting and reporting regulations, common and contract carriers of property subject to the Interstate Commerce Act are grouped into the following three classes:

Class I: Carriers having average annual gross operating revenues (including interstate and intrastate) of \$1 million or more from property motor carrier operations.

Class II: Carriers having average annual gross operating revenues (including interstate and intrastate) of \$300,000 but less than \$1 million from property motor carrier operations.

Class III: Carriers having average annual gross operating revenues (including interstate and intrastate) of less than \$300,000 from property motor carrier operations.

(b) (1) The class to which any carrier belongs shall be determined by the average of its annual gross operating revenues derived from motor carrier operations as a property carrier for the past 3 calendar years.

(2) If, at the end of any subsequent calendar year, the average of a carrier's annual gross operating revenues from motor carrier operations for the last 3 preceding years is greater than the maximum or less than the minimum of the class in which the carrier has been previously grouped, it shall automatically be grouped in the higher or lower class in which it falls because of such increased or decreased average annual gross operating revenues, and it shall notify the Commission of the change in its status. Any carrier which begins new operations (by obtaining operating authority not previously possessed), or extends its existing operations (by obtaining additional operating rights), will be classified in accordance with a reasonable estimate of its prospective annual gross operating revenues.

(c) Any carrier may, at its option, adopt the methods of a group higher than the one in which it falls on the basis of its average annual gross operating revenues. Notice of such action shall be promptly filed with the Commission.

2 Records.

(a) All of the accounts prescribed in this system of accounts shall be kept when applicable and entries recorded by the double entry method. Each account in the general or subsidiary ledgers shall reflect the prescribed account number. Account titles shall clearly indicate the type of items included therein if the exact titles prescribed herein are not used.

(b) Each carrier shall keep its general accounting books, and all other books, records, and memoranda which support in any way the entries to such accounting books, and analyses of general ledger account balances, readily accessible so that it can furnish at any time full information as to any account. Moreover, the month, day, year, and posting reference shall be shown for each entry in the general ledger and subsidiary records and the entries shall be supported with detailed information that will provide a ready analysis and verification of the facts recorded therein. All expenditures including the expense accounts of officers and employees shall be definitely supported by vouchers, payrolls, receipted bills, canceled checks, receipts for petty cash payments, or other evidences of the expenditures incurred.

(c) The books referred to herein include not only books of accounts in a limited technical sense but all other records such as minute books, stock books, reports, correspondence, memoranda, etc., which will be useful in developing the history of or facts regarding any transaction.

(d) Carriers shall not destroy any books, records, memoranda, etc., which support entries to their accounts unless the destruction thereof is specifically provided for in the Regulations to Govern the Destruction of Records of Class I and Class II Motor Carriers. (Part 1226 of this Chapter.)

(e) Subdivisions of any account in this system of accounts may be kept, provided that such subdivisions do not impair the integrity of the accounts prescribed. The Commission reserves the right to order any carrier to subdivide any account in this system of accounts. The title of each such subdivision shall clearly indicate the account of which it is a part. Each subdivision of a prescribed account may be identified by a suffix to the prescribed account number. When an account is subdivided in the general ledger, an account need not be maintained for the total of the subdivisions. When such subdivisions are carried in subsidiary ledgers, however, the general ledger shall contain the controlling accounts therefor so that a complete general ledger trial balance may be obtained.

3 Accounting period.

(a) Each carrier shall keep its books on a calendar-year basis and for each month (or 4-week period—see note A) all transactions applicable thereto, as nearly as can be ascertained (see instruction 9), including full accruals, shall

be entered in the books of original entry (cash book, purchase journal, etc.), and posted to the general ledger. A trial balance of the general ledger accounts shall be prepared at the close of each month, setting out the account number, title, and amount of each ledger account. (Mechanical, EDP or ADP print-out documentation producing the equivalent of manually prepared trial balances shall identify balances by account numbers.) At the end of the calendar year, the revenue, expense, and other income accounts shall be closed into retained earnings or the noncorporate capital accounts; and balance sheet account balances shall be brought forward to the general ledger for the succeeding year. Carriers which kept their books on a 4-week basis shall include the odd days at the end of the calendar year in the final (i.e., the 13th) accounting period in order to report on a calendar-year basis.

(b) The final entries for any month shall be made in the general ledger not later than 60 days after the last day of the month for which the accounts are stated, unless otherwise authorized by the Commission, except that the period within which the final entries for the last month of the calendar year shall be made, may be extended to such date in March of the following year as shall not interfere with the preparation and filing of annual reports.

(c) No changes shall be made in the accounts for periods covered by quarterly and annual reports that have been filed with the Commission unless the changes have first been authorized by the Commission.

NOTE A: To avoid repetition, wherever the word "month" appears in these instructions, it is intended to include "or 4-week period."

4 Charges to be just and reasonable.

All charges to the accounts prescribed in this system of accounts for carrier property, operating revenues, operation and maintenance expenses, and for other carrier expenses, shall be just, reasonable and necessary to the honest and efficient operation and management of the motor carrier business. Payments or allowances in excess of such just and reasonable charges shall be included in account series 8400—Other Nonoperating Income (Net) (Class II), and account 8420—Other Nonoperating Deductions (Class I).

5 Interpretations of prescribed accounting.

(a) The cross-references included in, and notes following, the texts of various instructions and accounts are for the purpose of indicating the applicable provisions of other sections. Such references are not to be construed as comprising a complete list of the instructions relating to a particular subject, since the definitions, the general instructions, and the texts of each account must be given consideration in determining the prescribed accounting.

(b) All questions of doubtful interpretation of the prescribed accounting

shall be submitted by responsible accounting officials of the carrier to the Commission for consideration and decision.

(c) In the absence of specific instructions by the Commission relating to accounting matters, carriers shall be guided by sound accounting principles.

6 Item lists.

Lists of items appearing in the texts of the several accounts are given for the purpose of indicating the application of the prescribed accounting in specific cases. The lists are not to be considered as comprising all items includible in the accounts, but merely as representative of them. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

7 Opening entries.

As of the date that this system of accounts is adopted by the carrier, the accounts prescribed herein shall be opened by appropriately transferring thereto the balances carried in the accounts previously maintained. The carrier is authorized to make such subdivisions, reclassifications, consolidations or additions to such balances as are necessary to meet the requirements of this system of accounts.

8 Extraordinary and prior period items.

(a) (1) All items of profit and loss recognized during the year are includible in ordinary income except nonrecurring items which in the aggregate for the same class are both material in relation and approach to operating revenues and ordinary income for the year and are clearly not identified with or do not result from the usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from ordinary income, are those resulting from unusual sales of property and investment securities other than temporary cash investments; from wars, earthquakes and similar calamities and catastrophes, which are not a recurrent hazard of the business and which are not usually covered by insurance; and from change in application of accounting principles and from prior period items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from ordinary income, would distort the accounts and impair the significance of ordinary income for the year. Items so excludible from ordinary income (account 3000 to account series 8700 inclusive—(Classes I and II)) are to be entered directly in account 8800—Extraordinary Items (Class II), and account 8810—Extraordinary Items (Net) (Class I), or account 8820—Prior Period Items (Net) (Class I), upon approval or direction of the Commission.

(2) Adjustments constituting items of customary business activities or corrections or refinements resulting from the natural use of estimates inherent in the accounting process shall not be considered extraordinary items regardless of size.

(b) In determining materiality, items of a similar nature shall be considered in the aggregate; dissimilar items should be considered individually. As a general standard, an item to qualify for inclusion as an extraordinary or prior period item, shall (1) exceed 1 percent of total operating revenues for the year, and (2) after consideration of the income tax effect assignable to the item, exceed 10 percent of ordinary income for the year.

(c) Ordinary delayed items and adjustments arising during the current year which are applicable to or related to transactions of prior years shall be included in the same accounts which would have been charged or credited if the item had been taken up or adjusted in the period to which it pertained. Ordinary delayed items excludes items of the character described in paragraph (a) of this section.

9 Unaudited items.

When the amount of any item affecting these accounts cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and included in the proper accounts. When the item is audited the necessary adjustments shall be made through the accounts in which the estimate was recorded. The carrier is not required to anticipate small items which would not appreciably affect these accounts.

10 Clearing accounts.

(a) Clearing accounts, designed to facilitate the distribution of certain expenditures which may affect both construction and operations or which may affect transportation and other operations, may be kept when necessary in making the proper distribution of items to the appropriate accounts, as subdivisions of account 1510—Deferred and Miscellaneous Debits, or 2410—Deferred Credits (Class II), and account 1512—Other Deferred Debits, or 2412—Other Deferred Credits (Class I), or account 1551—Clearing Accounts (Classes I and II). Balances in clearing accounts shall be fully cleared not later than the end of the calendar year unless items held therein unquestionably relate to future periods.

(b) Spreading of unusual income, revenue and expense items: When the amount of any unusual item includible in an income, operating revenue, or operating expense account for the current month is relatively so large that its inclusion in the accounts for that period would seriously distort those accounts, it may be included in account 1510 or 2410 (Class II), and account 1512 or 2412 (Class I), or account 1551 (Classes I and II), as appropriate, and distributed in equal amounts to the accounts for the

current and remaining months of the year. No such items shall be spread beyond the accounts of the current year without approval of the Commission.

11 Distribution of pay and expenses of employees.

(a) The pay and expenses of officers or employees engaged in activities of a varying nature, such as an officer who may be assigned to supervise billing and collecting, platform, terminal or any other operations, shall be included in the appropriate accounts upon the basis of the actual time devoted to the respective activities, except that the pay and expenses of an officer or employee who performs substantially the same variety of duties from day to day may be distributed upon the basis of a study of the time actually devoted by him to those duties during a representative period.

(b) The pay and expenses of officers or employees regularly assigned to specific duties who perform incidental services of a different nature involving small expense may be included in the expense accounts appropriate for the duties to which such officers or employees are regularly assigned.

(c) When it is necessary to apportion the pay and expenses of officers and employees among various accounts, the carrier shall be prepared to describe the basis of such apportionments.

12 Maintenance, cost; chargeable to other activities.

(a) The cost of repairs (but not including betterments—see instruction 19-b) chargeable to the various operating expense accounts includes labor employed, materials used, and expenses incurred in all current maintenance, such as:

1. Inspecting, testing, and reporting on the condition of operating property specifically to determine the need for repairs, minor replacements, rearrangements, and changes.
2. Testing for, locating, and clearing trouble.
3. Routine work to prevent trouble, such as general overhauling, removing carbon, grinding valves, adjusting and relining brakes, adjusting shock absorbers, cleaning and adjusting engines, etc.
4. Replacing minor items of operating property (see also instruction 21-a).
5. Rearranging and changing the location of property not retired.
6. Restoring the condition of property damaged by wear and tear, storms, breakage, floods, fire, accident, or other casualties (see also paragraph (b) and instruction 22-f).
7. Inspecting and testing after repairs have been made.

(b) The value of materials recovered and placed in the material and supplies account in connection with repairs to property shall be credited to the same account to which the repair cost was charged, with concurrent debit to account 1151—Material and Supplies, for both Class I and Class II motor carriers.

(c) If employees engaged in activities other than maintenance are also required to make repairs, an equitable proportion of their pay and expenses shall be charged to the account appropriate for the cost of such repairs (see, however, instruction 11).

(d) If the book cost of any property is carried in account 1243—Undistributed Property (Class I carriers), the repairs to such property shall be charged to the accounts provided for repairs to property of the same nature and use, the book cost of which is carried in other operating property accounts. Repairs to property leased from others shall be treated in like manner. Class II motor carriers shall follow this instruction for amounts related to Undistributed Property included in account 1230—Other Carrier Property.

13 Current assets.

(a) In the group of accounts designated as Current Assets (accounts 1010 to 1160 inclusive (Class II), and 1011 to 1163 inclusive (Class I)), there shall not be included any item the amount or collectibility of which is not reasonably assured or for which provision has not been made in account 1138—Allowance for Uncollectible Accounts (Classes I and II). Items of current character but of doubtful value may be carried in these accounts at realizable or nominal value, or written off, as may be appropriate.

(b) Adjustments to accomplish the writing down of items of doubtful value shall be made through account 5950—Uncollectible Revenue (Classes I and II), account 8400 (Class II), and account 8421 (Class I), or other appropriate ordinary income account.

14 Current liabilities; writing off.

Amounts that have been included in the primary accounts for unclaimed wages and other current liabilities or have been represented by outstanding checks or similar instruments for a period of one year or more because of inability to identify or locate the payee or creditor may (in the absence of statutory provision to the contrary) be written off or, in the case of outstanding and unrepresented checks, reinstated in account 1010—Cash and Working Funds (Class II), and account 1011—Cash (Class I), and credited to the operating expense or other income account originally charged. The journal entry shall contain the pertinent facts concerning all the items that have been written off.

15 Contingent assets and liabilities.

The balance sheet of a carrier shall clearly state by adequate notes contingent assets or liabilities not reflected in the balance sheet accounts, including any arrears in cumulative dividends, stating the amount per share of each class of stock and in total, and the facts and amounts with respect to any default in principal, interest or sinking fund provisions if not shown in the balance sheet accounts.

16 Capital stock.

(a) All transactions relating to the capital stock of the accounting carrier

shall be recorded by class of stock. Stocks are of the same class only when they are issued under identical terms as to all of the following: par value, stated value, preferences in the distribution of dividends and assets, voting rights, and conditions under which the stock may be retired. If the capital stock of the carrier is of more than one class, its records shall be so maintained as to record the amount applicable to each class in separate subdivisions of the following accounts:

- 1161—Subscribers to Capital Stock.
- 2611—Capital Stock—Preferred.
- 2612—Capital Stock—Common.
- 2613—Subscribed Capital Stock.
- 2621—Nominally Issued Securities.
- 2631—Premiums and Assessments on Capital Stock.
- 2632—Discount on Capital Stock.
- 2633—Commission and Expense on Capital Stock.
- 2641—Other Capital in Excess of Par or Stated Value.
- 2661—Treasury Stock.

(b) Commissions and expenses applicable to capital stock issues shall not be deducted from premium on capital stock.

(c) (1) General levies or assessments against stockholders shall be credited to the premium account for the particular class and series of capital stock so assessed, except that assessments with respect to nonpar stock without stated value shall be credited to the capital stock account.

(2) Discounts and expenses on original issues of capital stock may be amortized by charges to account 2641—Other Capital in Excess of Par or Stated Values (Classes I and II); however, in no event shall net debits exceed the accumulated net credits in this account with respect to a particular class of stock. Any excess of debits may be retained in account in 2632—Discount on Capital Stock (Classes I and II), or account 2633—Commission and Expense on Capital Stock (Classes I and II), as appropriate, until the stock is reacquired or retired, or the excess debit may be charged to account 2961—Other Debits to Retained Earnings (Classes I and II).

(d) When an issue of capital stock, or any part thereof (except stocks reacquired by provision of a mortgage or decision of a trustee not subject to the control of the carrier that it be retained alive in sinking or other funds) is reacquired, either by purchase or through donations by stockholders, it shall be charged at its par or stated value (or if it is nonpar stock without a stated value, in an amount equal to the proportionate part applicable to such shares of stock of the total amount at which all stock without par or stated value of the same class is carried in the capital stock account) to account 2610—Capital Stock (Class II), and account 2611—Capital Stock—Preferred; or 2612—Capital Stock—Common (Class I); if canceled; or to account 2661—Treasury Stock (Classes I and II), if not canceled. The difference between the amount at which such reacquired stock is recorded in the foregoing accounts and the amount paid for the stock, including commissions, other expenses incurred in its purchase,

and any premiums or discount applicable to its original sale, shall be included in account 2641—Other Capital in Excess of Par or Stated Value (Classes I and II). However, the excess of a debit over the balance carried in account 2641 with respect to the particular class of stock, shall be charged to account 2961—Other Debits to Retained Earnings (Classes I and II).

(e) When shares of reacquired capital stock of any class are resold by the carrier, account 2661—Treasury Stock (Classes I and II), shall be credited with the amount at which the shares were debited to that account upon reacquisition. Unless otherwise required by instrument of authority, any difference between the total amount realized from the sale of the stock (less commission and expenses incident thereto), and the amount credited to account 2661, shall be debited or credited as appropriate to account 2641—Other Capital in Excess of Par or Stated Value (Classes I and II). (See, however, paragraph (d) above.)

(f) (1) When stock is issued as a "stock split," no transfer from the Retained Earnings account to the appropriate Capital Stock account or the Capital in Excess of Par or Stated Value account shall be made other than to the extent occasioned by legal requirements. A stock split refers to the issuance of a carrier's own common shares, without consideration, for the purpose of effecting a reduction in the unit market price of shares of the class issued, in order to obtain wider distribution and improved marketability of such shares. Generally, the issuance of new shares in ratios of less than approximately 20 to 25 percent, depending on the various market factors, will not materially influence the unit market price of the stock and therefore should be considered a stock dividend (see paragraph (2), below), rather than a stock split.

(2) When a stock dividend is issued, the carrier shall transfer from the Retained Earnings account to the appropriate Capital Stock account and the Capital in Excess of Par or Stated Value account an amount equal to the fair market value of the shares issued. A stock dividend refers to the issuance of a carrier's own common shares, without consideration, where the number of shares issued is so small, compared to the number of shares previously outstanding that it is not likely to have a material effect on the share market price.

17 Equipment and long-term obligations.

(a) When evidences of debt (other than unsecured advances payable) which do not mature within 1 year from date of issuance, and equipment obligations regardless of maturity, are issued or assumed by the carrier, or by a receiver, or by an operating trustee of the carrier, the face amount of such evidences of debt shall be recorded in the appropriate account, included under the group captioned, "Equipment and Other Long-Term Obligations," except as otherwise provided in the text of account 2161—

Current Equipment Obligations and Other Debt.

(b) A separate subdivision shall be maintained in account 1510—Deferred and Miscellaneous Debits (Class II), and account 1511—Unamortized Debt Discount and Expense (Class I), for the excess of discount and debt expense over any premium related to each class of long-term debt issued or assumed by the carrier. (See definitions 19, 22, and 31.)

(c) Corresponding subdivisions shall be maintained in account 2410—Deferred Credits (Class II), and account 2411—Unamortized Premium on Debt (Class I), for the excess of the premium over any discount and debt expense related to each class of long-term debt issued or assumed by the carrier.

(d) (1) Each month, entries shall be recorded to equitably distribute the balance of each subdivision of account 1510—Deferred and Miscellaneous Credits (Class II), and account 1511—Unamortized Debt Discount and Expense (Class I) over the life of the security. Amounts credited to these accounts shall be concurrently charged to account 8670—Amortization of Debt Discount and Expense (Classes I and II).

(2) Correspondingly, each month the portion of such credit balance, which is applicable to the period, shall be charged to each subdivision of account 2410, Deferred Credits (Class II), and account 2411—Unamortized Premium on Debt (Class I). Amounts thus charged shall be concurrently credited to account 8680—Amortization of Premium on Debt—Credit (Classes I and II).

(e) Except as provided in paragraph (d) above, any balance in accounts 1510 or 2410 (Class II), and accounts 1511 or 2411 (Class I), or subdivisions thereof, shall be carried until the securities to which they relate are reacquired. At that time (unless otherwise required by instrument of authority), a portion of the balance in these accounts (or subdivisions for the particular class of long-term debt reacquired) shall be transferred to account 8400—Other Nonoperating Income (Net) (Class II), and account 8410—Other Nonoperating Income, or 8429—Other (Nonoperating Deductions) (Class I), as appropriate. Such portion shall be based on the relation of the amount of a particular issue of long-term debt reacquired to the total outstanding before the reacquisition. This provision shall also apply to securities held alive in sinking or other funds.

(f) Except for such discount or expense as may be applicable to the construction period, no discount or expense on long-term debt shall be included in any account as a part of the cost of acquiring property or as a part of the cost of operation.

(g) Equipment and other long-term obligations reacquired by the carrier shall be entered in account 2341—Reacquired Long-Term Obligations (Classes I and II), at face value. The difference between face value and the amounts actually paid for the reacquired obligations shall be debited or credited, as appropriate, to

account 8400—Other Nonoperating Income (Net) (Class II), and accounts 8410—Other Nonoperating Income, or 8429—Other (Nonoperating Deductions) (Class I). Likewise, any unamortized debt discount, expense, or premium applicable to the reacquired obligations, shall be adjusted through account 8400 (Class II), and accounts 8410 or 8429 (Class I) as appropriate, unless otherwise required by instrument of authority.

(h) When reacquired equipment and other long-term obligations are resold by the carrier, the amount included in account 2341—Reacquired Long-Term Obligations (Classes I and II), shall be credited thereto. Any difference between the total amount realized from the sale (less commissions and expenses incident thereto) and the credit to account 2341, shall be included in account 8400 (Class II), and, accounts 8410 or 8429 (Class I), as appropriate, unless otherwise required by instrument of authority.

18 Book cost of securities owned.

(a) Securities of others acquired by the carrier shall be recorded in these accounts at cost, including brokerage and registration fees, stock transfer taxes, and similar expenses, at the time of acquisition. Cost does not include any amount paid for accrued interest or dividends, except that amounts of interest included in the purchase price of bonds, which are not payable until maturity or until the bonds are disposed of, shall be included in these accounts as part of the cost. (See Note B under account 1162.)

(b) The carrier may write down the book cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there is no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded, but a permanent impairment in the value of securities recorded in account 1410—Investments and Advances—Affiliated Companies (Class II), and in accounts 1411 through 1421 inclusive (Class I), shall be reflected in account 1428—Adjustments—Investments and Advances; Affiliated Companies (Classes I and II) with concurrent debits to account 8400—Other Nonoperating Income (Net) (Class II), and account 8429—Other (Nonoperating Deductions) (Class I). A decline in the value of securities recorded in account 1430—Other Investments and Advances (Class II), and in accounts 1431 through 1441 inclusive (Class I), shall be reflected in account 1448—Adjustments—Other Investments and Advances (Classes I and II) with debits to account 8400—Other Nonoperating Income (Net) (Class II), and account 8429—Other (Nonoperating Deductions) (Class I). (See instruction 8.)

(c) When securities with a fixed maturity date are purchased at a discount (that is, when the total cost including brokerage fees, taxes, commissions, etc., is less than par), such discount may be amortized over the remaining life of the securities through periodic debits to the account in which the securities are carried (preferably coincident with entries

recording interest accruals) and credits to the same account in which the interest income is credited. No debits shall be made in respect to discount upon securities held as investments or in special funds if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par or will not be paid at date of maturity.

(d) When securities with a fixed maturity date are purchased at a premium (that is, when the total cost including brokerage fees, taxes, commissions, etc., is in excess of par), such premiums may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same account in which the interest revenue is recorded.

19 Carrier operating property.

(a) (1) Accounts grouped in the section entitled, "Tangible Property" of the balance sheet, coded 1210 through 1232 (Class II), and 1211 through 1252 (Class I), are classified as carrier operating property.

(2) Amounts chargeable to carrier operating property accounts shall represent the actual cost to the carrier of the items properly includible therein (except when acquired as part of a distinct operating unit—see instruction 20— including property jointly owned and property operated by the carrier under joint agreements) and shall be exclusive of any cost for intangible items, includible in accounts 1310 through 1342 (Class II), and 1313 through 1342 (Class I) designated as "Intangible Property".

(3) "Cost" shall include direct and indirect labor, materials, including small tools and similar items consumed in construction, transportation charges, contract work, rent of construction facilities and taxes; also such portions of engineering, supervision, purchasing department expenses, law expenditures, premiums for workmen's compensation, injuries and damages and other insurance applicable to the construction period; and other analogous elements entering into the construction or acquisition of property. If property (such as a structure or unit of equipment, including additions thereto) is constructed new or rebuilt by the carrier to increase its capacity or otherwise add to its usefulness for motor carrier service, or if parts are purchased and assembled by the carrier into a unit of equipment, the cost records for construction and assembly shall be maintained in a sufficiently complete manner to show the cost of labor, materials, and other expenses incurred in such work.

(b) Betterments of operating property (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity) shall be included in the property accounts to the extent of the excess cost of such betterments (not

including cost of installation and removal of items replaced) over the estimated cost at current prices of new property similar to the items replaced. However, if a unit of property is to be rebuilt or remodeled to an extent that its expectation of service life will be fairly comparable with that of new property, the old property shall be retired as provided in instruction 21, and the appropriate property investment account shall be charged with the cost of the rebuilt or remodeled unit, based on the appraised value of the reused parts plus the cost of labor and material used in rebuilding or remodeling. The cost of removing old appliances constituting minor items (see definition 27), and replacing them with new appliances which do not represent betterments, shall be charged to the appropriate operating expense account.

(c) (1) Units of property (see definition 37) and additions to and betterments of existing property, having a life in excess of 1 year and costing more than \$200 shall be charged to the appropriate property investment accounts. Units having a life of 1 year or less or costing not more than \$200 may be charged to operating expenses. The carrier shall not parcel expenditures for acquisitions of several units of property when made under a general plan (wherein the cost of each unit is less than \$200, but the total expenditures under the plan represent a substantial investment), for the purpose of charging them to expense; neither shall it combine unrelated items for the purpose of including their cost in the property investment accounts.

(2) A carrier will be permitted to adopt a limit of less than \$200 for charges to the property investment account, providing it files a statement with the Commission showing the amount it proposes to use and makes no subsequent change in the amount except by authority of the Commission.

(d) When operating property is purchased under any plan involving deferred payments, no charges shall be made to the operating property account for interest, insurance, or other expenditures occasioned by such form of payment.

(e) When the consideration given for property is anything other than cash, the cash value of such consideration shall be used, except that where physical property is given in exchange for physical property and no other form of consideration is involved, such property shall be recorded at the net book cost of the property given in exchange. In the journal entry recording such a transaction, the actual consideration shall be described with sufficient particularity to identify it. The carrier shall be prepared to furnish to the Commission the particulars of its determination of the cash value of the consideration if other than cash.

(f) (1) When property is transferred from carrier operating accounts (accounts 1210 through 1232—Class II, and accounts 1211 through 1252—Class I) to account 1261—Property Used in Other Than Carrier Operations (Classes

I and II), the book cost of the property shall be charged to account 1261. The related accumulated depreciation (recorded in accounts 1214 through 1232—Class II, and accounts 1214 through 1252—Class I) shall be transferred to account 1262—Accumulated Depreciation and Amortization—Property Used in Other Than Carrier Operations (Classes I and II).

(2) When property is transferred from account 1261—Property Used in Other Than Carrier Operations (Classes I and II), to carrier operating accounts (2110 through 1232—Class II, and accounts 1211 through 1252—Class I) the book cost of the property shall be debited to the appropriate carrier operating property account. Related accumulated depreciation and amortization on the property shall be transferred from account 1262 (Classes I and II) to the corresponding accumulated depreciation accounts for carrier operating property.

(g) Records shall be kept so as to reflect separately the cost and date of acquisition of property jointly owned and property operated under a joint agreement.

(h) Except as provided in paragraph (c) of this section, the cost of initial improvements, including the erection of structures on, and of rearrangements, additions and betterments to property leased from others for periods in excess of 1 year made in the course of preparing the property for motor carrier operations and the cost of any subsequent additions to and betterments of such leased property, including replacements, shall be charged to account 1230—Other Carrier Property (Class II), and account 1241—Improvements to Leasehold Property (Class I). Amortization on such expenditures shall be provided for in the manner set forth in instruction 23-c.

(i) (1) The investment in property used jointly in carrier and noncarrier operations shall be allocated between such operations according to the extent that it is used by each, or it shall be included in the investment account of the operation by which it is principally used and the other operation shall be charged a reasonable rental for its use of the common property.

(2) The carrier shall be prepared to show at any time and to report to the Commission when required, by accounts, the following:

(i) The book cost of the common property.

(ii) The extent (percentage) to which such property is used in carrier operations and in other operations.

(iii) The basis for allocating the book cost, or method of determining the amount of the rental charge.

(3) If the investment is allocated between the operations, the expenses of operation, maintenance, taxes, depreciation, and amortization of the common property shall be allocated and recorded in the appropriate accounts prescribed herein and the allocation of such expenses to carrier operations shall be supported in the same manner as the allocation of the cost of such property.

20 Acquisition of a distinct operating unit.

When a motor carrier system or portion thereof constituting a distinct operating unit (see definition 23) is acquired by (a) purchase or (b) merger or consolidation in a pooling of equity interests of stockholders the accounting shall be as follows:

(a) *Purchase.* (1) When physical property and other assets are purchased from another motor carrier company the amounts includible in accounts 1210 through 1341 (Class II), and accounts 1211 through 1341 (Class I), for (a) carrier operating property, (b) property used in other than carrier operations, and (c) intangible property which includes certificates and permits issued by regulatory agencies to engage in transportation operations, shall be based on the cost to the buyer of each of such assets. Other assets acquired and the liabilities assumed shall be recorded in the appropriate prescribed accounts in the amounts shown in the books of the seller, adjusted as may be necessary to conform with the system of accounts as observed by the purchasing carrier. When separate costs for the physical property and the intangible property are not indicated in the purchase and sale agreement, or otherwise disclosed in the application or record in the proceeding, a reasonable amount carefully ascertained based on the best information obtainable representing a fair portion of the total purchase price shall be assigned to each such class of property. When a purchase is preceded by a preliminary acquisition of control through purchase of capital stock (other than in a pooling of equity interests as described in paragraph (b) of this subparagraph) the terms of the contract will determine whether the total purchase price or consideration paid shall consist exclusively of the carrying value of the capital stock, now to be canceled or whether it shall include the operating results (retained earnings or deficits) applicable to such stock of the purchased company since the date of acquisition of control.

(2) In ascertaining the portion of the total purchase price assignable to the intangible property, pursuant to subparagraph (1) of this paragraph, due consideration shall be given to past earnings and informed judgment concerning future earnings attributable to the property acquired and to other pertinent factors appropriate in ascertaining the value of intangible property. The portion of the total purchase price assignable to the physical property shall be substantiated by an appraisal made by a disinterested qualified appraiser and such other documentary evidence as the Commission may require. The amount shown on the books of the seller for the physical property together with the accumulated depreciation may be used in lieu of such an appraisal providing that the books of the seller have been kept in accordance with the rules of this Commission and the amount is fairly representative of the purchase price of such property.

(3) The aggregate amount recorded in the accounts for the intangible property and the other assets acquired, pursuant to subparagraphs (1) and (2) of this paragraph shall in no case exceed the total purchase price thereof. Carriers shall maintain records and be prepared to support with evidence suitable to the Commission the apportionment of the total purchase price so recorded in the accounts for the intangible property and other assets purchased.

(b) *Merger or consolidation in a pooling of equity interests of stockholders.*

(1) When a distinct operating unit is acquired by merger or consolidation in a pooling of equity interests of stockholders, in which all or substantially all of such equity interests in the predecessor company continue, as such, in a surviving company (which may be the transferee or a new company, created for the purpose) the assets, liabilities, and the retained earnings, or deficit, if any, of the predecessor company shall be recorded in the accounts of the transferee at amounts carried on the books of the predecessor company at date of consummation of the transactions. Such amounts shall be adjusted, if necessary, to conform with the rules in this system of accounts. Where one of the constituent corporations is clearly dominant and its stockholders obtain 90 percent or more of the voting interest in the combined enterprise there is a presumption that the transaction is a purchase rather than a pooling of interests and the transaction shall be so accounted for unless otherwise directed or authorized by the Commission.

(2) When the total par value or stated value of no par capital stock of the surviving company is more than the aggregate total of the capital stock of the separate companies before merger or consolidation the excess shall be charged to account 2641—Other Capital in Excess of Par or Stated Value (Classes I and II). If unrestricted capital in excess of par or stated value is not available for such purpose, the excess shall be debited to account 2652—Retained Earnings—Unappropriated (Classes I and II). If unappropriated retained earnings are not available, the excess shall be debited to account 2632—Discount on Capital Stock (Classes I and II).

When the total par value or stated value of no par capital stock of the surviving company is less than the aggregate total of the capital stock of the separate companies before merger or consolidation, the difference shall be credited to account 2641—Other Capital in Excess of Par or Stated Value (Classes I and II).

(c) *Records.* Detailed records, including copy of appraisal reports, shall be maintained showing the basis used for computing amounts included in accounts 1210 through 1341, 2532, 2641, and 2652 (Class II), and accounts 1211 through 1341, 2632, 2641 and 2652 (Class I), as well as other equity accounts. Full supporting details showing the purchase price, the principals from whom the

property was acquired, and agents who represented such principals shall be stated in the journal entries recording the acquisition of the property.

21 Retirement of property.

(a) *Carrier operating property.* When carrier operating property ceases to be used in motor carrier operations, it shall be retired and accounted for as follows:

(1) *Property (other than land and structures) depreciated under "Unit Plan."* (i) When a unit of property (see definition 37) on which depreciation charges have been accrued under the unit plan (see instruction 23), is retired from service, the book cost of the property shall be credited to the appropriate property account and concurrently charged to a clearing account classified under account 1551—Clearing Accounts (Classes I and II). Any retirement costs, such as repairs and other expenses incurred in preparing a unit of property for sale, shall also be included in account 1551.

(ii) The clearing account shall be credited with the value of salvage recovered in case the property is dismantled; the amount received from the sale or trade-in of the retired property; or with the amount of insurance recovered, including amounts provided for by any self-insurance with respect to the retired property when such self-insurance covers the cause of the retirement; and with the amount of depreciation accumulated to date of retirement with a concurrent charge to the appropriate accumulated depreciation and amortization account.

(iii) The retirement of property may be recorded by a compound journal entry instead of through the clearing account, provided it includes the required information in the same detail.

(a) If the retired property is to be rebuilt in conformity with the provisions of instruction 19, the accounting shall be performed as outlined above, except that the appraised value of the parts to be utilized in the rebuilt unit shall be charged to account 1230—Other Carrier Property (Class II), and account 1245—Unfinished Construction (Class I), with contra credit to the clearing account.

Any balance remaining in the clearing account after the foregoing entries have been made, except as set out in paragraph (b) of this section, shall be transferred to account 5710—Gains on Disposition of Operating Assets, or account 5720—Losses on Disposition of Operating Assets. When property is traded-in, the carrier shall recognize gain or loss on the trade-in.

(b) If property included in account 1241—Improvements to Leasehold Property, reverts to the lessor prior to the expiration of its service life, the balance in the clearing account upon retirement shall be transferred to account 8500—Gain and Loss on Disposition of Other Assets (Net) (Class II), and account 8520—Nonoperating Losses on Disposition of Assets (Class I).

(c) If the retired property is sold on an installment payment basis, the ac-

counting shall be performed as outlined above, except that the selling price shall be debited to account 1430—Other Investments and Advances (Class II), and account 1430—Other Investments; Other (Class I) and concurrently credited to the clearing account.

Any balance in the clearing account after the foregoing entries have been made shall be retained in the Deferred Debits accounts (1510 (Class II) and 1512 (Class I)) or transferred to the Deferred Credits account (2410 (Class II) and 2412 (Class I)), as appropriate. When payments on the installment contract have been completed and title is passed to the buyer the amount carried in the Deferred Debit or Credit accounts shall be transferred to the appropriate account of series 5700—Gain or Loss on Disposition of Operating Assets. (See, however, note A.) In the event the buyer fails to complete payments and the property is repossessed and used in carrier operations, it shall be carried in the appropriate carrier operating property account, at the amount of the unpaid balance in accounts 1430 (Class II) and 1439 (Class I), plus any amount in accounts 1510 (Class II) and 1512 (Class I) (or less the amount in accounts 2410 (Class II) and 2412 (Class I)). If the property is held for resale, the net balance shall be transferred to accounts 1160—Other Current Assets (Class II) and 1163—Other Current Assets; Other (Class I).

NOTE A: If the amount received for the unit of property exceeds its book cost (see definition 8), an amount equal to the (depreciation accrued during the service life of the unit shall be credited to account 5710—Gains on Disposition of Operating Assets and the remainder of the balance in the clearing account shall be transferred to accounts 8400—Other Nonoperating Income (Net) (Class II) and 8410—Other Nonoperating Income (Class I).

(2) *Property (other than land and structures) depreciated under "Group Plan."* When a unit of property (see definition 37) on which depreciation charges were recorded under the group plan (see instruction 23), is retired from service, the book cost thereof shall be credited to the appropriate property account and concurrently charged, together with the cost of removal to the accumulated depreciation account. Any salvage or insurance recovered, including amounts provided for by any self-insurance with respect to the retired property, when such self-insurance covers the cause of retirement, or the proceeds, if the property is traded in or sold, shall be credited to the accumulated depreciation account. No further entries are required, as under this plan over or under accruals of depreciation are not cleared from the accumulated depreciation account.

(3) *Minor items.* When the property retired constitutes a minor item (see definition 27), the book cost of which has been or will be accounted for by its inclusion in the unit of property of which it is a part when such unit of property is retired, no adjustment of the operating property account or accumulated depreciation account is required therefor.

When a minor item is retired and replaced, with property of like purpose, the entire cost of replacement shall be charged to the account appropriate for the cost of repairs of the property retired, except when the replacement effects a betterment (see instruction 19-b), the excess cost of the replacement over the estimated cost at current prices of new property similar to the items retired shall be charged to the property account. The cost of labor used in effecting the replacement shall be included in operating expenses.

(4) *Land and structures.* When land is sold or traded in, the book cost shall be credited to the land account and any difference between the book cost and the sales price, less commissions and expenses on the sale, shall be adjusted through account 8500—Gain or Loss on Disposition of Other Assets (Net) (Class II), and account 8530—Gains on Disposition of Land and Structures (Class I) or account 8540—Losses on Disposition of Land and Structures (Class I), as appropriate. When qualifying as extraordinary, pursuant to instruction 8, the difference shall be adjusted through account 8800—Extraordinary Items (Class II), and account 8810—Extraordinary Items (Net) (Class I). (See instruction 19(e).)

When structures are sold, retired, or traded in, retirement accounting shall be performed as set out in item (1) of paragraph (a), except that any balance remaining in the clearing account shall be transferred to account 8500—Gain or Loss on Disposition of Other Assets (Net) (Class II), and account 8530—Gains on Disposition of Land and Structures (Class I) or 8540—Losses on Disposition of Land and Structures (Class I), as appropriate.

(5) *Distinct operating unit.* When carrier operating property used in transportation operations and the operating rights associated therewith are sold as a distinct operating unit (see definition 23), the book cost of the property shall be credited to the appropriate operating property and intangible property accounts and the amounts carried with respect thereto in the accumulated depreciation and amortization accounts, estimated if necessary, shall be charged to these accounts (see, however, account 1243). The difference, if any, between (1) the net amount of such debit and credit items, and (2) the consideration received for the distinct operating unit, shall be included in account 8500—Gain or Loss on Disposition of Other Assets (Class I), or account 8520—Nonoperating Losses on Disposition of Assets (Class I), as appropriate. (See instruction 8.)

(6) *Determination of book cost.* The book cost of operating property retired shall be the amount at which such property is included in the operating property accounts including all items set forth in instruction 19. Such costs shall be determined from the carrier's records when this can be done, as in the case of land, structures, revenue automotive equipment, service equipment, furniture,

and other items of operating property for which individual cost records are available. When the actual book cost cannot be determined from the records, it shall be estimated. When it is impracticable to determine the book cost of each item due to the relatively large number and/or small cost of such items, the average book costs of all the items, with due allowance for differences in size or character, shall be used as the book cost of the items retired. The latter method may be applied in retirement of such items as tools, furniture, etc.

(b) *Intangible property.* (1) When any long-term leasehold of land or easement, franchise, permit, consent, privilege, or patent having a fixed term expires, it shall be retired. The intangible property or other property account shall be credited with the amount charged thereto and the respective accumulated amortization account shall be debited with the amount of amortization accruals previously credited thereto. Any difference between the book cost of the item and the amortization accruals shall be charged to account 5710—Gains on Disposition of Operating Assets or account 5720—Losses on Disposition of Operating Assets, as appropriate.

(2) When any perpetual leasehold of land or easement, or item of tangible property that is not restricted to a fixed term is relinquished or sold, it shall be retired. Any difference between its book cost and the amortization charges accrued, if relinquished, or between its book cost (see definition 28) and the proceeds realized, if sold, shall be included in account 8500—Gain or Loss on Disposition of Other Assets (Net) (Class II), and account 8510—Nonoperating Gains on Disposition of Assets (Class I), or account 8520—Nonoperating Losses on Disposition of Assets (Class I).

22 Insurance.

(a) The following accounts shall include premiums payable by Class I and Class II carriers to commercial insurance companies for risks covering claims against them by others:

4440—Workmen's Compensation (Classes I and II).

4810—Public Liability and Property Damage Insurance (Classes I and II).

4820—Cargo Loss and Damage Insurance (Classes I and II).

4890—Other Insurance (Classes I and II).

These accounts shall also include any related estimated liabilities for self-insurance.

Amounts payable or paid by the carrier in settlement of claims for risks set out in the above accounts, not recoverable from insurance companies or others, shall be charged to the appropriate estimated liability account.

(b) The following accounts shall include premiums payable by Class I and Class II carriers to commercial insurance companies for risks covering losses of owned property:

4830—Fire, Theft, and Collision Insurance (Classes I and II).

4840—Insurance on Buildings and Structures (Classes I and II).

4890—Other Insurance (Classes I and II).

These accounts shall also include any related estimated liabilities for self-insurance.

Inasmuch as such risks represent losses that may be sustained by the carrier rather than claims against it by others, coverage by commercial insurance of self-insurance estimates is not a mandatory requirement, and if no provision is made for such coverage, losses from fire or collision shall be charged to the appropriate expense accounts if the property is repaired (see paragraph (f) of this section). If the property is removed from service, retirement accounting shall be performed as provided in instruction 21.

(c) Estimated liabilities created for self-insurance of collision, accident, fire, theft, flood, or other hazards shall be credited to account 2171—Self-Insurance (Estimated liabilities; accrued) (Class I). Estimates for self-insurance of injuries and damages, and workmen's compensation shall be credited to account 2172—Personal Injuries, Property Damage Claims, and Workmen's Compensation Claims (Estimated liabilities; accrued) (Class I). Estimates for self-insurance of cargo loss and damage shall be credited to account 2173—Cargo Loss and Damage Claims (Estimated liabilities; accrued) (Class I). All other estimated liabilities for self-insurance of risks not included in any of the preceding accounts, shall be recorded in account 2175—Other Estimated Liabilities (Estimated liabilities; accrued) (Class I), with concurrent charges to the appropriate expense account. Class II carriers shall credit account 2130—Other Current and Accrued Liabilities, for any liability created for self-insurance of risks and claims. Periodic charges to expense accounts for the purpose of estimating liability for self-insurance shall be determined currently by the carrier from its best source of information and the rates used may be based on percentage of revenue, mileage of vehicles, amounts of payrolls or other equitable bases. A schedule of the risks covered by each estimated liability shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

(d) Amounts payable or paid by the carrier in settlement of cargo loss and damage claims and other claims, including those paid by the carrier for which it will be reimbursed wholly or in part by insurance companies, connecting carriers or others, shall, as provided in paragraph (a) of this section, be debited to account 2130—Other Current and Accrued Liabilities (Class II), and accounts 2173—Cargo Loss and Damage Claims (Estimated liabilities; accrued) (Class I) or 2175—Other Estimated Liabilities (Estimated liabilities; accrued) (Class I). Parts of such claims that are payable by insurance companies or others, less any adjustment for salvage recovered,

shall be debited to account 1135—Accounts Receivable; Other, when the other parties' liability is determined.

(e) Freight claim records shall be so maintained as to show for each cargo loss and damage claim received, the claim number, date and amount; the waybill or expense bill number and date; name of claimant; kind of commodity; weight designation (i.e. designate whether the shipment weight was up to 10,000 pounds or over 10,000 pounds); date claim was paid; total amount paid or date claim was disallowed and reasons; amount of salvage recovered, if any; amounts reimbursed by insurance companies, connecting carriers or others, and the amount absorbed by the carrier. Each claim received shall be entered in the records and should be supported by the complete file of claim papers. However, if the claim papers are retained by insurance companies, connecting carriers or others, the carrier's records should contain an acknowledgment from the party retaining the claim file that the papers are in its possession. Overcharge claims and cargo loss and damage claims shall not be intermingled in the carrier's freight claim records.

(f) The cost of repairs to owned or leased carrier operating property involved in accidents or damaged by fire or other causes, and of replacing damaged or destroyed property leased from others, shall be charged to the appropriate expense accounts provided for repairs of such property. When the amounts receivable from insurance companies or others in full or partial reimbursement of such costs, if any, are determined, they shall be credited to the account precharged, together with the value of salvaged materials recovered.

(g) Insurance premiums incurred or paid in advance to commercial insurance companies shall be charged to account 1140—Prepayments (Class II), and account 1142—Prepaid Insurance (Class I), and distributed to the appropriate insurance expense accounts in periodic installments over the period for which the premiums have been paid, except that minor premiums may be charged directly to the insurance expense accounts. If it is anticipated that a dividend or refund will be received on prepaid premiums at the end of the year or other period covered by the insurance, an amount equal to the estimated dividend or refund shall be retained in account 1140 (Class II), and 1142 (Class I) and the balance of the premium shall be charged to expense in periodic installments as set out above. Any discrepancy between the estimated dividend or refund and the amount actually received shall be adjusted to the appropriate insurance expense accounts. If insurance premiums are paid on a monthly basis and it is anticipated that a dividend or refund will be received at the end of the year, a part of each monthly payment equal to the appropriate portion of the estimated dividend shall be charged to account 1140 (Class II), and 1142 (Class I) and the balance of the payment shall be charged to the insurance expense ac-

counts. When the actual dividend is received accounting shall be performed as set out above.

When refunds or dividends which were not anticipated, are received on prepaid premiums, such amounts shall be credited to the appropriate insurance expense account.

NOTE A: The amount of premiums for life insurance on the lives of officers and other employees under which the carrier is the named beneficiary are chargeable to account 1430—Other Investments and Advances (Class II) and account 1439—Other Investments; Other (Class I) to the extent that the cash surrender value of the policy increases with each payment and the remainder of the premium shall be charged to account 1140—Prepayments (Class II) and account 1142—Prepaid Insurance (Class I) and prorated monthly to account 8400—Other Non-operating Income (Net) (Class II), and account 8423—Life Insurance Premiums (Class I). Premium expense and cash surrender value of insurance on the life of a sole proprietor shall not be included in these accounts.

23 Depreciation and amortization.

(a) The carrier shall establish and maintain adequate provision for accruals of depreciation (see definition 21) on carrier operating property. Depreciation under the unit plan or group plan as set out below, may be accounted for by use of the straight-line method or by the mileage method which may be used for automotive equipment, in which event the rate per mile shall be applied to the number of miles travelled each month.

(1) "Unit Plan" means the plan under which depreciation charges are computed and the records maintained so that the total amount of depreciation accrued applicable to each unit of property can be determined. (See instruction 21(a)(1).)

(2) "Group Plan" means the plan under which depreciation charges are accrued upon the basis of the sum total of the book cost balances at the close of each month of all property included therein; and upon the retirement of any such property its full book cost is charged to the accumulated depreciation account regardless of whether or not the particular item has attained the average service life. (See instruction 21(a)(2).)

(b) There shall be debited each month to the subdivisions of account series 5300—Depreciation and Amortization (Classes I and II), during the service life of depreciable property included in accounts 1210 through 1230 (Class II), and 1211 through 1251 (Class I), amounts that will approximate the loss in service value (see definition 36) not restored by current maintenance, except that carriers engaged in seasonal operations may apportion the estimated annual depreciation charge over the months in which operations are actually conducted. Concurrent credits shall be applied to the appropriate accumulated depreciation and amortization accounts 1214 through 1232 (Class II), and accounts 1214 through 1252 (Class I).

(1) Depreciation charges on property included in accounts:

1210—Land and Structures (Class II).
1213—Structures (Class I).
1221—Revenue Equipment (Classes I and II).
1223—Service Cars and Equipment (Classes I and II).

shall be computed on the unit plan, and depreciation shall cease when amounts equal to the estimated service value have been credited to the accumulated depreciation account.

(2) Depreciation charges on property included in accounts:

1230—Other Carrier Property (Class II).
1233—Shop and Garage Equipment (Class I).
1235—Furniture and Office Equipment (Class I).
1237—Miscellaneous Equipment (Class I).

shall be computed under either the unit plan or the group plan. If the group plan is used, composite annual percentage rates shall be determined applicable to the book cost of each class of operating property to be depreciated. These percentage rates shall be based on the estimated service values and service lives of the property, developed by a study of the carrier's experience and other available information. Such percentage rates shall, for each primary account comprised of more than one class of property, produce a charge to depreciation expense for that account equal to the sum of the amounts that would otherwise be chargeable for each of the various classes of property included in the account. In computing monthly charges for depreciation, the appropriate portion of the composite annual percentage rate applicable to each primary account shall be applied to the account balances as of the first of the current month.

(c) Amortization and depreciation charges on property included in account 1241—Improvements to Leasehold Property (Class I), or account 1230—Other Carrier Property (Class II) (see instruction 21), shall be made upon the same basis as for depreciable property, includable in other property accounts.

(d) (1) Intangible items with fixed terms included in account 1310—Organization, Franchises and Permits (Class II), and accounts 1321—Franchises (Class I), and 1331—Permits and Patents (Class I), may be amortized by means of charges to account 5390—Amortization. The cost of acquiring long-term leaseholds and easements for use in motor carrier operations, included in account 1341—Other Intangible Property (Classes I and II), may be amortized in the same manner as above. Concurrent credits shall be made to accounts 1312—Accumulated Amortization—Organization, Franchises, Permits (Class II), and accounts 1322—Accumulated Amortization—Franchises (Class I), or 1332—Accumulated Amortization—Permits and Patents (Class I), or account 1342—Accumulated Amortization—Other Intangible Property (Classes I and II).

(2) Amortization or entire writeoff for costs of acquiring perpetual leaseholds and for intangible items carried in accounts 1310 and 1341 (Class II), and accounts 1313, 1321, 1331, and 1341 (Class I), that are not restricted to fixed

terms (except those items relating to the acquisition of the distinct operating unit for which specific provision is made in instruction 29), may be debited to account 8400—Other Nonoperating Income (Net) (Class II), and account 8422—Amortization (franchises, permits and other) (Class I), with concurrent credits made to the appropriate accumulated depreciation and amortization accounts 1312 or 1342 (Class II), and accounts 1314, 1322, 1332, or 1342 (Class I). When qualifying as extraordinary pursuant to instruction 8, the entire amount of such items may be written off by debiting account 8800—Extraordinary Items (Class II), and account 8810—Extraordinary Items (Net) (Class I), with a concurrent credit to the appropriate accumulated amortization account.

The book cost of intangible property described in paragraphs (d) (1) and (2) shall be carried in the property account until the property is sold or otherwise disposed of.

(e) Depreciation and amortization charges on nonoperating property shall be charged to account 8100—Income from Noncarrier Operations Net (Class II) and 8120—Expenses of Noncarrier Operations (Class I), with concurrent credits to account 1262—Accumulated Depreciation and Amortization—Property Used in Other Than Carrier Operations (Classes I and II).

NOTE A: For instructions with regard to adjustment of depreciation upon retirement or trade-in of carrier operating property, see instruction 21.

NOTE B: If it appears that an error was made in estimating the service life or salvage value of property, depreciation accruals shall be recomputed on the correct basis from date of acquisition to current date and any difference between the accrued amounts on the old and the corrected basis shall be debited or credited to the appropriate Accumulated Depreciation and Amortization account, with the contra entry in account series 5300—Depreciation and Amortization.

24 Taxes and licenses.

Taxes and licenses relating to motor carrier operations and property, payable to Federal, State, county, municipal, and other taxing authorities, with the exception of certain taxes specifically referred to in the texts of the accounts shall be included as appropriate in the subdivisions provided under account 4700—Operating Taxes and Licenses (Classes I and II). These accounts shall be charged each month with the amount of taxes applicable thereto, with concurrent credits to accrued operating taxes and licenses accounts 2111 through 2115 (Classes I and II), or account 1140—Prepayments (Class II), and account 1141 (Class I), as appropriate. When it is not possible to determine the actual amount of taxes, they shall be estimated and adjusted when the actual taxes become known.

25 Joint facilities.

(a) Where a joint facility (see definition 24), operated by others, is used by the reporting carrier under a joint facility arrangement, any amounts paid by the carrier as its share of operation and

maintenance costs including rent if the property is leased, or including depreciation, taxes and a return on the investment in the joint facility if the property is owned by the operating carrier, shall be charged to account 5910—Joint Facility Expense—Debit (Classes I and II).

(b) Where the reporting carrier operates a joint facility, any amounts received from other carriers using the facility, as reimbursement of operation and maintenance costs, including rent if the property is leased, or including depreciation, taxes and a return on the investment in the joint facility if the property is owned by the reporting carrier, shall be credited to account 5920—Joint Facility Expense—Credit (Classes I and II).

(c) The governing factor for joint facility accounting is the common use of the facility rather than the methods of determining amounts contributing to the operating and maintenance expenses of the facility.

(d) The carrier operating the joint facility shall include a statement of the distribution of the income and expenses of the facility on bills rendered joint users.

26 Valuation accounts and accumulated depreciation and amortization.

In stating the balance sheet, valuation accounts and accumulated depreciation and amortization shall be shown separately and shall be deducted from the specific assets to which they apply.

27 Distribution of expenses to activities.

Section A. Instruction 27A Carriers (Full Reporting):

(a) All Class I common carriers which derive an average of 75 percent or more of their revenues (based on the latest 3 calendar years, from the intercity transportation of general commodities, and all Class II common carriers which derive an average of 75 percent or more of their revenues from the intercity transportation of general commodities and which have average annual gross revenues of \$500,000 or more (based on the latest 3 calendar years), are hereafter referred to as instruction 27A carriers (full reporting). They shall distribute expenses to the following activities (see definition 2):

- (1) Line-haul.
- (2) Pickup and Delivery.
- (3) Billing and Collecting.
- (4) Platform.
- (5) Terminal.
- (6) Maintenance.
- (7) Traffic and Sales.
- (8) Insurance and Safety.
- (9) General and Administrative.

Class I and II common carriers, other than those specified in paragraph (a), shall be designated as instruction 27B carriers (partial reporting). They shall distribute expenses as described in Section B hereof.

(b) Assignment of vehicles for the purpose of classifying expenses.

(1) All vehicles owned or used by the carrier shall be classified as revenue or service vehicles.

(2) Revenue vehicles (truck, tractor, trailer, container) are those vehicles which are used to pickup and deliver freight, or transport freight from terminal to terminal, for the purpose of generating revenue. Service vehicles (car, wrecker, etc.) are those vehicles used to support carrier operations, where little or no revenue is realized.

(3) Revenue vehicles shall be further classified into the Line-Haul or Pickup and Delivery activity according to the service in which they are predominately employed.

(i) Include in the "line-haul" classification all vehicles predominantly engaged in the transportation of property in terminal-to-terminal and other intercity service, excluding peddle operations. The occasional use in pickup and delivery, local cartage, or peddle service of vehicles regularly employed in line-haul service would not affect their classification as "line-haul".

(ii) Include in the "pickup and delivery" classification all revenue vehicles predominantly employed in pickup and delivery service, local cartage service, or peddle service. Peddle trips are trips operated out of a local area, consisting of a city or town and contiguous suburban districts, for the purpose of delivering freight to consignees and gathering freight from consignors at points outside such area. The incidental or occasional use in line-haul service of vehicles regularly employed in pickup and delivery, local cartage, or peddle service would not affect their classification as "pickup and delivery."

(4) Service vehicles shall be assigned to the activity according to the service in which they are predominantly employed. For example, automobiles used by safety department employees making inspection trips to terminals shall be assigned to the Insurance and Safety activity, whereas tow trucks used to move other vehicles between terminals and garages shall be assigned to the Maintenance activity. Automobiles used by officers shall be assigned to the activity where the greatest proportion of time and salary of the officer is assigned. (See instruction 11.)

(c) Allocation of vehicle related expenses according to the assignment of vehicles to the appropriate activity.

(1) All instruction 27A carriers shall allocate vehicle expenses to the activity where the vehicle has been assigned.

(2) The vehicle related expense control accounts are as follows:

- 4510—Fuel for Motor Vehicles.
- 4520—Oil and Lubricants for Motor Vehicles.
- 4530—Vehicle Parts.
- 4540—Vehicle Maintenance by Outside Vendors.
- 4550—Tires and Tubes.
- 4590—Other Operating Supplies and Expenses.
- 4720—Vehicle License and Registration Fees, Ownership (Federal).
- Ownership State and Other
- 4770—Vehicle License and Registration Fees, Ownership (State and Other).
- 4810—Public Liability and Property Damage Insurance.
- 4830—Fire, Theft, and Collision Insurance.

5320—Depreciation of Revenue Equipment.
 5410—Vehicle Rents with Driver.
 5420—Vehicle Rents with Driver—Vehicle Portion only.
 5430—Vehicle Rents without Driver.
 5490—Equipment Rents—Credit.

The detail accounts to which the expenses shall be distributed are defined in the account explanation of each of the control accounts listed above.

(d) Distribution of building and structure related expenses to activities.

(1) Carriers shall assign each building or structure to one of the following activities, depending upon the primary purpose of that building or structure and the activity for which it is used:

- (5) Terminal.
- (6) Maintenance.
- (9) General and Administrative.

(i) The Terminal activity shall include all buildings and structures owned, leased or rented by the carrier which are used in conjunction with receiving and shipping of freight. Include also buildings attached to the terminal buildings which act as storage areas for tools and equipment used at the terminal building.

(ii) The Maintenance activity shall include all buildings and structures owned, leased or rented by the carrier which are used to service and repair the carrier's vehicles. If the Maintenance activity at a terminal utilizes only an incidental portion of the building, the proportion chargeable to the Maintenance activity shall be determined by using one of the methods discussed in paragraph (d) (2) of this section.

(iii) The General and Administrative activity shall include all buildings and structures not included elsewhere.

(2) Instruction 27A carriers shall distribute building and structure related expenses to the appropriate activity using one of the following methods (in order of preference):

(i) Carriers may assign the full expense of a particular building or structure to a particular activity based upon the primary purpose of the building or structure, and the activity for which it is used.

(ii) Carriers may assign a proportion of the expense of a building or structure to an activity based upon the square footage used by that particular activity.

(iii) Carriers may use any other reasonable and equitable method they can substantiate.

(iv) Furniture and fixture expenses shall be assigned to the building or structure in which it is located.

(3) The building and structure related expense accounts referred to above are as follows:

4750—Real Estate and Property Taxes.
 4840—Insurance on Buildings and Structures.
 5310—Depreciation of Buildings and Structures.
 5350—Depreciation of Furniture and Office Equipment.
 5370—Amortization of Improvements to Leasehold Property.
 5510—Building Operating Rents.
 5910—Joint Facility Expense—Debit.
 5920—Joint Facility Expense—Credit.

(e) Distribution of wages of drivers and helpers. Instruction 27A carriers shall distribute the wages of drivers and helpers to the Line-Haul and Pickup and Delivery activities according to the type of service performed by the employee.

(1) The wages of a driver making a line-haul trip from terminal to terminal shall be charged to the Line-Haul activity, irrespective of whether the vehicle used for the trip has been classified as line-haul or pickup and delivery. Similarly if a driver is engaged in the carrier's general pickup and delivery or peddle service, his wages while so employed shall be charged to the Pickup and Delivery activity, irrespective of whether the vehicle used in making the pickups and deliveries has been classified as pickup and delivery or line-haul.

(2) Where a driver making a line-haul trip picks up or delivers all or part of his load at point of origin or destination or points en route, the entire wages of the driver shall be charged to the Line-Haul activity, except that where the driver's compensation for the pickup and delivery work performed is computed separately for payroll purposes, it shall be charged to the Pickup and Delivery activity.

(3) Where a driver spends part of the day in making a line-haul trip after which he is assigned to the carrier's general pickup and delivery or peddle service, his wages for the line-haul trip shall be charged to the Line-Haul activity, and his wages for the pickup and delivery work performed shall be charged to the Pickup and Delivery activity.

(4) Where a driver is assigned for a part of his time to platform work at the carrier's terminal, including loading and unloading of his own or other vehicles, his wages for the time so employed shall be charged to account 4230—Salaries and Wages, Cargo Handlers.

(5) The distribution of wages of drivers and helpers as described above shall be subject to the provisions of instruction 11(b) regarding incidental services.

(f) Distribution of wages of vehicle repair and service labor. All instruction 27A carriers shall distribute the wages of vehicle repair and service labor to appropriate activities based on the activity to which the vehicle worked on is assigned as specified in paragraph (b) of this section. Vehicle repair and service labor which cannot be identified as to class of vehicle worked on shall be charged to the Maintenance activity.

(g) All instruction 27A carriers shall be prepared to describe the basis of apportionment used to distribute expenses included in this instruction.

(h) Any carrier which finds it impracticable to distribute expenses as required by this instruction shall furnish the Commission with full particulars of the conditions which prevent the proper distribution. Upon receipt of such information carriers will be advised of the procedure to be followed.

Section B: Instruction 27B Carriers (Partial Reporting):

(a) All instruction 27B carriers (partial reporting) shall distribute expenses to the following activities:

- (1) Line-Haul and Pickup and Delivery.
- (5) Billing and Collecting, Platform, and Terminal.
- (6) Maintenance.
- (7) Traffic and Sales.
- (8) Insurance and Safety.
- (9) General and Administrative.

(b) Assignment of vehicles for the purpose of classifying expenses.

(1) All vehicles owned or used by the carrier shall be classified as revenue or service vehicles.

(2) Revenue vehicles (truck, tractor, trailer, container) are those vehicles which are used to pickup and deliver freight, or transport freight from terminal to terminal, for the purpose of generating revenue. Service vehicles (car, wrecker, etc.) are those vehicles used to support carrier operations, where little or no revenue is realized.

(3) Service vehicles shall be assigned to the activity according to the service in which it is predominantly employed. For example, automobiles used by safety department employees making inspection trips to terminals shall be assigned to the Insurance and Safety activity, whereas tow trucks used to move other vehicles between terminals and garages shall be assigned to the Maintenance activity. Automobiles used by officers shall be assigned to the activity where the greatest proportion of time and salary of the officer is assigned. (See instruction 11.)

(c) Allocation of vehicle-related expenses according to the assignment of vehicles to the appropriate activity.

(1) All instruction 27B carriers shall allocate vehicle expenses to the appropriate activity where the vehicle has been assigned (as specified in paragraph (a) of this section).

(2) The vehicle-related expense control accounts are as follows:

4510—Fuel for Motor Vehicles.
 4520—Oil and Lubricants for Motor Vehicles.
 4530—Vehicle Parts.
 4540—Vehicle Maintenance by Outside Vendors.
 4550—Tires and Tubes.
 4590—Other Operating Supplies and Expenses.
 4720—Vehicle License and Registration Fees, Ownership (Federal).
 4770—Vehicle License and Registration Fees, Ownership (State and Other).
 4810—Public Liability and Property Damage Insurance.
 4830—Fire, Theft, and Collision Insurance.
 5320—Depreciation of Revenue Equipment.
 5330—Depreciation of Service Cars and Equipment.
 5410—Vehicle Rents with Driver.
 5420—Vehicle Rents with Driver—Vehicle Portion only.
 5430—Vehicle Rents without Driver.
 5490—Equipment Rents—Credit.

The detail accounts to which the expenses shall be distributed are defined in the account explanation of each of these control accounts, subject to the modification contained in paragraph (a) of this section.

(d) Distribution of building and structure related expenses to activities.

(1) Carriers shall assign each building or structure to one of the following activities, depending upon the primary purpose of that building or structure and the activity for which it is used.

- (5) Terminal.
- (6) Maintenance.
- (9) General and Administrative.

(i) The Terminal activity shall include all buildings and structure owned, leased, or rented by the carrier which are used in conjunction with receiving and shipping of freight. Include also buildings attached to the terminal buildings which act as storage areas for tools and equipment used at the terminal building.

(ii) The Maintenance activity shall include all buildings and structures owned, leased, or rented by the carrier which are used to service and repair the carrier's vehicles. If the Maintenance activity at a terminal utilizes only an incidental portion of the building, the proportion chargeable to the Maintenance activity shall be determined by using one of the methods discussed in paragraph (d) (2) of this section.

(iii) The General and Administrative activity shall include all buildings and structures not included elsewhere.

(2) Instruction 27B carriers shall distribute building and structure related expenses to the appropriate activity using one of the following methods (in order of preference):

(i) Carriers may assign the full expense of a particular building or structure to a particular activity based upon the primary purpose of the building or structure, and the activity for which it is used.

(ii) Carriers may assign a proportion of the expense of a building or structure to an activity based upon the square footage used by that particular activity.

(iii) Carriers may use any other reasonable and equitable method they can substantiate.

(iv) Furniture and fixture expenses shall be assigned to the building or structure in which it is located.

(3) The building and structure related expense accounts referred to above are as follows:

- 4750—Real Estate and Property Taxes.
- 4840—Insurance—Buildings.
- 5310—Depreciation of Buildings and Structures.
- 5350—Depreciation of Furniture and Office Equipment.
- 5370—Amortization of Improvements to Leasehold Property.
- 5510—Building Operating Rents.
- 5910—Joint Facility Expense—Debit.
- 5920—Joint Facility Expense—Credit.

(e) Distribution of wages of drivers and helpers.

(1) Instruction 27B carriers shall charge the wages of drivers and helpers performing either line-haul or pickup and delivery services to the Line-Haul and Pickup and Delivery activities.

(2) Where a driver is assigned for a part of his time to platform work at the

carrier's terminal, including loading and unloading of his own or other vehicles, his wages for the time so employed shall be charged to account 4230—Salaries and Wages, Cargo Handlers.

(3) The distribution of wages of drivers and helpers as described above shall be subject to the provisions of instruction 11(b) regarding incidental services.

(f) Distribution of wages of vehicle repair and service labor. All instruction 27B carriers shall distribute the wages of vehicle repair and service labor to appropriate activities based on the activity to which the vehicle worked on is assigned as specified in paragraph (b) of this section. Vehicle repair and service labor which cannot be identified as to class of vehicle worked on shall be charged to the Maintenance activity.

(g) All instruction 27B carriers shall be prepared to describe the basis of apportionment used to distribute expenses included in this instruction.

(h) Any carrier which finds it impracticable to distribute expenses as required by this instruction should furnish the Commission with full particulars of the conditions which prevent the proper distribution. Upon receipt of such information carriers will be advised of the procedure to be followed.

NOTE A: The cost of repairs, tires and tubes, fuel and oil, drivers' wages, operating taxes, and other expenses of revenue equipment being transported by a carrier in intercity "drive-away" service shall be charged to the accounts which are used to record such expenses of the carrier's own revenue vehicles.

28 Payroll related expenses.

(a) Account series numbered 4300 and 4400 contain expenditures made for the employee's benefit and welfare as follows:

(1) Miscellaneous paid time off expenses (account series 4300).

(2) Other payroll related taxes and fringe benefits (account series 4400).

(b) Miscellaneous paid time off expenses (account series 4300) shall be charged to the appropriate activities based on one or a combination of any of the following methods:

(1) Distribute to activities based on the amount of such pay accruing to employees whose salaries and wages are charged to the respective activities.

(2) Distribute to activities based on the amount of hours or dollars charged to activities in the related salary and wage accounts (4210 to 4290 inclusive).

(3) Distribute to activities based on any other equitable basis which the carrier can substantiate.

(c) Other fringes (account series 4400) shall be accumulated in the appropriate accounts as described in the account explanations. These amounts shall be distributed to activities using one of the following techniques (in order of preference):

(1) Apply appropriate factors to the amount in each account or to the total of the fringe expense accounts, in such a way as to distribute an equitable propor-

tion of the cost to each activity. These factors shall be developed to take into account variables such as the following:

(i) The effect of the rate of accumulation of the expense due to total pay restrictions or other variables. For example, Social Security expenses at present apply only up to certain stated dollar limits.

(ii) The effect of seniority on the expense. For example, profit sharing or pensions may be available to only certain categories of employees, which may be more predominant in one activity than another.

(iii) The effect of the type of work performed. For example, workmen's compensation expense may vary for each category of employees because of the rate charged or the claims experience of the category.

(iv) Any other variable which may have an appreciable effect on the equity of the apportionment.

(2) Distribute the amount in each account, or the total of the other fringes, in the same proportion as the pay charged to each activity in account series 4100 and 4200 (salaries and wages).

(3) Distribute the amounts in each account, or the total of the other fringes, using any other equitable basis, which the carrier can substantiate.

(d) The cost of life insurance carried on officers and employees whereunder the carrier is the beneficiary shall be charged to account 8400—Other Nonoperating Income (Net) (Class II) and account 8423—Life Insurance Premiums (Class I). Cash surrender values of such policies shall be included in account 1430—Other Investments and Advances (Class II), or account 1439—Other Investments, Other (Class I).

(e) All carriers shall be prepared to describe the basis of apportionment used to distribute expenses included in this instruction.

(f) Any carrier which finds it impracticable to distribute expenses as required by this instruction should furnish the Commission with full particulars of the conditions which prevent the proper distribution. Upon receipt of such information carrier will be advised of the procedure to be followed.

29 Amortization of other intangible property.

(a) When it becomes reasonably evident that the term of existence of an intangible property, the cost of which is included in account 1341—Other Intangible Property, has become limited or its value impaired, its cost shall be amortized or entirely written off by charges to account 8400—Other Nonoperating Income (Net) (Class II), and account 8422—Amortization (Other Nonoperating Deductions) (Class I), depending on the remaining estimated period of usefulness; or the entire cost, when qualifying as extraordinary pursuant to instruction 8, may be written off by debiting account 8800—Extraordinary Items

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(Class II) and account 8810—Extraordinary Items (Net) (Class D, with concurrent credit to account 1342—Accumulated Amortization—Other Intangible Property (Classes I and II).

(b) The amount retained in account 1341—Other Intangible Property, less accumulated amortization, shall not exceed the fair value of the intangibles as of the time of acquisition. Fair value of intangibles, as herein used, acquired in purchase of a distinct operating unit means the amount by which total consideration paid exceeds fair market value of tangible property and other net assets (except intangibles), in conformity with the principles in instruction 20.

30 Income taxes.

The charge to income each year for that year's Federal income taxes should be the amount produced by application of the effective tax regulations to transactions within the year.

31 Expenses by equipment type.

(a) All full reporting Class I and Class II carriers as defined in section A of instruction 27 shall maintain records in such a manner so as to enable the reporting of certain expenses by equipment type.

(b) Carriers required to comply with the provisions of this instruction shall maintain such records on amounts includible in the following natural classifications when the amounts therein are distributed to either the Line-Haul or Pickup and Delivery activity:

- 4240—Vehicle Repair and Service Labor.
- 4510—Fuel for Motor Vehicles.
- 4520—Oil and Lubricants for Motor Vehicles.
- 4530—Vehicle Parts.
- 4540—Vehicle Maintenance by Outside Vendors.
- 4550—Tires and Tubes.
- 5410—Vehicle Rents with Driver.
- 5420—Vehicle Rents with Driver—Vehicle Portion Only.
- 5430—Vehicle Rents without Driver.
- 5490—Equipment Rents—Credit.

(c) The records maintained by the carrier must enable a separation of such amounts into the following subdivisions by type and ownership:

- Owned truck.
- Owned tractor.
- Owned trailer (semi or full).
- Specialized equipment (owned or rented).
- Rented truck.
- Rented tractor.
- Rented trailer (semi or full).
- Rented tractor—trailer combination or other.

(d) Recognizing the fact that many carriers presently maintain such separations by various means of subcodes and other internal methods, no prescribed system of segregation is required. The method used however must result in ac-

curate separations. For those carriers which do not have an internal system for such separations, the following subcodes are recommended for assignment to these primary accounts:

- 1. Owned truck.
- 2. Owned tractor.

- 3. Owner trailer (semi or full).
- 4. Specialized equipment (owned or rented).
- 5. Rented truck.
- 6. Rented tractor.
- 7. Rented trailer (semi or full).
- 8. Rented tractor—trailer combination or other.

CLASS I AND CLASS II MOTOR CARRIERS—CHART OF ACCOUNTS
BALANCE SHEET—ASSETS
Current Assets

<i>Class II Accounts</i>		<i>Class I Accounts</i>	
1010	Cash and working funds.....	1011	Cash and working funds.
		1012	Cash.
			Working funds.
1020	Special deposits.....		Special deposits.
		1021	Interest special deposits.
		1022	Dividend special deposits.
		1023	Miscellaneous special deposits.
1030	Temporary cash investments.....		Temporary cash investments.
		1031	Temporary cash investments; affiliated companies.
		1032	Temporary cash investments; other.
1110	Notes receivable.....		Notes receivable.
		1111	Notes receivable; officers, stockholders, and employees.
		1112	Notes receivable; other.
1120	Receivables from affiliated companies.....		Receivables from affiliated companies.
		1121	Loans and notes receivable from affiliated companies.
		1122	Interest and dividends receivable from affiliated companies.
		1123	Accounts receivable from affiliated companies.
			Accounts receivable.
	Accounts receivable.....		
1131	Accounts receivable; customers and interline.....	1131	Accounts receivable; customers and interline.
1133	Accounts receivable; officers, stockholders, and employees.....	1133	Accounts receivable; officers, stockholders, and employees.
			Accounts receivable; other.
1135	Accounts receivable; other.....	1135	Accounts receivable; other.
1138	Allowance for uncollectible accounts.....	1138	Allowance for uncollectible accounts.
1140	Prepayments.....		Prepayments.
		1141	Prepaid taxes and licenses.
		1142	Prepaid insurance.
		1143	Prepaid interest.
		1144	Prepaid rents.
		1145	Prepaid stationery and printed matter.
		1146	Prepaid tires and tubes.
		1147	Miscellaneous prepayments.
1151	Materials and supplies.....	1151	Materials and supplies.
1160	Other current assets.....		Other current assets.
		1161	Subscribers to capital stock.
		1162	Interest and dividends receivable.
		1163	Other current assets; other.
			<i>Tangible Property</i>
1210	Land and structures.....		Land and structures.
		1211	Land.
		1213	Structures.
1214	Accumulated depreciation—structures.....	1214	Accumulated depreciation—structures.
1221	Revenue equipment.....	1221	Revenue equipment.
1222	Accumulated depreciation—revenue equipment.....	1222	Accumulated depreciation—revenue equipment.
1223	Service cars and equipment.....	1223	Service cars and equipment.
1224	Accumulated depreciation—service cars and equipment.....	1224	Accumulated depreciation—service cars and equipment.
1230	Other carrier property.....		Other carrier property.

BALANCE SHEET—ASSETS

Tangible Property

- 1232 Accumulated depreciation and amortization—other carrier property.
- 1233 Shop and garage equipment.
- 1234 Accumulated depreciation—shop and garage equipment.
- 1235 Furniture and office equipment.
- 1236 Accumulated depreciation—furniture and office equipment.
- 1237 Miscellaneous equipment.
- 1238 Accumulated depreciation—miscellaneous equipment.
- 1241 Improvements to leasehold property.
- 1242 Accumulated amortization—improvements to leasehold property.
- 1243 Undistributed property.
- 1244 Accumulated depreciation—undistributed property.
- 1245 Unfinished construction.
- 1251 Carrier operating property leased to others.
- 1252 Accumulated depreciation—carrier operating property leased to others.
- 1261 Property used in other than carrier operations.
- 1262 Accumulated depreciation and amortization—property used in other than carrier operations.

Intangible Property

- 1310 Organization, franchises, and permits.
- 1312 Accumulated amortization—organization, franchises, permits.
- 1313 Organization.
- 1314 Accumulated amortization—organization.
- 1321 Franchises.
- 1322 Accumulated amortization—franchises.
- 1331 Permits and patents.
- 1332 Accumulated amortization—permits and patents.
- 1341 Other intangible property.
- 1342 Accumulated amortization—other intangible property.

BALANCE SHEET—ASSETS

Investment Securities and Advances

- 1410 Investments and advances—affiliated companies.
- 1411 Common stocks; affiliated companies.
- 1413 Preferred stocks; affiliated companies.
- 1415 Bonds; affiliated companies.
- 1417 Notes; affiliated companies.
- 1419 Other investments; affiliated companies.
- 1421 Advances; affiliated companies.
- 1428 Adjustments—investments and advances, affiliated companies.
- 1430 Other investments and advances.
- 1431 Common stocks; other.
- 1433 Preferred stocks; other.
- 1435 Bonds; other.
- 1437 Notes; other.
- 1439 Other investments; other.
- 1441 Advances; other.
- 1448 Adjustments—other investments and advances.
- 1451 Special funds.
- 1451 Special funds.
- 1510 Deferred and miscellaneous debits.
- 1511 Unamortized debt discount and expense.
- 1512 Other deferred debits.
- 1551 Clearing accounts.
- 1551 Clearing accounts.

Deferred Charges

- 1511 Unamortized debt discount and expense.
- 1512 Other deferred debits.
- 1551 Clearing accounts.

BALANCE SHEET—LIABILITIES AND EQUITY

Current Liabilities

- 2010 Notes payable and matured obligations.
- 2011 Notes payable.
- 2012 Matured long-term obligations.
- 2020 Payables to affiliated companies.
- 2021 Loans and notes payable to affiliated companies.
- 2022 Interest and dividends payable to affiliated companies.
- 2023 Accounts payable to affiliated companies.
- 2031 Accounts payable; officers, stockholders, and employees.
- 2031 Accounts payable; officers, stockholders, and employees.

CLASS I AND CLASS II MOTOR CARRIERS—CHART OF ACCOUNTS—Continued

BALANCE SHEET—ASSETS

Long-Term Debt

2331	Equipment obligations	Equipment and other long-term obligations
2332	Bonds and debentures	
2333	Capitalized lease obligations	
2334	Other long-term obligations	
2341	Reacquired long-term obligations	

Deferred Credits

2410	Deferred credits	Deferred credits
		Unamortized premium on debt
		Other deferred credits

Estimated Liabilities

2511	Estimated liabilities	Estimated liabilities
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Stockholders' Equity

2610	Capital stock	Capital stock
		Capital stock—preferred
		Capital stock—common
		Subscribed capital stock
2621	Nominally issued securities	Nominally issued securities
2631	Premiums and assessments on capital stock	Premiums and assessments on capital stock
2632	Discount on capital stock	Discount on capital stock
2633	Commission and expense on capital stock	Commission and expense on capital stock
2641	Other capital in excess of par or stated value	Other capital in excess of par or stated value
2651	Retained earnings—appropriated	Retained earnings—appropriated
2652	Retained earnings—unappropriated	Retained earnings—unappropriated
2661	Treasury stock	Treasury stock

Sole Proprietors' Equity

2711	Sole proprietorship capital	Sole proprietorship capital
2721	Drawings	Drawings
2731	Profit and loss	Profit and loss

Partnership Equity

2811	Partnership capital	Partnership capital
2821	Drawings	Drawings
2831	Profit and loss	Profit and loss

CLASS I AND CLASS II MOTOR CARRIERS—CHART OF ACCOUNTS

CARRIER OPERATING REVENUES

		Class I Accounts
3100	Freight Revenue—Intercity Common Carrier	Freight Revenue—Intercity Common Carrier
3200	Freight Revenue—Intercity Contract Carrier	Freight Revenue—Intercity Contract Carrier
3300	Freight Revenue—Local Carriage	Freight Revenue—Local Carriage
3400	Intercity Transportation for Motor Carriers	Intercity Transportation for Motor Carriers
3900	Other Operating Revenue	Other Operating Revenue

CLASS I AND CLASS II MOTOR CARRIERS—CHART OF ACCOUNTS—Continued

BALANCE SHEET—LIABILITIES

Current Liabilities

2032	Accounts payable; interline holding	Accounts payable; interline holding
2033	Accounts payable; employee with-holding	Accounts payable; employee with-holding
2034	Accounts payable; other	Accounts payable; other
2041	Salaries and wages payable	Salaries and wages payable
2051	C.O.D.'s unremitted	C.O.D.'s unremitted
2111	Accrued operating taxes and licenses	Accrued operating taxes and licenses
	Gasoline, other fuel and oil taxes, accrued	Gasoline, other fuel and oil taxes, accrued
2112	Vehicle licenses and registration fees, accrued	Vehicle licenses and registration fees, accrued
2113	Real estate and personal property taxes, accrued	Real estate and personal property taxes, accrued
2114	Social security taxes, accrued	Social security taxes, accrued
2115	Other taxes, accrued	Other taxes, accrued
	Accrued income taxes	Accrued income taxes
2121	Accrued Federal income taxes	Accrued Federal income taxes
2122	Accrued state income taxes	Accrued state income taxes
2123	Accrued other income taxes	Accrued other income taxes
2130	Other current and accrued liabilities	Other current and accrued liabilities

Dividends payable

2141	Interest accrued	Interest accrued
2142	Notes and advances payable	Notes and advances payable
2143	Equipment obligations	Equipment obligations
2144	Bonds and debentures	Bonds and debentures
2145	Other long-term obligations	Other long-term obligations
	Other interest	Other interest
	Matured interest	Matured interest

Notes and advances payable

2151	Notes and advances payable	Notes and advances payable
2152	Equipment obligations	Equipment obligations
2153	Bonds and debentures	Bonds and debentures
2154	Other long-term obligations	Other long-term obligations
2155	Other interest	Other interest
2161	Current equipment obligations and other debt	Current equipment obligations and other debt

Estimated liabilities; accrued

2171	Self insurance	Self insurance
2172	Personal injuries, property damage claims and workmen's compensation claims	Personal injuries, property damage claims and workmen's compensation claims
2173	Cargo loss and damage claims	Cargo loss and damage claims
2174	Overcharge claims	Overcharge claims
2175	Other estimated liabilities	Other estimated liabilities
2181	Other current liabilities	Other current liabilities

Advances payable—affiliated companies

2310	Advances payable—affiliated companies	Advances payable—affiliated companies
2311	Notes payable	Notes payable
2312	Open accounts not subject to current settlement	Open accounts not subject to current settlement
2313	Interest accrued not subject to current settlement	Interest accrued not subject to current settlement
	Other advances payable	Other advances payable
2321	Notes payable	Notes payable
2322	Open accounts not subject to current settlement	Open accounts not subject to current settlement
2323	Interest accrued not subject to current settlement	Interest accrued not subject to current settlement

Long-Term Debt

2330	Other advances payable	Other advances payable
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CLASS I AND CLASS II MOTOR CARRIERS—CHART OF ACCOUNTS

MATRIX OF OPERATING EXPENSES

ACTIVITIES

Natural classification	ACTIVITIES									
	Control	Linehaul	Pickup and delivery	Billing and collecting	Platform	Terminal	Maintenance	Traffic and sales	Insurance and safety	General and administrative
	0	1	2	3	4	5	6	7	8	9
410 Salaries—Officers and Supervisory Personnel...	4100									
1 Officers	4110	4111	4112	4113	4114	4115	4116	4117	4118	4119
2 Terminal, Department, and Division Managers	4120	4121	4122	4123	4124	4125	4126	4127	4128	4129
3 Supervisory and Administrative Personnel	4130	4131	4132	4133	4134	4135	4136	4137	4138	4139
420 Salaries and Wages	4200									
1 Clerical and Administrative	4210	4211	4212	4213	4214	4215	4216	4217	4218	4219
2 Drivers and Helpers	4220	4221	4222							
3 Cargo Handlers	4230				4234					
4 Vehicle Repair and Service	4240	4241	4242		4244	4245	4246	4247	4248	4249
5 Owner-Operator Drivers	4250	4251	4252							
9 Other Labor	4260	4261	4262	4263	4264	4265	4266	4267	4268	4269
430 Miscellaneous Paid Time Off	4300	*4301	*4302	*4303	*4304	*4305	*4306	*4307	*4308	*4309
1 Clerical and Administrative	4310	4311	4312	4313	4314	4315	4316	4317	4318	4319
2 Drivers and Helpers	4320	4321	4322							
3 Cargo Handlers	4330				4334					
4 Vehicle Repair and Service	4340	4341	4342				4346			
5 Owner-Operator Drivers	4350	4351	4352							
9 Other Labor	4360	4361	4362	4363	4364	4365	4366	4367	4368	4369
440 Other Prizes	4400	4401	4402	4403	4404	4405	4406	4407	4408	4409
1 Federal Payroll Taxes	4410									
2 State Payroll Taxes	4420									4429
3 Workmen's Compensation	4430									4439
4 Group Insurance	4440									4449
5 Pension and Retirement Plans	4450									4459
6 Health, Welfare and Pensions	4460									4469
9 Other Prizes	4490									4499
450 Operating Supplies and Expenses	4500									
1 Fuel for Motor Vehicles	4510	4511	4512			4515	4516			
2 Oil and Lubricants for Motor Vehicles	4520	4521	4522			4525	4526			
3 Vehicle Parts	4530	4531	4532			4535	4536	4537	4538	4539
4 Vehicle Maintenance/Outside Vendors	4540	4541	4542			4545	4546	4547	4548	4549
5 Tires and Tubes	4550	4551	4552			4555	4556	4557	4558	4559
9 Other Operating Supplies and Expenses	4590	4591	4592		4594	4595	4596			
460 General Supplies and Expenses	4600									
1 Office Supplies	4610	4611	4612	4613	4614	4615	4616	4617	4618	4619
2 Tariffs and Schedules	4620							4627		
3 Advertising	4630							4637		
4 Commission Agent Fees	4640	4641	4642	4643	4644	4645		4647		
5 Solicitation Comm./Outside Fees	4650			4653	4654			4657		
6 Officers' and Supervisory Personnel Expenses	4660	4661	4662	4663	4664	4665	4666	4667	4668	4669
7 Other Employees' Expenses	4670	4671	4672	4673	4674	4675	4676	4677	4678	4679
9 Other General Supplies and Expenses	4690	4691	4692	4693	4694	4695	4696	4697	4698	4699
470 Operating Taxes and Licenses	4700									
1 Gas, Diesel Fuel & Oil Taxes (Fed)	4710	4711	4712			4715	4716			
2 Vehicle Licenses and Registration Fees—Ownership (Fed)	4720	4721	4722			4725	4726	4727	4728	4729
3 Vehicle License and Registration Fees—Usage (Fed)	4730	4731	4732			4735	4736	4737	4738	4739
4 Other Taxes (Fed)	4740									4749
5 Real Estate and Trans'l Prpt'y Taxes	4750					4755	4756			4759
6 Gasoline and Diesel Fuel and Oil Taxes (State and Other)	4760	4761	4762			4765	4766			
7 Vehicle License and Registration Fees—Ownership (State & Other)	4770	4771	4772			4775	4776	4777	4778	4779
8 Vehicle License and Registration Fees—Usage (State & Other)	4780	4781	4782			4785	4786	4787	4788	4789
9 Other Taxes—(State & Other)	4790									4799
480 Insurance	4800									
1 PL and PD Insurance	4810	4811	4812						4818	
2 Cargo Loss and Damage Insurance	4820	4821					4825			
3 Fire, Theft and Collision Insurance	4830	4831	4832						4838	
4 Insurance on Buildings and Structures	4840					4845	4846		4848	
9 Other Insurance	4890								4898	
490 Communications and Utilities	4900									
1 Communication Expenses	5110	5111	5112	5113	5114	5115	5116	5117	5118	5119
2 Utilities Expenses	5120	5121	5122	5123	5124	5125	5126	5127	5128	5129
500 Depreciation and Amortization	5000									
1 Buildings and Structures	5310					5315	5316			5319
2 Revenue Equipment	5320	5321	5322							
3 Service Cars and Equipment	5330				5334	5335	5336	5337	5338	5339
4 Shop and Garage Equipment	5340					5345	5346			
5 Furniture and Office Equipment	5350					5355	5356			5359
6 Miscellaneous Equipment	5360	5361	5362	5363	5364	5365	5366	5367	5368	5369
7 Improvements to Leasehold Property	5370					5375	5376			5379
8 Undistributed Property	5380									5389
9 Amortization	5390									5399
540 Revenue Equipment Rents and Purchased Transportation	5400									
1 Vehicle Rents with Driver	5410	5411	5412							
2 Vehicle Rents with Driver—Vehicle Portion Only	5420	5421	5422							
3 Vehicle Rents without Driver	5430	5431	5432							
4 Other Purchased Transportation—Motor Carriers	5440	5441	5442							
5 Other Purchased Transportation—Railroads	5450	5451								
6 Other Purchased Transportation—Water Carriers	5460	5461								
7 Other Purchased Transportation—Airlines and Other	5470	5471	5472							
8 Allowances to Shippers	5480		5482							
9 Equipment Rents—Credit	5490	5491	5492							
550 Building and Office Equipment Rents	5500	*5501	*5502	*5503	*5504	*5505	*5506	*5507	*5508	*5509
1 Building Operating Rents	5510					5515	5516			5519
2 Office Equipment Rents	5520	5521	5522	5523	5524	5525	5526	5527	5528	5529

CLASS I AND CLASS II MOTOR CARRIERS—CHART OF ACCOUNTS—Continued

MATRIX OF OPERATING EXPENSES
ACTIVITIES

Natural classification	Control	Linehaul	Pickup and delivery	Billing and collecting	Platform	Terminal	Maintenance	Traffic and sales	Insurance and safety	General and administrative
	0	1	2	3	4	5	6	7	8	9
570 Gain or Loss on Disposition of Operating Assets (Net)	5700									
1 Gains on Disposition of Operating Assets	5710									5710
2 Losses on Disposition of Operating Assets	5720									5720
580 Lease of Distinct Operating Units	5800									
1 Lease of Distinct Operating Unit—Debit	5810									5810
2 Lease of Distinct Operating Unit—Credit	5820									5820
590 Miscellaneous Expense	5900									
1 Joint Facility Expense—Debit	5910					5915	5916			5919
2 Joint Facility Expense—Credit	5920					5925	5926			5929
3 Professional Services—Outside	5930									5930
4 Professional Services—Affiliates	5940									5949
5 Uncollectible Revenue	5950									5950

NOTE: For Class II carriers, several natural classifications have been combined in this matrix of operating expenses. These combinations are designated by arrows to the left of the natural classifications. For example, Class II carriers shall report salaries of Officers, and Terminal, Department and Division Managers in one natural classification—4110.

An asterisk next to an account number indicates that only Class II carriers are required to use this account.

CLASS I AND CLASS II MOTOR CARRIERS—CHART OF ACCOUNTS
OTHER INCOME AND EXPENSES

Class II Accounts		Class I Accounts	
8000 Other Income/Deductions (Control)	8000	Other Income/Deductions (Control)	8000
8100 Income from Noncarrier Operations (Net)	8100	Income from Noncarrier Operations (Net)	8100
		Income from Noncarrier Operations, Expenses of Noncarrier Operations.	
8200 Interest and Dividend Income (Control)	8200	Interest and Dividend Income (Control)	8200
8210 Interest Income	8210	Interest Income	8210
8220 Dividend Income	8220	Dividend Income	8220
8400 Other Nonoperating Income (Net)	8400	Other Nonoperating Income (Net)	8400
		Other Nonoperating Income.	8410
		Other Nonoperating Deductions.	8420
		Bad Debts.	8421
		Amortization (franchises, permits and other).	8422
		Life insurance premiums (nontax deductible).	8423
		Other.	8429
8500 Gain or Loss on Disposition of Other Assets (Net)	8500	Gain or Loss on Disposition of Other Assets (Net)	8500
		Nonoperating Gains on Disposition of Assets.	8510
		Nonoperating Losses on Disposition of Assets.	8520
		Gains on Disposition of Land and Structures.	8530
		Losses on Disposition of Land and Structures.	8540
8600 Interest and Amortization of Debt Discount Expense and Premium.	8600	Interest and Amortization of Debt Discount Expense and Premium.	8600
8610 Interest Expense—Equipment Obligations.	8610	Interest Expense—Equipment Obligations.	8610
8620 Interest Expense—Advances	8620	Interest Expense—Advances.	8620
8630 Interest Expense—Bonds	8630	Interest Expense—Bonds.	8630
8640 Interest Expense—Other Long Term Obligations.	8640	Interest Expense—Other Long Term Obligations.	8640
8650 Interest Expense—Current Obligations.	8650	Interest Expense—Current Obligations.	8650
8660 Interest Expense—Matured Obligations.	8660	Interest Expense—Matured Obligations.	8660
8670 Amortization of Debt Discount and Expense.	8670	Amortization of Debt Discount and Expense.	8670
8680 Amortization of Premium on Debt-Credit.	8680	Amortization of Premium on Debt-Credit.	8680
8700 Income taxes on Ordinary Income	8700	Income Taxes on Ordinary Income (Control).	8700
		Federal Incomes Taxes.	8710
		State Income Taxes.	8720
		Other Income Taxes.	8730
8800 Extraordinary Items	8800	Extraordinary Items (Control)	8800
		Extraordinary Items (Net)	8810
		Prior Period Items (Net)	8820
		Income Taxes on Extraordinary and Prior Period Items.	8850

CLASS I AND CLASS II MOTOR CARRIERS

BALANCE SHEET ACCOUNT EXPLANATIONS

Assets

CURRENT ASSETS

1010 Cash and working funds (Class II).

This account shall include the items in accounts 1011 and 1012.

1011 Cash (Class I).

This account shall include current funds in the hands of financial officers and agents, cash in transit for which agents have been credited and deposits in banks or trust companies (including savings accounts), available on demand for general company purposes.

NOTE A: This account shall not be credited with the amount of checks or drafts until they have been transmitted to payees. Transmitted checks or drafts at the end of the accounting period, shall be credited to this account, whether outstanding or not. The cash disbursements book shall be closed at the end of a month and amounts not actually transmitted at that time shall be reflected in the appropriate liability accounts.

NOTE B: Funds (other than savings accounts) subject to withdrawal restrictions shall not be included in this account. Such funds definitely known to be available within 1 year shall be included in account 1160—Other Current Assets, for Class II carriers, and in account 1163—Other Current Assets; Other, for Class I carriers. Deposits which are not available for withdrawal within one year, shall be included in account 1510—Deferred and Miscellaneous Debits, for Class II carriers, and in account 1512—Other Deferred Debits, for Class I carriers.

NOTE C: If funds are deposited in bank accounts for special purposes, but are not restricted to such special purposes only, the amounts are includible in this account. (See also account 1023).

1012 Working funds (Class I).

This account shall include amounts advanced to officers, agents, and employees, and others as petty cash or working funds of a continuing nature from which certain expenditures are to be made and accounted for.

NOTE A: Advances to drivers and others for lodgings, meals and other expenses which are to be accounted for at the end of a trip, etc., if not advanced from a petty cash fund, shall be charged to a subdivision of account 1510—Deferred and Miscellaneous Debits, for Class II carriers, and account 1512—Other Deferred Debits, for Class I carriers, pending distribution to appropriate expense and other accounts.

1020 Special deposits (Class II).

This account shall include the items in accounts 1021, 1022, and 1023.

1021 Interest special deposits (Class I).

This account shall include cash and bank credits placed in the hands of fiscal agents or others for the payment of interest on behalf of the carriers. When interest is paid from such deposits, it shall be credited to this account and charged to the appropriate accrued or matured interest account.

1022 Dividend special deposits (Class I).

This account shall include cash and bank credits placed in the hands of fiscal agents or others for the payment of dividends on behalf of the carrier. When dividends are paid from such deposits, they shall be credited to this account.

1023 Miscellaneous special deposits (Class I).

This account shall include bank deposits subject to withdrawal for specific purposes only, and cash and bank credits placed in the hands of fiscal agents or others for special purposes (other than the payment of interest or dividends), such as deposits with Federal, State, or municipal authorities, public utilities, insurance companies, or others, as a guaranty for the fulfillment of current obligations. Entries to this account shall specify the purpose for which the deposit is made.

NOTE A: This account shall not include any assets available for general company purposes.

NOTE B: Deposits made on the purchase of operating rights, revenue equipment and other equipment, etc., shall be included in account 1510—Deferred and Miscellaneous Debits, for Class II carriers, and account 1512—Other Deferred Debits, for Class I carriers.

1030 Temporary cash investments (Class II).

This account shall include the items in accounts 1031 and 1032.

1031 Temporary cash investments; affiliated companies (Class I).

This account shall include the book cost (see instruction 18) of investments such as time drafts and time loans receivable, marketable securities, and similar investments acquired for the purpose of temporarily investing cash. Any securities included in this account must be of such a nature as to be readily convertible into cash at substantially their book value. Items included in this account shall reflect temporary cash investments in affiliated companies only.

NOTE A: Amounts carried in this account as pledged shall be shown separately from amounts unpledged.

NOTE B: There shall not be included in this account amounts properly includible in accounts 1410—Investments and Advances—Affiliated Companies or 1430—Other Investments and Advances, for Class II carriers, and in accounts 1411 to 1421 inclusive: Investments and Advances—Affiliated Companies, or 1431 to 1441 inclusive: Other Investments and Advances, for Class I carriers, for investments which the carrier intends to hold for more than 1 year.

1032 Temporary cash investments; other (Class I).

This account shall include items relating to temporary cash investments in other than affiliated companies. See account 1031 for details as to the type of items to be included.

NOTES A AND B: See account 1031.

1110 Notes receivable (Class II).

This account shall include the items in accounts 1111 and 1112.

1111 Notes receivable—officers, stockholders and employees (Class I).

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable, contracts receivable, and similar evidences (except interest coupons) from officers, stockholders and employees, of money receivable on demand or within a time not exceeding 1 year from date of issue.

NOTE A: Notes receivable from affiliated companies shall be included in account 1120—Receivables from Affiliated Companies, or account 1410—Investments and Advances—Affiliated Companies, as appropriate, for Class II carriers, and in account 1121—Loans and Notes Receivable from Affiliated Companies, or accounts 1411 to 1421 inclusive: Investments and Advances—Affiliated Companies, as appropriate, for Class I carriers.

NOTE B: The amount of notes receivable discounted, sold or transferred, unless transferred without recourse, shall be credited to account 2010—Notes Payable and Matured Obligations, for Class II carriers, and to account 2011—Notes Payable, for Class I carriers.

1112 Notes receivable—other (Class I).

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable, contracts receivable, and similar evidences (except interest coupons) from other than officers, stockholders, and employees, of money receivable on demand or within a time not exceeding 1 year from date of issue.

NOTES A AND B: See account 1111.

1120 Receivables from affiliated companies (Class II).

This account shall include the items in accounts 1121, 1122, and 1123.

1121 Loans and notes receivable from affiliated companies (Class I).

This account shall include the total of loans and notes receivable from affiliated companies (see definition 7) which are subject to current settlement (see definition 16) such as loans and drafts for which affiliated companies are liable, and notes receivable on demand or

within a time not exceeding 1 year from the date of the current financial statements.

NOTE A: On the balance sheet, receivables from affiliated companies shall be offset against payables of the same type to the same companies where this offset is consistent with the intent of the parties to settle on a net basis.

NOTE B: Items which are not subject to current settlement shall be included in accounts designated for "Investments and Advances—Affiliated Companies". (See account 1410 for Class II carriers, and accounts 1411 to 1421 inclusive, for Class I carriers.)

1122 Interest and dividends receivable from affiliated companies (Class I).

This account shall include the total of interest and dividends due from affiliated companies (see definition 7) which are subject to current settlement (see definition 16).

NOTE A: See note A, account 1121.

NOTE B: No amount representing dividends receivable shall be included in this account unless the dividends have been declared or guaranteed.

NOTE C: See note B, account 1121.

1123 Accounts receivable from affiliated companies (Class I).

This account shall include the total of accounts receivable from affiliated companies (see definition 7) which are subject to current settlement (see definition 16) such as balances in open accounts for services rendered, material furnished, interline accounts, claims, rent for use of property and similar items.

NOTE A: See note A, account 1121.

NOTE B: See note B, account 1121.

1131 Accounts receivable; customers and interline (Classes I and II).

This account shall include amounts currently due from customers for transportation, storage, packing, and other charges incidental to transportation, and for advances to other carriers and warehouses for the account of customers; and amounts due from customers as rent for revenue equipment.

This account shall also include amounts currently due from agents and other carriers for transportation charges; charges incidental to transportation; balances due from other carriers representing interline freight accounts; amounts due from other carriers as rent for revenue equipment and the balances in current accounts due from agents and representatives charged with the collection or custody of current transportation revenues.

NOTE A: The amounts of accounts receivable discounted, that have been sold or transferred (unless transferred without recourse) shall be credited to account 2034—Accounts Payable; Other.

1133 Accounts receivable; officers, stockholders, and employees (Classes I and II).

This account shall include amounts currently due from officers, stockholders and employees and net balances in current accounts due from drivers and other employees, charged with the collection or custody of current transportation revenues.

NOTE A: The amounts of accounts receivable discounted, that have been sold or transferred (unless transferred with recourse) shall be credited to account 2034—Accounts Payable; Other.

NOTE B: Amounts advanced to officers, employees or other as petty cash or working funds shall be included in account 1010—Cash and Working Funds, for Class II carriers, and in account 1012—Working Funds, for Class I carriers. Amounts advanced to drivers and other employees for lodgings, meals, and similar expenses shall be included in account 1510—Deferred and Miscellaneous Debits, for Class II carriers, and in account 1512—Other Deferred Debits, for Class I carriers pending distribution to appropriate expense and other accounts.

NOTE C: The part of prepaid premiums which is payable by the carrier's employees under a group insurance plan shall be debited to this account until such amounts are collected by way of wage deductions or other arrangements with the employees.

1135 Accounts receivable; other (Classes I and II).

This account shall include amounts due from others (except items provided for in accounts 1120, 1131, and 1133 for Class II carriers and in accounts 1121, 1122, 1123, 1131, and 1133, for Class I carriers), that are subject to current settlement (see definition 16) for material and supplies furnished and services rendered (except transportation charges, and charges incidental to transportation), including use of property, other matured rents, amounts owing by public authorities, amounts of collectible judgments, and other accounts and claims upon which responsibility is acknowledged by solvent concerns or individuals.

NOTE A: The amounts of accounts receivable discounted, that have been sold or transferred (unless transferred without recourse), shall be credited to account 2034—Accounts Payable; Other.

1138 Allowance for uncollectible accounts (Classes I and II).

This account shall be credited each month with amounts reserved from receivables which may become uncollectible, and shall be maintained in such manner as to show the amount of each separate reserve set out below and the amounts of debits and credits thereto:

(1) Allowance for receivables representing carrier operating revenue. Credits to this subdivision shall be concurrently charged to account 5950—Uncollectible Revenue.

(2) Allowance for receivables applicable to revenue from noncarrier operations and property. Credits to this subdivision shall be concurrently charged to account 8100—Income from Noncarrier Operations—Net, for Class II carriers, and account 8120—Expenses of Noncarrier Operations, for Class I carriers.

(3) Allowance for uncollectible receivables other than revenues. Credits to this subdivision shall be concurrently charged to account 8400—Other Nonoperating Income (Net), for Class II carriers, and account 8421—Bad Debts, for Class I carriers.

1140 Prepayments (Class II).

This account shall include the items in accounts 1141, 1142, 1143, 1144, 1145, 1146, and 1147.

1141 Prepaid taxes and licenses (Class I).

This account shall include the current portion of expenses paid or incurred in advance, the benefits of which are to be realized in subsequent periods. Entries shall be made each month, transferring to the appropriate expense or other account the portion of each current prepayment which is applicable to that month.

NOTE A: Prepayments of minor items may be charged directly to the appropriate expense or other account.

NOTE B: The long-term portion (in excess of 1 year) of prepayments shall be included in account 1510—Deferred and Miscellaneous Debits (Class II) and account 1512—Other Deferred Debits (Class I).

NOTE C: The portion of unexpired license fees for licenses disposed of in the sale of revenue equipment, as far as they were prepaid, shall be credited to this account, when the vendee can use such licenses. The expense portion shall be credited to the appropriate account of series 4700—Operating Taxes and Licenses.

1142 Prepaid insurance (Class I).

For explanation, see account 1141. (See also instruction 22, note A.)

NOTE A: See note A, account 1141.

NOTE B: See note B, account 1141.

NOTE C: Under an employees' group insurance plan where a part of the premiums is payable by the employees, the prepayments on premiums included in this account shall be limited to the carrier's portion of the premium (see account 1333, note C). (Premiums paid on a monthly reporting basis, shall be charged directly to account 4490—Other Fringes (Class II) and account 4440—Group Insurance (Class I).)

1143 Prepaid interest (Class I).

For explanation, see account 1141.

NOTE A: See note A, account 1141.

NOTE B: See note B, account 1141.

1144 Prepaid rents (Class I).

For explanation, see account 1141.

NOTE A: See note A, account 1141.

NOTE B: See note B, account 1141.

NOTE C: A fee paid to a rental agent for leasing operating property to others shall be included in this account and prorated to the appropriate operating expense account, when considerable in amount. Small fees are chargeable directly to the operating expense account.

NOTE D: The cost of improvements to leased property for which the carrier is reimbursed by deducting a certain amount from the monthly rental payments over the remaining term of the lease, shall be included in this account, and the subsequent reduction in each monthly rent bill shall be credited to this account.

1145 Prepaid stationery and printed matter (Class I).

For explanation, see account 1141.

NOTE A: See note A, account 1141.

1146 Prepaid tires and tubes (Class I).

For explanation, see account 1141.

NOTE A: See note A, account 1141.

NOTE B: (1) The costs of tires and tubes for revenue equipment, including taxes, may, at the time of original application to vehicles, be debited either to this account or directly to account 4550—Tires and Tubes (Classes I and II).

(2) The full value of tires and tubes furnished by the vendor with newly acquired revenue equipment may also be debited to this account. A prorated portion of the costs of tires and tubes debited to this account, based on mileage or other equitable method of apportionment, shall be transferred each month to the appropriate expense account.

NOTE C: The undistributed service value, included in this account, of tires and tubes that are sold or traded-in with vehicles, or which are destroyed or otherwise disposed of, shall be credited to this account.

1147 Miscellaneous prepayments (Class I).

For explanation see account 1141.

NOTE A: See note A, account 1141.

NOTE B: The cost of toll coupon books, transportation script, etc., shall be reflected in this account until issued for use, at which time the amounts shall be debited to account 4590—Other Operating Supplies and Expenses and accounts 4660—Officers' and Supervisory Personnel Expenses or 4670—Other Employees' Expenses, as appropriate. Gasoline coupon books or oil coupons, etc., shall be debited to the expense accounts provided for such products, when they are issued for use.

1151 Material and supplies (Classes I and II).

(a) This account shall include the cost (less cash or other discounts when they can be determined), of all unapplied materials and supplies used in carrier and noncarrier operations including tools, repair parts, fuel, tires, and tubes, deposits on containers, etc. The cost shall include all specifically assignable transportation charges incurred in obtaining the delivery of such materials and supplies upon the premises of the carrier including loading and unloading, and at the option of the carrier, it may include a suitable proportion of purchasing and store expenses. The cost shall also include sales and excise taxes on material purchases.

Sales and excise taxes on gasoline, other motor fuel, and motor oil are also includible in this account and prorated portions of such taxes shall be debited to accounts 4710 and 4760, as appropriate, based on the consumption of gasoline, other motor fuel, and motor oil. (See account 2111.)

(b) When any materials or supplies which have been charged to this account are issued for use, credit this account and charge the appropriate construction, operating expense, or other account with the cost of these items. Such amount may be based upon the average cost of all items of a given type included in this account at the beginning of the period.

(c) Materials recovered in connection with construction, maintenance, or the

retirement of property shall be charged to this account as follows:

(1) Reusable materials shall be included in this account at a value not to exceed cost, estimated if not known.

(2) Scrap and nonusable materials including obsolete parts shall be carried at the estimated salvage value. So far as practical, the difference between the amount realized from sale or disposal and the amounts at which the materials are carried in this account shall be adjusted in the accumulated depreciation accounts, or other accounts which were credited when the materials were charged to this account.

(d) The cost, including taxes, of gasoline, oil, etc. purchased in connection with the operation of a filling station shall be charged to this account. (See paragraph (b) for such materials issued for use in motor carrier operations). When material is issued for sale, credit this account with its cost, and account 3900—Other Operating Revenue, for any profit. The expenses incurred in operating the filling station shall be included in the appropriate operating and maintenance expense accounts.

NOTE A: Interest charged on invoices for materials and supplies, the payment of which is delayed, shall be charged to account 5650—Interest Expense—Current Obligations.

NOTE B: Inventories of materials and supplies shall be taken at intervals of 1 year or less, and the necessary adjustment shall be made to bring this account into harmony with the actual physical inventory. In effecting this adjustment, differences which may practically be assigned to important classes of materials shall be equitably distributed among the accounts to which such classes of materials are ordinarily chargeable. Other differences shall be equitably apportioned among the operating expense accounts to which materials have been charged since the last inventory. Such differences that cannot be allocated to the operating expense accounts shall be included in account 4690—Other General Supplies and Expenses.

NOTE C: Credits for cash and other discounts that cannot be applied directly to the cost of materials to which they apply shall be included in account 4690—Other General Supplies and Expenses.

NOTE D: Stationery and printed matter should be charged to account 1140 for Class II carriers or account 1145 for Class I carriers.

NOTE E: Carriers which maintain relatively small stocks of unapplied material and supplies may charge the cost of purchases directly to the appropriate expense account, provided that an actual physical inventory is taken and adjustments are made as set out in Note B of this account.

NOTE F: The proceeds from the sale of junked materials and parts, that were not recorded in this account, when removed from service, shall be credited to the appropriate expense accounts, which were originally charged with the cost of such materials and parts.

1160 Other current assets (Class II).

This account shall include the items in accounts 1161, 1162, and 1163.

1161 Subscribers to capital stock (Class I).

(a) This account shall include the balances due from subscribers upon legally enforceable subscriptions of capital stock.

(b) The amount of each subscription shall be charged to this account at the time the subscription is accepted. Concurrently there shall be credited to account 2610—Capital Stock, for Class II carriers, and account 2613—Subscribed Capital Stock, for Class I carriers, the par or stated value of the stock subscribed or the agreed purchase price in the case of nonpar stock without a stated value. Appropriate entries shall likewise be recorded with respect to any discount or premium on par value stock or nonpar value stock with a stated value.

NOTE A: The records supporting the entries to this account shall be kept so that the corporation can furnish the name and address of each subscriber, the amount and kind of capital stock subscribed, the date of subscription, the date that each payment is due and the date that each is paid, the nature of each payment (whether cash or other consideration), and any other information that is necessary to make the history of the subscription complete.

1162 Interest and dividends receivable (Class I).

This account shall include the amount of current interest accrued on bonds, mortgages, notes, and other commercial paper owned, on loans made, open accounts, bank deposits, etc.; and the amount of dividends receivable on stocks owned. (See instruction 13.)

NOTE A: Interest and dividends receivable from affiliated companies shall be included in account 1120—Receivable from Affiliated Companies for Class II carriers and account 1122—Interest and Dividends Receivable from Affiliated Companies, for Class I carriers.

NOTE B: Interest which is not subject to current settlement shall be included in the same account as the principal from which the interest arises.

NOTE C: No amount representing dividends receivable shall be included in this account unless they have been declared or guaranteed.

NOTE D: No interest or dividends on securities or obligations issued or assumed by the carrier shall be included in this account.

1163 Other current assets; other (Class I).

This account shall include the amount of all current assets (see definition 16) not includible in any of the foregoing current asset accounts, including the cost of property purchased for resale (such as cattle, real estate, automobiles, furniture, etc.), and the estimated value of property acquired in connection with the settlement of cargo loss and damage claims, pending disposition. When the property is sold, any difference between the value carried in this account and the sales price shall be debited or credited to account 2130 (Class II) or account 2173 (Class I).

TANGIBLE PROPERTY

1210 Land and structures (Class II).

This account shall include the items in accounts 1211 and 1213.

1211 Land (Class I).

(a) This account shall include the cost (see instruction 19) of land used directly

in connection with the motor carrier operations of the carrier.

(b) The cost of buildings and other improvements (other than public improvements) shall not be included in this account. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are subsequently devoted to carrier operations, Class I carriers shall appraise separately the land and improvements and allocate the cost to this account and to account 1213—Structures, on the basis of the appraisals. If the improvements are removed or wrecked prior to use of the property in carrier operations, the cost of the improvements to the carrier, together with the cost of removing or wrecking, less salvage recovered, shall be included as part of the cost of the land.

(c) Carriers shall keep their records so as to show separately the cost of each parcel of land, its description, date of acquisition and the purpose or purposes for which used in motor carrier operations.

ITEMS

Campground for employees on vacation, cost of.

Condemnation proceedings, including court costs and special counsel fees.

Consents and abutting damages, payment for. Conveyances' and notaries' fees.

Fees and commissions to brokers and agents. Land, cost of.

Special assessments on the basis of benefits for new roads, new bridges, new pavements, new sewers, and other public improvements (excluding interest on deferred payments and taxes for maintenance of such improvements).

Surveys.

Taxes assumed accrued prior to date of transfer of title.

Title, examining, registering, clearing, insuring and defending against claims relating to period prior to purchase.

NOTE A: When land is acquired in excess of that required for motor carrier operations, or for which there is no definite plan to use it in such service within 1 year, the cost of such land shall be charged to account 1261—Property Used in Other Than Carrier Operations. If land originally charged to that account is later used for motor carrier operations, it shall be transferred to this account (1211) at its cost when acquired. (See instruction 20.)

NOTE B: Assessments for public improvements upon which payments are deferred shall be charged to this account in full and the unpaid balance carried in account 2334—Other Long Term Obligations. Interest on unpaid balances shall be charged to account 8640—Interest Expense—Other Long Term Obligations.

NOTE C: Land rights, easements, long-term and perpetual leases and similar items shall not be recorded in this account, but in account 1341—Other Intangible Property. Amortization thereof shall be accounted as provided in account 1342—Accumulated Amortization—Other Intangible Property.

1213 Structures (Class I).

(a) This account shall include the cost in place (see instruction 19) of structures used in motor carrier operations for such purposes as general offices,

shops, garages, terminals, loading platforms, and the like situated on owned land. This includes buildings or constructions to house, support, or safeguard property or persons, with all appurtenant fixtures permanently attached thereto, and improvements to owned land, and other structures or constructions situated on land, the investment in which is included in account 1211—Land.

(b) Carriers shall keep their records so as to show separately the cost of each structure included in this account and the purpose or purposes for which used in motor carrier operations.

ITEMS

Architect's plans.
Ash pits.
Awnings.
Boilers, furnaces, piping, wiring, fixtures and machinery for heating, lighting, signaling, ventilating, and plumbing.
Bridges and culverts.
Chimneys.
Commissions and fees to brokers, agents, architects, and others.
Conduits (not to be removed).
Damages to abutting property during construction.
Door checks and door stops.
Drainage and sewerage systems.
Elevators, cranes, hoists, etc., and the machinery for operating them.
Excavation, including shoring, bracing, bridging, refill and disposal of excess excavated material.
Fences and hedges.
Fire protection systems.
Floor covering (permanently attached).
Foundations and piers for machinery constructed as a permanent part of a building or other unit listed herein.
Grading and preparing grounds for buildings, including landscaping of grounds after construction.
Leases, voiding, to secure possession of structures.
Long-term leases, capitalized.
Oils pits and drainage systems.
Outside lighting systems.
Painting, first.
Permits and privileges, building.
Platforms, railings, gratings and partitions, when constructed as part of structures.
Power boards for service to a building.
Railroad spur tracks on owned land.
Refrigerating systems.
Retaining walls.
Scales, connected to and forming part of the structure.
Screens.
Signs, permanent; on carrier's buildings.
Sidewalk, pavements and driveways on building grounds.
Sprinkling systems.
Storage facilities constituting part of the building.
Storage tanks, underground or attached to structures.
Storm doors and windows.
Structures, cost of.
Subways, areaways, and tunnels, directly connected to and forming part of the structure.
Towers and antennae for communication equipment used in dispatching.
Vacation camp, structures on.
Vaults, constructed as part of the building.
Water supply system for building or general company purposes.
Window shades and ventilators.
Wiring for office equipment if made a part of a structure.

NOTE A: In the event that long-term leases on any item includable in this account are capitalized herein (see account 2333) records

shall be maintained so as to show separately the cost of owned property and property capitalized under a long term lease.

NOTE B: The cost of specially provided foundations not expected to outlast the machinery or apparatus for which they are provided, and the cost of angle irons, castings, etc. installed at the base of an item of equipment shall be charged to the same account as the cost of the machinery or equipment.

NOTE C: When part of a structure is removed in order to build an extension thereto, the accounting therefor shall be in accordance with instruction 19(b).

NOTE D: The cost of structures under construction shall be carried in account 1230—Other Carrier Property (Class II), and account 1245—Unfinished Construction (Class I), until ready for service.

1214 Accumulated depreciation—structures (Classes I and II).

(a) This account shall be credited with the following:

(1) Amounts charged each month to the 5300 series of accounts—Depreciation and Amortization, for currently accruing depreciation (see definition 21) of structures as part of carrier operating property as provided in instruction 23.

(2) If applicable the amount of depreciation accrued by vendor or predecessor companies to date of transfer applicable to structures acquired as part of a distinct operating unit as provided in instruction 20.

(3) The amount of depreciation accrued to the date of transfer, applicable to property transferred from account 1261—Property Used in Other Than Carrier Operations to the preceding asset account, or account 1230—Other Carrier Property (Class II) and account 1251—Carrier Operating Property Leased to Others (Class I).

(b) Retirement accounting shall be performed in accordance with instruction 21, when structures are retired.

NOTE A: Records shall be kept so as to show separately the amount of accumulated depreciation for owned property and property capitalized under a long term lease.

1221 Revenue equipment (Classes I and II).

(a) This account shall include the cost (see instruction 19) of all units of revenue freight equipment, the cost of repairs, overhauling, painting, lettering, and the first set of accessory equipment necessary to fit them for service, excluding tires and tubes (see Note B under account 1146—Prepaid Tires and Tubes). The term "revenue freight equipment" includes body and chassis and all fixtures and appliances inside of or attached to the body or chassis.

(b) If revenue freight equipment is purchased in a condition ready for service, the charge to this account shall include the invoice or contract price (excluding tires and tubes) less fleet and other discounts, if any, plus freight, excise and sales taxes, insurance in transit, unloading costs and other expenses incurred in obtaining delivery of the vehicles upon the premises of the carrier, such as driveway charges, and the cost of painting and lettering and of any additions or attachments made after delivery.

Interest, insurance or other expense incurred under any plan of purchase involving deferred payments shall not be included in this account.

(c) This account may also include the cost of spare engines and other major units carried on hand for the purpose of temporarily replacing similar units taken into the shop for overhauling, repairing, or any other reason.

(d) Carriers shall keep their records so as to show separately the cost of each unit of equipment included in this account.

ITEMS

Accessory equipment, first set of (such as: directional signals, fire extinguishers, heaters, jacks, lumber rollers, safety kits, tire gauges, tool kits, etc.).
Advisory fees in connection with the purchase of revenue equipment.
Automobiles (used to transport freight).
Containers (lift vans and related wheel assemblies).
Fifth wheels.
Radio communication equipment on revenue vehicles.
Refrigeration units.
Road dollies.
Rigging equipment.
Sanders.
Semitrailers.
Special tarpaulins (house tops) for revenue vehicles.
Tractors.
Trailers.
Trucks (freight or hoist).
Truck-tractors.

NOTE A: See Note A, account 1213.

NOTE B: Accessorial equipment which replaces original equipment shall be charged to account 4530—Vehicle Parts.

NOTE C: The net cost of replacement of an old gasoline engine with a new one is chargeable to account 4530—Vehicle Parts. If a diesel engine is substituted, the betterment (the amount by which the cost of the diesel engine exceeds the cost, at current prices, of a gasoline engine similar to the one removed) is includable in this account. The balance of the cost of the diesel engine, plus replacement expenses, less salvage from the old engine shall be charged to account 4530.

NOTE D: When revenue vehicles are purchased by the carrier for the purpose of resale, the cost of the vehicle shall be charged to accounts 1160—Other Current Assets (Class II) and 1163—Other Current Assets (Class I). When the vehicle is sold, retirement accounting shall be performed as outlined in instruction 21(a).

1222 Accumulated depreciation—revenue equipment (Classes I and II).

This account shall be credited as provided in the explanation for account 1214. Entries in this account shall reflect transactions relating to revenue equipment only.

NOTE A: See Note A, account 1214.

1223 Service cars and equipment (Classes I and II).

(a) This account shall include the cost (see instruction 19) of automobiles and other vehicles used in conducting motor carrier operations, and of automotive vehicles used in keeping revenue vehicles in operation, such as wreckers and trouble wagons for servicing revenue vehicles on the road. This account

shall also include the cost of the first set of appliances or accessory equipment, including tires and tubes, necessary to fit such vehicles for service, such as cranes, hoists, and other appliances, devices and tools forming the equipment of service cars, as well as the cost of painting, lettering and of any attachments or additions made after delivery.

(b) Carriers shall keep their records so as to show separately the cost of each unit of property (see definition 37) included in this account.

ITEMS

- Airplanes (for use in carrier operations by company officials and employees).
- Automobiles.
- Buses for transportation of employees.
- Emergency repair vehicles and appliances.
- Radio communication equipment on service vehicles.
- Refueling cars.
- Road graders (to make private roads passable for revenue equipment).
- Sand and salt cars.
- Snow-fighting vehicles and equipment.
- Snow plows for use on revenue or service equipment.
- Spare units for service vehicles, on hand in shop (optional).
- Tow cars, wreckers, and appliances.

NOTE A: See Note A, account 1213.

1224 Accumulated depreciation—service cars and equipment (Classes I and II).

This account shall be credited as provided in the explanation for account 1214. Entries in this account shall reflect transactions relating to service cars and equipment only.

NOTE A: See Note A, account 1214.

1230 Other carrier property (Class II).

This account shall include the items in accounts 1233, 1235, 1237, 1241, 1243, 1245, and 1251.

NOTE A: See Note A, account 1213.

1232 Accumulated depreciation and amortization—other carrier property (Class II).

This account shall include the items in accounts 1234, 1236, 1238, 1243, 1244, and 1252.

NOTE A: see Note A, account 1214.

1233 Shop and garage equipment (Class I).

(a) This account shall include the installed cost (see instruction 19) of machinery and equipment (other than office furniture and equipment) used in shops and garages when such machinery and equipment is not an integral part of the housing structure, together with specially provided foundations and settings not expected to outlast the machinery mounted thereon.

(b) Records shall be kept so as to show separately the cost of each major item of equipment.

(c) If the carrier has shops or garages at more than one location, the records shall be maintained to reflect the carrier's investment at each location.

ITEMS

- Air compressors and hose, gauges, and tanks.
- Battery charging outfits.

- Boring or reaming machines.
- Car washing equipment.
- Cranes and hoists (portable).
- Creepers.
- Drill presses.
- Electric equipment.
- Engines and boilers.
- Gasoline and oil pumps and portable tanks.
- Greasing racks and pumps.
- Grinders.
- Jacks.
- Lockers.
- Machine tools.
- Motor driven hand tools.
- Motor starters.
- Oil reclaiming machines.
- Paint sprayers.
- Pneumatic tools.
- Storage bins and shelving (movable).
- Store room equipment (except office furniture and equipment).
- Stoves.
- Testing apparatus.
- Tire changing equipment.
- Vises.
- Vulcanizing equipment.
- Weighing devices (portable).
- Wiring for shop equipment (movable).
- Work benches.

NOTE A: See note A, account 1213.

NOTE B: The cost of small portable tools and implements of slight value or short life, other than those included in the initial equipment of a shop or garage, shall be charged to account 4590—Other Operating Supplies and Expenses.

NOTE C: The cost of cranes, hoists and other appliances, devices and tools forming the equipment of wreckers, service cars, etc., shall be charged to account 1223—Service Cars and Equipment.

1234 Accumulated depreciation—shop and garage equipment (Class I).

This account shall be credited as provided in the explanation for account 1214. Entries in this account shall reflect transactions relating to shop and garage equipment only.

NOTE A: See note A, account 1214.

1235 Furniture and office equipment (Class I).

(a) This account shall include the installed cost (see instruction 19) of furniture and appliances used in general offices, garage, terminal, and other offices when such equipment is not an integral part of the housing structure.

(b) The records shall be maintained to reflect the carrier's investment in furniture and office equipment by type of use.

(c) If the carrier operates or owns auxiliary terminal facilities such as restaurants for employees, the cost of owned equipment therein shall be charged to this account and carried under a special subdivision entitled "Furniture and Office Equipment—Special Facilities."

ITEMS

- Accounting machines.
- Air conditioners.
- Bookcases.
- Calculators.
- Cash registers.
- Chairs, stools, and benches.
- Clocks.
- Communication systems (interoffice and central office two-way radio equipment).
- Computers.
- Counters.
- Desks.

- Equipment in rest, dining, recreation, and medical rooms.
- Fans, electric.
- Filing cabinets.
- Fire extinguisher equipment.
- Floor coverings (movable).
- Heaters and lamps (movable).
- Kitchen equipment.
- Lighting fixtures (movable).
- Lockers.
- Loud speaker system.
- Office equipment (mechanical).
- Partitions and railings (movable).
- Restaurant equipment.
- Safes (movable).
- Showcases and shelves.
- Tables and counters.
- Teletypewriters.
- Time clocks.
- Typewriters.
- Vacuum cleaners.
- Water coolers.
- Wiring for office equipment (movable).

NOTE A: See note A, account 1213.

NOTE B: Small articles of slight value or of short life (see instruction 19(c)) shall be charged to the appropriate expense accounts.

1236 Accumulated depreciation—furniture and office equipment (Class I).

This account shall be credited as provided in instructions for account 1214. Entries in this account shall reflect transactions relating to furniture and office equipment only.

NOTE A: See note A, account 1214.

1237 Miscellaneous equipment (Class I).

(a) This account shall include the cost (see instruction 19) of motor carrier equipment (such as miscellaneous wheeled equipment used at terminals and loading platforms in connection with handling traffic), drive-away equipment, airplanes and pleasure boats used to entertain customers.

(b) Records shall be maintained so as to show separately the cost of each major item of equipment. (See instruction 19(c).)

ITEMS

- Airplanes.
- Blocks and falls.
- Boats (pleasure).
- Canvas covers (tarpaulins).
- Chain hoists.
- Cranes (not installed on revenue vehicles).
- Dollies (platform).
- Equipment used in vacation camps for employees.
- Fork trucks.
- Hamper trucks.
- Hand trucks.
- Lift trucks.
- Mechanical loading devices.
- Pallets.
- Platform trucks and tractors.
- Rollers.
- Ropes and cables.
- Scales.
- Signal equipment.
- Signs (electric and portable).
- Skidboards.
- Tow bars, governors, and brake controls (drive-away operations).
- Weighing devices.

NOTE A: See note A, account 1213.

1238 Accumulated depreciation—miscellaneous equipment (Class I).

This account shall be credited as provided in the explanation for account

1214. Entries in this account shall reflect transactions relating to miscellaneous equipment only.

NOTE A: See note A, account 1214.

1241 Improvements to leasehold property (Class I).

(a) This account shall include, except as provided in paragraph (b) of this account, the cost to the carrier of initial improvements (including rearrangements, additions, and betterments) to property used in its motor carrier operations (for items affected, see accounts 1210 through 1237), and held under lease or through control of the carrier owning the property, and the cost of any subsequent additions to and betterments of such leased or controlled property but not including replacements.

(b) When the cost of alterations to leased property used in motor carrier operations otherwise chargeable to this account is not in excess of \$200 or the period of the lease is less than 1 year, the cost may be charged to the accounts chargeable with the cost of such repairs to such property. (See instruction 19 (c).)

NOTE A: If the lease agreement provides that structures or other improvements placed on leased property by the lessee shall remain the property of said lessee and may be removed at the expiration of the lease, the investment in such improvements and depreciation accruals thereon shall be transferred to the appropriate accounts at that time.

NOTE B: Improvements to leasehold property which is leased for less than 1 year shall be charged to account 4590—Other Operating Supplies and Expenses.

1242 Accumulated amortization—improvements to leasehold property (Class I).

Amortization in improvements to property used in carrier operations and held under lease or through control of the carrier owning the property shall be accounted for in the same manner as for other owned depreciable property. (See instruction 23 (c).)

1243 Undistributed property (Class I).

When a carrier purchases or sells any property constituting a distinct operating unit (see definition 23) or otherwise finds it necessary because of incomplete financial records to make a general readjustment of operating property records, temporary debits or credits to this account may be made with approval of the Commission, and the distribution of the amounts involved shall be made promptly to the appropriate accounts after authorization by the Commission.

1244 Accumulated depreciation—undistributed property (Class I).

Depreciation on items carried in account 1243—Undistributed Property, shall be accounted for in the same manner as for other depreciable property. Balances in this account shall be distributed to the appropriate accumulated depreciation accounts at the same time as the related balances in account 1243 are distributed to the appropriate carrier operating property accounts.

1245 Unfinished construction (Class I).

(a) This account shall include the cost of carrier operating property under construction but not ready for service. It shall include all elements of cost as set forth in instruction 19.

(b) When the construction of property has been completed, the amount representing its costs, accumulated in this account, shall be transferred to the appropriate carrier operating property account.

NOTE A: This account is primarily intended to include only charges for new construction not involving any replacement. If, however, at the beginning of a job involving the replacement or retirement of any operating property, the accounting carrier makes full credits therefor to the appropriate property accounts, the cost of rebuilding property or of installing new property in substitution or replacement, may be carried in this account pending completion of the work. (See also instruction 19(b) and account 1512—Other Deferred Debits.)

NOTE B: The cost of used operating equipment (less the value of tires and tubes in the case of revenue equipment) and the additional expense of remodeling shall be debited to this account when the acquired equipment is being remodeled or converted immediately after the purchase. Upon completion of the work the total cost shall be transferred to the appropriate account 1221 or 1229. Equipment acquired for future remodeling or conversion shall be carried in account 1512—Other Deferred Debits and shall be transferred to this account when reconstruction work has begun.

1251 Carrier operating property leased to others (Class I).

(a) This account shall include the cost (see instruction 19) of carrier operating property owned by the carrier but leased to others as part of a distinct operating unit (see definition 23) or system for use in motor carrier operations, where the lessee has exclusive possession.

(b) This account shall be subdivided to reflect separately the investment in each carrier operating property account.

NOTE A: Carrier operating property included in the temporary lease of a distinct operating unit pending sale shall not be transferred to account 1251.

NOTE B: See note A, account 1213.

1252 Accumulated depreciation—carrier operating property leased to others (Class I).

Depreciation on items carried in account 1251—Carrier Operating Property Leased to Others, shall be accounted for in the same manner as for other owned depreciable carrier operating property.

NOTE A: See note A, account 1214.

1261 Property used in other than carrier operations (Classes I and II).

This account shall include the book cost of land, structures and equipment owned by the carrier but used in operations other than motor carrier operations, and not provided for in carrier operating property accounts 1210 to 1251 (inclusive). (See instruction 19(d).) Investments in other businesses, which are treated as divisions of one organization

with one set of books, shall also be included in this account.

NOTE A: See note A, account 1213.

NOTE B: Investments in vehicles which are leased to others without drivers, and over which the carrier does not retain any measure of control, shall be included in this account when not used interchangeably in carrier operations. Rental income from and any expenses for such vehicles shall be included in account 8100 (Class II) or accounts 8810 (Class I) and 8820 (Class I). (See account 5820 for vehicles representing component elements of a distinct operating unit.)

1262 Accumulated depreciation—property used in other than carrier operations (Classes I and II).

This account shall include amounts accumulated for depreciation and amortization of properties carried in account 1261. (See instruction 23(e), see also accounts 8100 and 8500.)

NOTE A: See note A, account 1214.

INTANGIBLE PROPERTY

1310 Organization, franchises, and permits (Class II).

This account shall include the items in accounts 1313, 1321, and 1331.

1312 Accumulated amortization—organization, franchises, permits (Class II).

This account shall include the items in accounts 1314, 1322, and 1332. (See instruction 23(d).)

1313 Organization (Class I).

(a) This account shall include fees paid to State or other governmental authority for the privilege of incorporation, and expenditures incident to organizing the corporation, partnership, or other enterprise, and putting it into readiness to do business.

(b) When charges are made to this account for organization expenses incurred in mergers, consolidations, acquisitions, or reorganizations, amounts previously included herein on the books of the retiring companies shall not be carried over. If such items represent part of the assets acquired, they shall be included in account 1341—Other Intangible Property. (See instruction 20.)

ITEMS

Fees and expenses for incorporation or forming a partnership.

Fees and expenses for mergers or consolidations.

Office expenses incident to organizing the company.

Stock and minute books and corporate seal.

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance or sale of stock. (See instruction 16 and 17 and accounts 2632—Discount on Capital Stock, and 2633—Commission and Expense on Capital Stock.)

NOTE B: Exclude from this account, and include in account 5930 Professional Services—Outside, the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off.

1314 Accumulated amortization—organization (Class I).

(a) This account shall be credited with amounts charged to series 8400—Other Non-Operating Income, or other appropriate account, for amortization or write-off of the first cost of organization. (See account 1313.)

(b) Retirement accounting, when applicable, shall be performed as provided in instruction 21 (b).

1321 Franchises (Class I).

(a) This account shall include amounts actually paid to a State or political subdivision thereof, or to other governmental authorities in consideration of franchises, consents, or certificates representing the cost of acquisition of operating rights and running in perpetuity or for a specified term of more than 1 year.

(b) This account shall also be charged with expenditures incident to applications for franchises, consents or certificates, if such applications are acted upon favorably by the regulatory body, including fees for legal and auditing services, expenses of witnesses, cost of newspaper and other advertisements, etc., and pay and expenses of employees engaged in preparing exhibits and other data for hearings. (See Note B.)

(c) When a franchise, consent or certificate is acquired by assignment, the charge to this account shall not exceed its actual cost to the original holder thereof as set out in paragraphs (a) and (b) of this account. Payments by the acquiring carrier in excess of the cost to the original holder, together with any expenses incurred by it in effecting the transfer, shall be debited to account 1341—Other Intangible Property. (See however, instruction 20.)

(d) This account shall be maintained to reflect separately perpetual and fixed term franchises.

NOTE A: Regularly recurring payments made to any political subdivision for the right to conduct motor carrier operations within its boundaries shall be charged to the 4700 series of accounts: Operating Taxes and Licenses.

NOTE B: If an application for a franchise, consent, or certificate is denied, expenditures incident to the application shall be charged to account 8400—Other Nonoperating Income (Net), for Class II carriers, and account 8429—Other Nonoperating Deductions—Other, for Class I carriers.

1322 Accumulated amortization—franchises (Class I).

(a) This account shall be credited with amounts charged to account 5390—Amortization or other appropriate account for amortization of the cost of acquiring franchises, consents or certificates having a fixed term life.

This account shall also be credited with amounts charged to account series 8400—Other Nonoperating Income (Net), or account series 8800—Extraordinary Items, as appropriate, for amortization or writeoff of the cost of acquiring such items, which do not have a fixed term life. (See instructions 23 (d) and 29.)

(b) When any franchise, consent, or certificate expires, is sold or relinquished, or is otherwise retired from service, this account shall be charged with the amount previously credited hereto in respect of such property, and retirement accordingly shall be performed as provided in instruction 21 (b).

(c) This account shall be maintained in such manner as to show the nature and amounts of debits and credits thereto.

1331 Permits and patents (Class I).

This account shall include the cost (see instruction 19) of permits, patent rights, licenses, and privileges necessary or valuable to the economical conduct of motor carrier or noncarrier operations, and which have a life of more than 1 year from the date they become effective.

1332 Accumulated amortization—permits and patents (Class I).

(a) This account shall be credited with amounts charged to account 5390—Amortization, account series 8400—Other Nonoperating Income (Net) (Classes I and II), or account series 8800—Extraordinary Items, as appropriate, for the amortization or writeoff of the cost of acquiring permits, patents, licenses, and privileges with either a fixed term or perpetual life.

(b) When any right or license included in account 1331 expires or is canceled and is not immediately renewed, is sold, or otherwise disposed of, retirement accounting shall be performed as provided in instruction 21 (b).

1341 Other intangible property (Classes I and II).

(a) This account shall include any intangibles not provided for elsewhere, including the undistributed portions of the purchase cost of a transportation system or portion thereof, constituting a distinct operating unit (see definition 23) not includible in specific accounts provided for assets acquired or liabilities assumed. (See instruction 20.)

(b) This account shall also include the first cost (including transfer fees paid for obtaining a lease from the original lessee), of acquiring long-term and perpetual leaseholds of land and easements, but not rents payable periodically in consideration of rights so obtained.

NOTE A: Tax benefits realized as the result of the application of the net operating loss deduction, capital loss carryovers, etc., previously generated by an acquired carrier shall be credited to this account to the extent of the intangibles recorded in this account resulting from the acquisition.

1342 Accumulated amortization—other intangible property (Classes I and II).

(a) This account shall be credited with amounts charged to account 5390—Amortization, account series 8400—Other Nonoperating Income (Net), or account series 8800—Extraordinary Items, as appropriate, for the amortization or writeoff of the cost of acquiring fixed term and perpetual leaseholds, easements, other interest in land, or other intangible property.

(b) When any such item in (a) is sold, relinquished or otherwise disposed of, retirement accounting shall be performed as provided in instructions, 21, 23, and 29, as appropriate.

INVESTMENT SECURITIES AND ADVANCES**1410 Investments and advances—affiliated companies (Class II).**

This account shall include the book cost (see definition 8) of the carrier's investments in securities issued or assumed by affiliated companies; notes of affiliated companies maturing later than 1 year from date of the current financial statements; and the amount of advances to and receivables from affiliated companies not subject to current settlement, including accrued interest on such advances when not subject to current settlement.

Exclude from this account securities held in special funds or as temporary cash investments. (See definition 7, account 1030—Temporary Cash Investments, for Class II carriers, and accounts 1031 and 1032 for Class I carriers, and instruction 18.)

NOTE A: Balances in open accounts with affiliated companies which are subject to current settlement shall be included in account 1120—Receivables from Affiliated Companies, for Class II carriers, and in accounts 1121, 1122, or 1123, as appropriate, for Class I carriers.

NOTE B: Securities pledged shall be shown separately from securities unpledged.

NOTE C: Securities borrowed by the carrier and pledged shall not be included in this account. A memorandum record shall be kept.

1411 Common stocks; affiliated companies (Class I).

This account shall be debited as set forth in account 1410, with regard to investments in common stocks of affiliated companies only.

1413 Preferred stocks; affiliated companies (Class I).

This account shall be debited as set forth in account 1410, with regard to investments in preferred stocks of affiliated companies only.

1415 Bonds; affiliated companies (Class I).

This account shall be debited as set forth in account 1410, with regard to investments in bonds of affiliated companies only.

1417 Notes; affiliated companies (Class I).

This account shall be debited as set forth in account 1410, with regard to investments in notes of affiliated companies only.

1419 Other investments; affiliated companies (Class I).

This account shall be debited as set forth in account 1410, with regard to all other investments in affiliated companies, not included in accounts 1411, 1413, 1415, or 1417.

1421 Advances; affiliated companies (Class I).

This account shall be debited as set forth in account 1410, with regard to advances made to affiliated companies.

1423 Adjustments—investments and advances; affiliated companies (Classes I and II).

This account shall be credited with amounts charged to account series 8400—Other Nonoperating Income (Net), or account series 8800—Extraordinary Items, as appropriate, to provide a reserve for adjustments in the value of investment securities included in account 1410—Investment and Advances; Affiliated Companies, for Class II motor carriers, and accounts 1411, 1413, 1415, 1417, 1419, or 1421, as appropriate, for Class I motor carriers. (See instruction 18(b).)

1430 Other investments and advances (Class II).

This account shall include the book cost (see definition 8 and instruction 18(a)) of the carrier's investments in securities issued or assumed by other than affiliated companies; notes of other companies and persons, maturing later than 1 year from the date of the current financial statements; the cash surrender values of insurance policies carried on the lives of officers and employees when the carrier is beneficiary of such policies (see instruction 22, note A); advances to other companies and individuals, and open accounts receivable not subject to current settlement. (See account 1030—Temporary Cash Investments, for Class II motor carriers, or accounts 1031 and 1032, as appropriate, for Class I motor carriers. See also instruction 18.) When an interest in any nonaffiliated company is received in payment of transportation charges billed to such companies, the value of such interest shall be included in this account.

NOTE A: Balances in open accounts with other companies and individuals which are subject to current settlement shall be included in accounts receivable.

NOTE B: Profits and losses resulting from the sale of securities of others shall be included in account 8400—Other Nonoperating Income (Net) (Class II), and accounts 8410—Other Nonoperating Income (Class I), or 8420—Other Nonoperating Deductions (Class II), as appropriate; or, when qualifying as extraordinary pursuant to instruction 8, shall be included in account 8800—Extraordinary Items (Class II), and account 8810—Extraordinary Items (Net) (Class I).

NOTE C: Securities pledged shall be shown separately from securities unpledged.

NOTE D: Securities borrowed by the carrier and pledged shall not be included in this account. A memorandum record shall be kept.

1431 Common stocks; other (Class I).

This account shall be debited as set forth in account 1430, with regard to investments in common stock issued or assumed by other than affiliated companies.

1433 Preferred stocks; other (Class I).

This account shall be debited as set forth in account 1430, with regard to

investments in preferred stock issued or assumed by other than affiliated companies.

1435 Bonds; other (Class I).

This account shall be debited as set forth in account 1430, with regard to investments in bonds issued or assumed by other than affiliated companies.

1437 Notes; other (Class I).

This account shall be debited as set forth in account 1430, with regard to investments in notes issued or assumed by other than affiliated companies.

1439 Other investments; other (Class I).

This account shall be debited as set forth in account 1430, with regard to all other investments in other than affiliated companies, not included in accounts 1431, 1433, 1435, or 1437.

1441 Advances; other (Class I).

This account shall be debited as set forth in account 1430, with regard to advances made to other than affiliated companies.

1448 Adjustments—other investments and advances. (Classes I and II).

This account shall be credited with amounts charged to account series 8400—Other Nonoperating Income (Net), or account series 880—Extraordinary Items, as appropriate, to provide a reserve for adjustments in the value of investment securities included in account 1430—Other Investments and Advances, for Class II motor carriers, and accounts 1431, 1433, 1435, 1437, 1439, or 1441, for Class I motor carriers. (See instruction 18(b).)

1451 Special funds (Classes I and II).

(a) This account shall include the amount of cash or other assets held by trustees or fiscal agents in charge of sinking funds, or by the carrier itself when they are segregated in a distinct fund, for the purpose of redeeming outstanding obligations. (See instruction 18.)

(b) This account shall also include the amount of cash and the cost (see instruction 18) of securities of other companies and other assets which have been specifically set aside to provide a fund for the replacement of units of depreciable property.

(c) This account shall also include the amount of cash and the cost (see instruction 18) of securities of other companies and other assets in insurance, employees' pension, savings, relief, hospital and other funds which have been raised and specifically set aside or invested for purposes not provided for elsewhere, including deposits with State commissions to guarantee continuing payments to the beneficiaries of workmen's compensation claims, and the face value of securities issued or assumed by the carrier which may be held alive in such funds as provided in instructions 16 and 17.

(d) This account shall also include deposits in lieu of mortgaged property

sold and other trust deposits, pending their refund when equivalent property is acquired.

(e) This account shall also include cash set aside for self-insurance for losses estimated in accounts 2171 through 2175.

(f) A separate subdivision shall be kept for each fund, the title of which shall designate the obligation in support of which the fund was created.

ITEMS

Amounts deposited with trustees or other fiscal agents on account of mortgaged property sold, when held for the redemption of securities.

Cash.

Live securities issued or assumed by the carrier, at face value. (For conditions under which such securities may be kept alive, see instruction 16(d).)

Securities of the carrier issued to trustees without intervening sale, at face value.

Securities of other companies or other assets, at cost except as otherwise provided herein.

Self-insurance, set aside in cash.

NOTE: Interest and dividends on securities held in this account shall be credited to account 8210—Interest Income, and 8220—Dividend Income, as appropriate.

DEFERRED CHARGES**1510 Deferred and miscellaneous debits (Class II).**

This account shall include the items in accounts 1511 and 1512.

1511 Unamortized debt discount and expense (Class I).

This account shall include the total of the net debit balances representing the excess of the discount and expense over the premium in connection with the issuance of each class of the carrier's outstanding long-term or equivalent obligations. Fees for listing long-term obligations on stock exchanges and material costs of tax stamps (for notes, mortgages, etc.) shall be charged directly to this account. Separate subdivisions shall be maintained in respect of each issue of such obligations (see instruction 17).

NOTE A: When long-term obligations are refinanced the balance of debt discount and expense pertaining to the old obligations shall be transferred to account 8400—Other Nonoperating Income (Net).

1512 Other deferred debits (Class I).

(a) This account shall include all debit balances in suspense accounts that can not be entirely cleared and disposed of until further information is received; also items of a deferred nature not includible in account 1511 (Class I) (see (b) of this account for prepayments) which are subsequently to be amortized to the appropriate operating expense or other accounts. This includes items such as (see instruction 6):

(1) Acquisition of equipment for remodeling or conversion at some future date. (See account 1245, note B.)

(2) Advances made to a railroad for the construction of a spur track to serve the carrier's terminal under an agreement by the terms of which the advance will be repaid at a specific rate per loaded

car placed on the spur track during the period of the agreement. (Any unrefunded balance at the termination of the agreement shall be charged to account series 8400.)

(3) Amounts paid for options pending final disposition.

(4) Deposits, in escrow or otherwise, with regulatory commissions and others.

(5) Deposits made on equipment purchases.

(6) Deposits with banks which have failed, pending determination of loss.

(7) Expenditures for plans and investigations made for determining the feasibility of projects under contemplation, pending further disposition.

(8) Expenditures for valuations, inventories, and appraisals made in connection with applications for or the contemplated purchase or sale of operating rights and other property. (See instruction 19 (a).)

(9) Expenses and revenues in connection with the operation of a lunchroom for employees (net profits shall be transferred to account 3900—Other Operating Revenue, net losses shall be transferred to account 4690—Other General Supplies and Expenses).

(10) Interest accrued on reacquired mortgage notes under the following arrangement: the carrier issues mortgage notes which are sold through a bank. Subsequently the carrier reacquires some of the notes and the bank requires that interest be paid on the active issue, including the notes reacquired by the carrier. The interest repaid to the carrier by the bank on those notes shall be credited to this account.

(11) Interest and finance fees included in the face value of equipment and other obligations (a liability being recorded for the face value). Proportionate amounts of the interest and finance fees included in periodic payments on these obligations shall be charged to the appropriate interest expense account (series 5600). (Material finance fees shall not be included in this account, but in account 1511—Unamortized Debt Discount and Expense with amortization to account 5670—Amortization of Debt Discount and Expense.)

(12) Periodic payments made to repurchase in installments the carrier's common stock which was paid to unsecured creditors under a reorganization plan. (When the creditors have been repaid in full and the stock certificates are returned accounting shall be performed in accordance with instruction 16 (d) and (e).)

(13) Prepayments of rent for the final year of a lease which are not recoverable if the lease obligations are not fulfilled. (Monthly installments shall be charged to account 5510—Building Operating Rents over the final year of the lease.)

(14) Storage charges collectible from shippers, when the consignee refuses to accept delivery, until settlement is made.

(15) The cost of towing and reloading wrecked vehicles which is reimbursable by insurance companies. (Any debit or credit remaining in this account after

payment by the insurance companies shall be transferred to account 4696—Other General Supplies and Expenses—Maintenance.)

(b) If deposits are not recoverable, or projects in connection with which preliminary costs were incurred are abandoned, the amounts expended shall be charged to account series 8400—Other Nonoperating Income (Net) or account series 8800—Extraordinary Items as appropriate.

(c) The long-term portion (in excess of 1 year) of prepayments for insurance, interest and rents is includible in this account.

(d) Other debit items which are subject to amortization by order of the Commission, are also includible in this account.

1551 Clearing accounts (Classes I and II).

This account shall include the balance in clearing accounts maintained to facilitate the retirement of property (see instruction 21(a)); carry temporarily the cost of operating and maintaining such facilities as office buildings, store houses, etc., and such overhead costs as it is desirable to apportion to the construction, operating, and other accounts involved. (See instruction 10.)

NOTE A: Revenue equipment which is being converted shall be carried in this account and retired in accordance with instruction 21.

Liabilities and Equity

CURRENT LIABILITIES

2010 Notes payable and matured obligations (Class II).

This account shall include the items in accounts 2011 and 2012.

2011 Notes payable (Class I).

(a) This account shall include the face value of outstanding obligations in the form of notes, drafts, acceptances, and similar evidences of indebtedness which by their terms do not run for a period in excess of 1 year from the date of the current financial statements, including the face value of notes receivable discounted or sold without releasing the carrier from liability as endorser thereon.

Other items includible in this account are loans secured by insurance policies, and advances made to the carrier by its officers and employees which are covered by notes (see account 2031) subject to current settlement.

(b) Subdivisions shall be maintained to show separately obligations maturing upon demand and obligations bearing a specified date of maturity.

NOTE A: Notes payable to affiliated companies which are subject to current settlement shall be included in account 2020—Payables to Affiliated Companies, for Class II motor carriers, and account 2021—Loans and Notes Payable to Affiliated Companies, for Class I motor carriers. (See also account 2310—Advances Payable—Affiliated Companies, for Class II carriers, and account 2311—Notes Payable—Affiliated Companies, for Class I carriers.)

NOTE B: Unmatured equipment obligations shall be included in account 2161—Cur-

rent Obligations and Other Debt, or account 2331—Equipment Obligations (long-term), as appropriate.

2012 Matured long-term obligations (Class I).

This account shall include the amount (including obligations for premiums) of equipment obligations, long-term obligations and receivers' certificates matured and unpaid without any specific agreement for extension of maturity, including unrepresented bonds called for redemption.

NOTE A: When a conditional long-term sales contract is declared in default and the entire unpaid balance is due and payable, such entire balance shall be transferred to this account. If the carrier is released from immediate liability for the entire balance by a subsequent arrangement, it shall be transferred back to the appropriate long-term liability account.

2020 Payables to affiliated companies (Class II).

This account shall include the items in accounts 2021, 2022, and 2023.

2021 Loans and notes payable to affiliated companies (Class I).

This account shall include loans, notes and drafts payable to affiliated companies (see definition 7) which are subject to current settlement.

NOTE A: On the balance sheet, payables to affiliated companies shall be offset against receivables of the same type from the same companies, where this offset is consistent with the intent of the parties to settle on a net basis.

NOTE B: Items which are not subject to current settlement shall be included in account 2310—Advances Payable—Affiliated Companies, for Class II carriers, and account 2311 or 2312, as appropriate, for Class I carriers.

2022 Interest and dividends payable to affiliated companies (Class I).

This account shall include the total of interest and dividends, which are subject to current settlement and payable to affiliated companies. (See definition 7).

NOTE A: See note A, account 2021.

NOTE B: Items which are not subject to current settlement shall be included in account 2310—Advances payable—Affiliated Companies, for Class II carriers, and account 2313—Interest Accrued Not Subject to Current Settlement, for Class I carriers.

NOTE C: No amount representing dividends payable shall be included in this account unless they have been declared or guaranteed.

2023 Accounts payable to affiliated companies (Class I).

This account shall include the total of amounts payable to affiliated companies (see definition 7) which are subject to current settlement, such as credit balances in open accounts for services rendered, material furnished, interline account balances, claims, rent for use of property and similar items.

NOTE A: See note A, account 2021.

NOTE B: Items which are not subject to current settlement shall be included in account 2310—Advances Payable—Affiliated Companies, for Class II carriers, and account

2312—Open Accounts Not Subject to Current Settlement, for Class I carriers.

2031 Accounts payable; officers, stockholders and employees (Classes I and II).

This account shall include the total of current accounts payable (not covered by notes) to officers, stockholders and employees, that are subject to current settlement.

2032 Accounts payable; interline (Classes I and II).

This account shall include the balances due other carriers and agents in favor of each of which there is a credit balance representing interline accounts.

NOTE A: Drafts drawn on the carrier by officers, employees or agents in payment of interline freight accounts, settlement of claims, etc. shall be charged to this account.

2033 Accounts payable; employee withholding (Classes I and II).

This account shall include the carrier's liability for deductions withheld from employees' wages for social security, income taxes, the purchase of government bonds and other savings plans, and similar items.

2034 Accounts payable, other (Classes I and II).

This account shall include amounts payable to others (except affiliated companies) that are subject to current settlement, for materials and supplies and services received, including rents payable for the use of revenue vehicles and other property; other matured rents, amounts due public authorities (including the liability for a tax penalty), amounts of payable judgments, charges and advances recoverable from customers, the carrier's liability for taxes collected from customers (to be set up either when freight charges are recorded or collected), and other similar items, not included in accounts 2031, 2032, and 2033.

2041 Salaries and wages payable (Classes I and II).

This account shall include the amount of wages payable or accrued payrolls. Unclaimed wages shall be transferred to account 2130—Other Current and Accrued Liabilities, for Class II motor carriers, and account 2181—Other Current Liabilities, for Class I motor carriers.

2051 C.O.D.'s unremitted (Classes I and II).

(a) This account shall be credited with amounts of c.o.d.'s collected from consignees for shippers on freight delivered.

(b) This account shall be debited when remittances of amounts of c.o.d.'s are made to shippers.

NOTE A: Checks made payable to the shipper received in payment of c.o.d. charges shall not be credited to this account. A memorandum record shall be kept.

NOTE B: Fees for handling c.o.d.'s shall be credited to the same account to which the transportation revenue is credited.

NOTE C: If desired, this account may be credited with amounts concurrently charged to accounts receivable, representing c.o.d.'s collectible by the carrier, amounts of c.o.d.'s

on interline shipments, collectible by other carriers shall not be entered in this account.

2111 Gasoline, other fuel and oil taxes; accrued (Classes I and II).

(a) This account shall be credited each month with the amount of taxes accrued during the month, based on the consumption of gasoline, other fuel and oil, with concurrent debits to the appropriate accounts for tax charges. These estimates shall be adjusted from time to time during the year so that the tax expense accounts may show as nearly as possible, the taxes applicable to each period. Payments of taxes which are accrued in this account shall be debited to this account.

(b) The records supporting entries to this account shall be kept so that the carrier can furnish information as to the basis for each tax accrual, the kinds of taxes paid, the amount of each and the accounts charges with the tax accruals.

(c) Credits to this account shall be made for accrued gasoline, and other fuel and oil taxes only.

NOTE A: Gasoline, other fuel and motor oil taxes shall be debited to account 1151—Material and Supplies (Classes I and II) concurrently with the purchase of such gasoline, other fuel and motor oil. Based on the consumption of these supplies, prorated portions of the related taxes shall be accrued in this account and charged to accounts 4710 and 4760.

2112 Vehicle licenses and registration fees; accrued (Classes I and II).

(a) This account shall be credited each month with the amount of fees or taxes accrued during the month, with concurrent debits to the appropriate accounts for tax charges. These estimates shall be adjusted from time to time during the year so that the tax expense accounts may show as nearly as possible, the taxes applicable to each period. Payments of taxes which are accrued in this account shall be debited to this account.

(b) The records supporting entries to this account shall be kept so that the carrier can furnish information as to the basis for each tax accrual, the kinds of taxes paid, the amount of each and the accounts charged with the tax accruals.

(c) Credits to this account shall be made for accrued vehicle licenses and registration fees only.

NOTE A: Amounts representing prepayment of taxes applicable to subsequent periods shall be included in account 1140—Prepayments, for Class II carriers, and account 1141—Prepaid Taxes and Licenses, for Class I carriers.

2113 Real estate and personal property taxes; accrued (Classes I and II).

(a) and (b) For explanation, see account 2112.

(c) Credits to this account shall be made for accrued real estate and personal property taxes only.

NOTE A: See note A, account 2112.

2114 Social security taxes; accrued (Classes I and II).

(a) and (b) For explanation, see account 2112.

(c) Credits to this account shall be made for accrued social security taxes only.

NOTE A: See note A, account 2112.

NOTE B: The carrier's liability for social security and income taxes deducted from employees' wages for payment to taxing bodies shall be included in account 2033—Accounts Payable; Employee Withholding.

2115 Other taxes; accrued (Classes I and II).

(a) and (b): For explanation, see account 2112.

(c) Credits to this account shall be made for all other accrued operating taxes (except income taxes).

NOTE A: See note A, account 2112.

2121 Accrued Federal income taxes (Classes I and II).

This account shall be credited each month with the amount of Federal income taxes accrued during the month. Credits to this account that are based upon estimates shall be adjusted from time to time during the year so that the tax expense account may show as nearly as possible, the taxes applicable to each period. Payments of taxes for which accruals have been made shall be debited to this account.

NOTE A: The liability for income taxes of sole proprietors or members of a partnership shall not be included in this account.

2122 Accrued State income taxes (Classes I and II).

This account shall be credited each month with the amount of State income taxes accrued during the month. Credits to this account that are based upon estimates shall be adjusted from time to time during the year so that the tax expense account may show as nearly as possible, the taxes applicable to each period. Payments of taxes for which accruals have been made shall be debited to this account.

NOTE A: See note A, account 2121.

2123 Accrued other income taxes (Classes I and II).

(a) This account shall be credited each month with the amount of all other income taxes accrued during the month. Credits to this account that are based upon estimates shall be adjusted from time to time during the year so that the tax expense accounts may show as nearly as possible, the taxes applicable to each period. Payments of taxes for which accruals have been made shall be debited to this account.

(b) The records supporting entries to this account shall be kept so that the carrier can furnish information as to the basis for each tax accrual, the kinds of taxes paid, the amount of each and the accounts charged with the tax accruals.

NOTE A: See note A, account 2121.

2130 Other current and accrued liabilities (Class II).

This account shall include the items in account 2131 through 2181.

2131 Dividends payable (Class I).

(a) This account shall include the amount of dividends declared but not paid on any issue of capital stock of the carrier. Dividends shall be credited to this account as of the day upon which they become a liability of the carrier.

(b) A separate subdivision shall be maintained for dividends on each class and series of stock.

NOTE A: Dividends declared and payable to affiliated companies shall be included in account 2020—Payables to Affiliated Companies, for Class II motor carriers, and account 2022—Interest and Dividends Payable to Affiliated Companies, for Class I motor carriers.

2141 Notes and advances payable (interest accrued) (Class I).

(a) This account shall be credited each month with the amount of interest accrued during the month but not paid, with concurrent debits to the appropriate accounts for interest charges, on all indebtedness of the carrier except interest which is added to the principal. Payments of interest for which accruals have been made in this account shall be debited hereto.

(b) When interest matures without being paid, it shall be charged to this account and credited to account 2020—Payables to Affiliated Companies, for Class II carriers, and account 2022—Interest and Dividends Payable to Affiliated Companies, or account 2130 for Class II carriers, and accounts 2151 to 2155 inclusive for matured interest, as appropriate, for Class I carriers.

NOTE A: Interest accrued upon any judgment against the carrier shall be credited to the account to which such judgment stands credited.

2142 Equipment obligations (interest accrued) (Class I).

For explanation, see account 2141.

2143 Bonds and debentures (interest accrued) (Class I).

For explanation, see account 2141.

2144 Other long-term obligations (interest accrued) (Class I).

For explanation, see account 2141.

2145 Other interest (interest accrued) (Class I).

For explanation, see account 2141.

NOTE A: The liability for interest on taxes shall be included in this account.

2151 Notes and advances payable (matured interest) (Class I).

This account shall include the amount of matured and unpaid interest on obligations of the accounting carrier whether the cause of the failure to pay the interest is on the part of the creditor or for other reasons, except where such interest is added to the principal of the obligation. Interest payable to affiliated companies shall be included in account 2020—Payables to Affiliated Companies, for Class II carriers, and account 2022—Interest and Dividends Payable to Affiliated Companies, for Class I carriers.

2152 Equipment obligations (matured interest) (Class I).

For explanation, see account 2151.

2153 Bonds and debentures (matured interest) (Class I).

For explanation, see account 2151.

2154 Other long-term obligations (matured interest) (Class I).

For explanation, see account 2151.

2155 Other interest (matured interest) (Class I).

For explanation, see account 2151.

2161 Current equipment obligations and other debt (Class I).

This account shall include the total amount of bonds, debentures, equipment obligations, capitalized lease obligations, and other long-term obligations, including obligations maturing serially or payable in installments (included in accounts 2331 through 2334), which are due and payable within 1 year, and for which arrangements for refunding have not been made or for which no sinking funds have been provided. This account shall be subdivided according to the different classes of debt so maturing.

2171 Self-insurance (estimated liabilities; accrued) (Class I).

(a) This account shall be credited with the amounts accrued for estimated losses through collision, accident, fire, theft, flood, or other hazards to the carrier's own property or to property leased from others, that are not covered by commercial insurance. (See instruction 22 (c) and (f).)

(b) If carrier operating property is destroyed or so badly damaged as to require retirement, and provision has been made in this account for such risks, it shall be charged with the amount of the loss not covered by commercial insurance and additional retirement accounting shall be performed as set out in instruction 21(a).

(c) This account shall be maintained in such manner as to show the amount of each separate estimated liability and the nature of and amounts of debits and credits thereto. Adjustments for material over or under accruals shall be made periodically.

(d) At the close of the accounting period (i.e., calendar year) the estimated amounts not payable within 1 year, covering liability for claims for loss and damage, and similar items shall be transferred to account 2511—Estimated Liabilities (Classes I and II).

2172 Personal injuries, property damage claims and workmen's compensation claims (estimated liabilities; accrued) (Class I).

(a) This account shall be credited with the amounts accrued for estimated liabilities arising from claims for deaths of or injuries to employees and others, and for damages to property not owned or held under lease by the carrier; that are not covered by commercial insurance. (See instruction 22(c).)

(b) This account shall be charged with payments of claims for injuries to persons and damage to property of others which are not recoverable from insurance companies or others. (See instruction 22(a).)

(c) This account shall be maintained in such manner as to show the amount of each separate liability estimate and the nature of and amounts of debits and credits thereto. Adjustments for material over or under accruals shall be made periodically.

(d) At the close of the accounting period (i.e., calendar year) the estimated amounts not payable within 1 year, covering liability for claims for injuries to persons, loss and damage, and similar items shall be transferred to account 2511—Estimated Liabilities (Classes I and II).

2173 Cargo loss and damage claims (estimated liabilities; accrued) (Class I).

(a) This account shall be credited with the amounts accrued for estimated liabilities arising from claims for loss, destruction, damage or delays to property entrusted to the carrier for transportation or storage, which are not covered by commercial insurance. (See instruction 22(c).)

(b) This account shall be charged with payments of such claims, which are not recoverable from insurance companies or others. (See, however, instructions 22(a) and (d).)

(c) The estimated value of property acquired in connection with the settlement of such claims shall be credited to this account. Any difference between this value (carried in account 1163) and the sales price at disposition of the property is also includible in this account.

(d) This account shall be maintained in such manner as to show the amount of each separate liability estimate and the nature of and amounts of debits and credits thereto. Adjustments for material over or under accruals shall be made periodically.

(e) At the close of the accounting period (i.e., calendar year), the estimated amounts in this account not payable within 1 year, shall be transferred to account 2511—Estimated Liabilities (Classes I and II).

2174 Overcharge claims (Estimated liabilities; accrued) (Class I).

(a) This account shall be credited with the amounts accrued for estimated liabilities arising from claims for overcharges.

(b) This account shall be charged with payments of such claims, which are not recoverable.

(c) This account shall be maintained in such manner as to show the amount of each separate liability estimate and the nature of and amounts of debits and credits thereto. Adjustments for material over or under accruals shall be made periodically.

(d) At the close of the accounting period (i.e., calendar year) the estimated amounts in this account not payable within 1 year shall be transferred to account 2511—Estimated Liabilities (Classes I and II).

2175 Other estimated liabilities (Estimated liabilities; accrued) (Class I).

(a) This account shall be credited with the amounts accrued for liabilities estimated by the carrier for purposes which are not provided for in any of the preceding estimated liability accounts.

(b) This account shall be maintained in such manner as to show the amount of each separate liability estimate and the nature of and amounts of debits and credits thereto. Adjustments for material over and under accruals shall be made periodically.

(c) At the close of the accounting period (i.e., calendar year) the estimated amounts not payable within 1 year, covering liability for claims for injuries to persons, loss and damage, and similar items shall be transferred to account 2511—Estimated Liabilities (Classes I and II).

2181 Other current liabilities (Class I).

This account shall include all current and accrued liabilities not includible in any of the foregoing accounts. This includes unmatured rents accrued, unclaimed wages (see instruction 14) accrued bonuses and vacation pay at the end of the year which are to be paid later, and similar items.

LONG TERM DEBT

2310 Advances payable—affiliated companies (Class II).

This account shall include the items in accounts 2311, 2312, and 2313.

2311 Notes payable (Affiliated companies) (Class I).

(a) This account shall include the amount of unsecured notes payable to affiliated companies which are not subject to current settlement. It shall also include notes payable on demand but which, by mutual agreement or understanding, will not be presented for payment within 1 year from date of the current financial statements.

(b) The current portion of long term notes payable to affiliated companies shall be included in account 2020—Payables to Affiliated Companies, for Class II carriers, and account 2021—Loans and Notes Payable to Affiliated Companies, for Class I carriers.

2312 Open accounts, not subject to current settlement (Affiliated companies) (Class I).

(a) This account shall include the amount of unsecured open accounts payable to affiliated companies which are not subject to current settlement.

(b) Open accounts that are subject to current settlement with affiliated companies such as charges for materials and supplies currently furnished, and charges for repairs shall be included in account 2020—Payables to Affiliated Companies,

for Class II carriers, and account 2023—Accounts Payable to Affiliated Companies, for Class I carriers.

2313 Interest accrued, not subject to current settlement (Affiliated companies) (Class I).

(a) This account shall include interest accrued on amounts included in accounts 2311 and 2312, when such interest is not subject to current settlement.

(b) Interest which is subject to current settlement shall be included in account 2020—Payables to Affiliated Companies, for Class II carriers, and account 2022—Interest and Dividends Payable to Affiliated Companies, for Class I carriers.

2320 Other advances payable (Class II).

This account shall include the items in accounts 2321, 2322, and 2323.

2321 Notes payable (other) (Class I).

(a) This account shall include the amount of unsecured notes payable to individuals and companies, other than affiliated companies, which are not subject to current settlement. This account shall also include notes that are payable on demand but which, by mutual agreement, will not be presented for payment within 1 year from date of the current financial statements.

(b) The current portion of long-term notes payable to individuals and companies, other than affiliated companies, is includible in account 2211—Equipment Obligations and Other Debt (Due Within 1 Year).

2322 Open accounts, not subject to current settlement (other) (Class I).

(a) This account shall include the amount of unsecured advances and other unsecured obligations payable to individuals and companies, other than affiliated companies, evidenced by open accounts, which are not subject to current settlement. This account shall also include obligations that are payable on demand but which, by mutual agreement, will not be presented for payment within one year from date of the current financial statements.

(b) Amounts in open accounts payable to other than affiliated companies subject to current settlement, such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be included in accounts 2031, 2032, or 2034 as appropriate.

2323 Interest accrued, not subject to current settlement (other) (Class I).

(a) This account shall include interest accrued on amounts included in account 2321 and 2322, when such interest is not subject to current settlement.

(b) Amounts of interest subject to current settlement shall be included in accounts 2141 or 2144 as appropriate.

2331 Equipment obligations (Classes I and II).

(a) This account shall include the face value of all unmatured long term obligations issued by the carrier and not retired or cancelled, for which units of revenue equipment and other automotive

equipment have been pledged as security or are held under conditional sales contracts, such as equipment bonds, equipment notes and chattel mortgages; also the face value of equipment obligations issued by others, the payment of which has been assumed by the carrier, and of equipment obligations so issued or assumed, the maturity of which has been extended by specific agreement. The liability for equipment obligations maturing within 1 year of the close of the accounting period is includible in account 2130—Other Current and Accrued Liabilities (Class II) and account 2161—Current Equipment Obligations and Other Debt (Class I). (See note A.)

(b) This account shall be kept so as to show the face value of equipment obligations (1) nominally issued, and (2) actually outstanding. (See definitions 4 and 29.)

(c) A separate subdivision shall be maintained for each class of equipment obligation and no issues shall be considered to be of the same class unless identical as to liability and nature of property covered:

NOTE A: Equipment obligations matured and unpaid without specific agreement for extension as to time of payment, including unrepresented equipment obligations called for redemption, shall be included in account 2010—Notes Payable and Matured Obligations, for Class II carriers, and account 2012—Matured Long-Term Obligations, for Class I carriers.

NOTE B: This account shall not include equipment obligations relating to other than motor carrier operations.

2332 Bonds and debentures (Classes I and II).

(a) This account shall include the face value of bonds and debentures, other than equipment obligations, issued by the carrier and maturing more than 1 year from the close of the accounting period; also the face value of such bonds and debentures issued by others, the payment of which has been assumed by the carrier. The liability for bonds and debentures maturing within 1 year of the close of the accounting period is includible in account 2130—Other Current and Accrued Liabilities (Class II) and account 2161—Equipment Obligations and Other Debt (Class I). (See note A.)

(b) This account shall be kept so as to show the face value of bonds and debentures (1) nominally issued, and (2) actually outstanding. (See definitions 4 and 29.)

(c) A separate subdivision shall be maintained for each class and series of bonds and debentures, and no issues shall be considered to be of the same class unless identical as to liability and nature of property covered.

NOTE A: Bonds and debentures matured and unpaid without specific agreement for extension as to time of payment, including unrepresented bonds and debentures called for redemption, shall be included in account 2010—Notes Payable and Matured Obligations, for Class II carriers, and account 2012—Matured Long-Term Obligations, for Class I carriers.

2333 Capitalized lease obligations (Classes I and II).

(a) Long-term leases which are clearly in substance installment purchases shall be capitalized.

The liability under such leases which have been capitalized in fixed asset accounts shall be recorded in this account. (See note B.)

(b) This account shall be kept so as to show the liability under each lease obligation.

NOTE A: The portion of the liability for long-term leases which is payable within 1 year of the close of the accounting period is includible in account 2130—Other Current and Accrued Liabilities (Class II) and account 2161—Current Equipment Obligations and Other Debt (Class I).

NOTE B: Leases which merely state the right to use property and a related obligation to pay specific rents over a definite future period shall not be considered to be assets and liabilities.

2334 Other long-term obligations (Classes I and II).

(a) This account shall include all long-term obligations not otherwise provided for, which mature more than 1 year from the date of the current financial statements. The liability for obligations maturing within one year of the close of the accounting period is includible in account 2130—Other Current and Accrued Liabilities (Class II) and account 2161—Current Equipment Obligations and Other Debt (Class I). (See note A.) This covers such items, executed or assumed, as real estate mortgages; assessments for public improvements; loans secured by insurance policies; serial notes payable over a period of more than 1 year; and other obligations maturing more than 1 year from date of the current financial statements.

(b) This account shall also include the face value of certificates of indebtedness issued upon the property of the carrier by receivers acting under the orders of a court.

(c) Separate subdivisions shall be maintained for each class of obligation included herein, and records shall be maintained to show separately for each issue all details as to date of issue, date of maturity interests dates and rates, security for obligations, etc.

NOTE A: Matured obligations which are unpaid shall be included in account 2010—Notes Payable and Matured Obligations, for Class II carriers, and account 2012—Matured Long-term Obligations, for Class I carriers.

2341 Reacquired long-term obligations (Classes I and II).

(a) This account shall include in subdivisions for each class, the face value of any equipment or other long-term obligation, includible in accounts 2331, 2332, 2333, or 2334, which have been actually issued or assumed and reacquired by the carrier, and which are neither retired nor properly includible in sinking or other funds.

(b) This account shall be maintained so as to reflect separately securities pledged and unpledged.

NOTE A: The accounting for the reacquisition and resale of long-term obligations shall be in accordance with instruction 17.

DEFERRED CREDITS**2410 Deferred credits (Class II).**

This account shall include the items in accounts 2411 and 2412.

2411 Unamortized premium on debt (Class I).

This account shall include the total of all credit balances representing the excess of the premium over the discount and expense in connection with the issuance of each class of the carrier's outstanding long-term or equipment obligations. Separate subdivisions shall be maintained in respect of each issue of obligations. (See instruction 17(d).)

2412 Other deferred credits (Class I).

This account shall include credit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, and other items of a deferred nature (see instruction 10), such as:

Returnable deduction from employee wages to provide a fund for accident claims charged against the employee.

Returnable deposits by owner-operators for payment of cargo loss and damage claims for which they can be held responsible.

Returnable deposits by drivers and other employees on badges, tools, etc.

Deposits by tenants representing rent for final month of leases.

ESTIMATED LIABILITIES**2511 Estimated liabilities (Classes I and II).**

This account shall include the non-current portion of the amounts included in accounts 2171, 2172, 2173, and 2175.

STOCKHOLDERS' EQUITY**2610 Capital stock (Class II).**

This account shall include the items in accounts 2611, 2612, and 2613.

2611 Capital stock—preferred (Class I).

For explanations, see account 2612.

2613 Capital stock—common (Class I).

(a) These accounts, 2611 and 2612, shall include the par value of stocks with par value; the stated value of non-par stock having a stated value; and the cash value of the consideration received, including assessments, or the amount approved by the Commission, for non-par stocks without stated value, which have been issued to bona fide purchasers and have not been reacquired and canceled; also shares of stock nominally issued (see definition 29), and reacquired shares which have not been canceled. The cash consideration received from the sale of par value stock and of non-par stock having a stated value of excess of the amount credited to this account, shall be credited to account 2631—Premiums and Assessments on Capital Stock. (See instruction 16.)

(b) Separate accounts shall be provided for each class of stock, and the

title of each account shall clearly identify the class of stock covered. Issues of stock shall not be considered as of the same class unless identical in all provisions, nor shall there be carried any undivided item in respect of more than one class of stock.

(c) When stock is issued for cash, that fact shall be stated; if for any consideration other than cash, the person to whom it is issued shall be designated and consideration for which it is issued shall be described with sufficient particularity to identify it. If such issuance is to the treasurer or other agent of the corporation for purpose of sale, that fact and the name of such agent shall be shown; and the agent shall show like details concerning the consideration realized therefor in his account of the disposition thereof, which when accepted, by the corporation, shall be preserved as a corporation record.

(d) When capital stock is reacquired and canceled (see instruction 16), these accounts shall be charged with the amount at which such stock is carried herein. In the case of nonpar stock without stated value, the amount charged hereto shall be the proportion, applicable to the reacquired shares immediately prior to reacquisition, of the total book liability included herein of actually outstanding shares of the class and series of stock of which the reacquired shares are a part.

(e) For each class of stock the records shall show the number of shares nominally issued and actually outstanding. (See definitions 4 and 29.) When nonpar stock without stated value is nominally issued a memorandum entry shall be made showing only the number of shares so issued.

NOTE A: When nonpar stock without stated value is issued in exchange for par stock, or nonpar stock with stated value, amounts included in account 2631—Premiums and Assessments on Capital Stock, for the retired stock, shall be transferred to the capital stock account as part of the consideration received for the nonpar stock.

NOTE B: No entries recording changes in the amounts reflected in the carrier's books for capital stock which has been nominally or actually issued shall be made without first submitting the plan of accounting to the Commission for approval. Such plan shall be accompanied by a statement giving complete information with respect to the basis upon which the amounts to be recorded were determined. Entries recording the following changes require approval of the Commission:

(1) Changes in the par or stated value of stock with par or stated value.

(2) Changes in the value of nonpar stock without stated value through the transfer of retained earnings to the capital stock accounts, and debits to the retained earnings account resulting from the issuance of stock dividends.

(3) Reduction of the amounts recorded in the capital stock accounts to increase or reduce the book value of assets.

NOTE C: The carrier shall clearly distinguish between an issuance of common shares as dividends or as stock split. (See instruction 16(f).)

2613 Subscribed capital stock (Class I).

This account shall include the amount of legally enforceable subscriptions to capital stock of the carrier. It shall be credited with the par or stated value, or with the subscription price in the case of stock without par or stated value, exclusive of accrued dividends, if any. Concurrently a debit shall be made to account 1160—Other Current Assets, for Class II carriers, and account 1161—Subscribers to Capital Stock, for Class I carriers, for the agreed purchase price and any discount or premium debited or credited to the appropriate discount or premium account. When properly executed stock certificates have been issued representing the stocks subscribed, this account shall be debited and the appropriate capital stock account credited with the par or stated value of the stock (or the consideration received in the case of nonpar stock without a stated value).

2621 Nominally issued securities (Classes I and II).

(a) This account shall include in subdivisions for each class, the face, par or stated value of capital stock which have been nominally but not actually issued by the carrier. (See definitions 3 and 29.)

(b) When nonpar stock without stated value is nominally issued, a memorandum entry shall be made to this account showing the number of shares thus issued.

2631 Premiums and assessments on capital stock (Classes I and II).

(a) This account shall include the excess of the actual cash value of the consideration received (at the time of original sale of par value stock and nonpar stock with a stated value) over the par or stated value of the stock issued, plus accrued dividends, if any; and subsequent assessments against stockholders representing payments required in excess of par or stated value. (See instruction 16(c).)

(b) In case the carrier is permitted by statute and elects, with the approval of the Commission, to distribute all or any part of the net balance of premiums and assessments on capital stock to its stockholders in the form of dividends, the amount thus distributed shall be charged to this account. In no event shall dividends be paid out of premiums and assessments on capital stock without prior approval of the Commission.

(c) Separate subdivisions shall be maintained for premiums and for assessments on each class and series of stock.

(d) When capital stock is reacquired the amount in this account with respect to the shares reacquired shall be debited hereto in accordance with instruction 16(d).

NOTE A: No premium shall be recorded in this account in connection with the exchange of capital stock for items that are includible in account 1341—Other Intangible Property.

2632 Discount on capital stock (Classes I and II).

This account shall include the excess of the par or stated value of the stock

issued (at the time of original sale of par value stock and nonpar stock with a stated value), plus accrued dividends, if any, over the actual cash value of the consideration received. (See instruction 16.)

NOTE A: No discount shall be recorded in this account in connection with the exchange of capital stock for items that are includible in account 1341—Other Intangible Property.

2633 Commission and expense on capital stock (Classes I and II).

This account shall include all expenses incurred in connection with the issuance and sale of capital stock. (See instruction 16.)

ITEMS

Fees and expenses incurred in obtaining permission from regulatory bodies for the issuance of stock and in filing papers of notification thereunder.

Fees paid to promoters.

Initial fees for listing stock on exchanges.

Preparation and distribution of prospectuses.

Preparation and issuance of certificates of stock.

Soliciting subscriptions for stock, including fees, commissions, advertising and printing.

Taxes paid on stock issues.

2641 Other capital in excess of par or stated value (Classes I and II).

(a) This account shall include all surplus not classified as retained earnings. It shall include such items as surplus arising from donations by stockholders of cash and other assets or of the carrier's capital stock; surplus arising from the forgiveness of debt of the carrier by its stockholders; surplus recorded upon the reorganization or recapitalization of the carrier; net credits resulting from acquisition or resale of the carrier's capital stock (see instruction 16); and amounts that become the property of the carrier as a result of the forfeiture by others of deposits on subscriptions to capital stock and installment plan payments on purchases of stock.

The following credit items may be included in this account only when approved by the Commission: (1) Surplus resulting from the reduction of the par value, stated value or recorded value of the carrier's capital stock, and (2) surplus resulting from the revaluation of tangible property or intangible property.

(b) (1) This account shall be charged with net debits resulting from the acquisition or resale of the carrier's capital stock: (See instruction 16 (d) and (e)), and it may be charged with amortization of discount and expense on capital stock: *Provided, however,* That the excess of a debit over the balance carried in this account with respect of the particular class of stock shall be charged to account 2961—Other Debits to Retained Earnings.

(2) The following items may be charged to this account only when approved by the Commission: (i) Amounts credited to the capital stock account resulting from the issuance of stock dividends (see Note A), or to increase the value of nonpar stock without stated value and (ii) amounts transferred to

retained earnings either directly by credits to retained earnings representing gains on transactions in the carrier's own capital stock, or indirectly by charges against capital in excess of par or stated value representing losses, write-downs, charge-offs, or the distribution of dividends.

(c) This account shall be subdivided to show each source of capital in excess of par or stated value.

NOTE A: When a capital stock dividend is issued, an amount transferred from retained earnings to permanent capital for the excess of fair value of the additional shares over their par value is includible in this account. (See instruction 16(f).)

2651 Retained earnings—appropriated (Classes I and II).

This account shall include the accumulated amount of retained earnings which have been appropriated and set aside pursuant to provisions of mortgages, deeds of trust, or other agreements. This account shall also include appropriations for general contingencies, for possible future losses (not in the category of liabilities actually incurred), and other corporate purposes in accordance with sound financial procedures. The account is to be subdivided by classes of appropriations showing the purpose for which each appropriation is made.

2652 Retained earnings—unappropriated (Classes I and II).

(a) This account shall include the balance of the amounts included in accounts 2911 to 2961 inclusive, either debit or credit, of unappropriated earnings. It shall not include earnings properly includible in accounts 2711—Sole Proprietorship Capital, 2811—Partnership Capital, or 2641—Other Capital in Excess of Par or Stated Value.

(b) The balances of all retained earnings accounts (2911 to 2961, inclusive) shall be closed to this account at the end of each calendar year.

2661 Treasury stock (Classes I and II).

(a) This account shall include in subdivisions for each class, the par, stated or proportionate value of capital stock, which has been actually issued or assumed by the carrier, and reacquired and is neither retired nor properly includible in sinking or other funds.

(b) This account shall be maintained so as to reflect separately securities pledged and unpledged.

NOTE A: The accounting for the reacquisition of securities and resale thereof shall be in accordance with instruction 16.

SOLE PROPRIETORS' EQUITY**2711 Sole proprietorship capital (Classes I and II).**

This account shall include the investment of a sole proprietor in an unincorporated carrier.

2721 Drawings (Classes I and II).

This account shall include all withdrawals from the business by the proprietor, other than amounts representing salary. Amounts designated as salary

of the proprietor, representing fair and reasonable compensation for services performed shall be charged to 4110—Salaries—Officers, or other appropriate account.

NOTE A: Income taxes of the proprietor if paid from funds of the carrier shall be charged to this account. (See Note under account 8700—Income Taxes on Ordinary Income.)

2731 Profit and loss (Classes I and II).

At the end of each calendar year the net income or loss for the year as reflected by the income statement shall be transferred to this account. There shall also be entered in this account such items as in corporate organizations are handled through the subdivisions of account 2652—Retained Earnings—Unappropriated.

PARTNERSHIP EQUITY

2811 Partnership capital (Classes I and II).

This account shall be credited, where the business is conducted by an unincorporated firm, co-partnership or under any style other than that of an incorporated company or sole proprietorship, with the respective amounts paid into the business by the partners therein.

NOTE A: Separate accounts shall be kept to show the new equity of each member of the co-partnership and the transactions affecting the interest of each such partner. The total of the balances in such accounts shall be shown as one amount in the balance sheet.

2821 Drawings (Classes I and II).

This account shall be charged with all withdrawals from the business by each partner, other than amounts representing salary. Amounts designated as salaries of the partners representing fair and reasonable compensation for services performed, shall be charged to account 4110—Salaries—Officers, or other appropriate accounts.

NOTE A: Personal income taxes of the partners, if paid from partnership funds, shall be charged to this account. (See Note under account 8700—Income Taxes on Ordinary Income.)

2831 Profit and loss (Classes I and II).

At the end of each calendar year, the net income or loss for the year as reflected by the income statement shall be transferred to this account. There shall also be entered in this account such items as in corporate organizations are handled through the subdivisions of account 2652—Retained Earnings—Unappropriated.

RETAINED EARNINGS ACCOUNTS TO BE CLOSED TO ACCOUNT 2652—RETAINED EARNINGS—UNAPPROPRIATED AT THE END OF EACH CALENDAR YEAR

2911 Credit balance transferred from income (Classes I and II).

If the income statement for the current calendar year reflects a net credit balance, it shall be brought forward to this account.

2921 Other credits to retained earnings (Classes I and II).

(a) This account shall include other credit adjustments, net of assigned income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

(b) The records supporting entries in this account shall be so maintained that an analysis thereof may be readily made available.

2931 Debit balance transferred from income (Classes I and II).

If the income statement for the current calendar year reflects a net debit balance, it shall be brought forward to this account.

2941 Dividend appropriations (Classes I and II).

(a) This account shall include amounts of dividends declared out of retained earnings on capital stock actually outstanding.

(b) This account shall be subdivided to show separately the dividends on each class of capital stock. If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity that it may be identified.

NOTE A: Dividend charges shall be restricted to actually outstanding stock and this account shall not include charges for dividends on capital stock issued by the carrier and owned by it, unless the stock is held by trustees in sinking or other funds. (See definition 4 and instruction 16(d).)

2951 Other appropriations of retained earnings (Classes I and II).

This account shall include appropriations from retained earnings for sinking funds, and allotments of earnings or transfers of definite amounts from retained earnings to reserves under the terms of mortgages, deeds of trust, or contracts, and other appropriations of retained earnings.

2961 Other debits to retained earnings (Classes I and II).

(a) This account shall include (1) losses on resale of reacquired capital stock, (2) charges which reduce or write off discount on capital stock issued by the company, and (3) in pooling of equity interests situations, the excess of the value of the surviving company's capital stock over the aggregate total of the capital stock of the separate companies before such merger or consolidation, but only to the extent that capital in excess of par or stated value is not available for such purposes. (See instructions 16(d) and 20(b) (2).)

(b) This account shall include other debit adjustments, net of assigned income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

(c) The records supporting entries in this account shall be so maintained that an analysis thereof may be readily made available.

Class I and Class II Motor Carriers

REVENUE ACCOUNT EXPLANATIONS

3100 Freight revenue—Intercity common carrier (Classes I and II).

(a) This account shall include all revenue earned by the carrier from the transportation of property in intercity service, including pickup and delivery incident thereto, while operating as a common carrier as defined in section 203(a) (14) of the Interstate Commerce Act. This includes:

(1) Revenue upon the basis of single line freight rates, including arbitraries and zone rates.

(2) The carrier's proportion of revenue earned on interline shipments.

(3) Revenue from the transportation of baggage, express, mail and newspapers in freight equipment.

(4) Revenue from substitute intercity service performed for a carrier by railroad, air or water.

(5) Revenue from the intercity transportation of property in intrastate commerce if the service is similar to that of a common carrier as defined in section 203(a) (14) of the Interstate Commerce Act.

(6) Revenue from reconsigning, stop and other transit privileges. Fees for handling c.o.d.'s and other collections of money from consignees in connection with freight shipments. Revenue from rigging and other accessorial services incident to the transportation of property by the carrier.

(7) Revenue from furnishing pilot cars with drivers to accompany overwidth and overlength loads.

(8) Demurrage charged shippers for delays in loading revenue equipment.

(9) All other revenues derived from transportation of property in connection with intercity service, when operating as a common carrier.

(b) This account shall be charged with:

(1) Refunds of overcharges resulting from the use of erroneous intercity rates, weights, classifications, or computations, or from other errors.

(2) The carrier's proportion of refunds of interline freight charges in settlement of a cargo loss and damage claims.

(3) Uncollected earnings on intercity freight destroyed in transit, and on short and lost freight.

(4) The carrier's proportion of uncollected intercity tariff charges on damaged shipments for which charges neither shipper nor consignee is liable.

(5) Payouts of interline divisions.

NOTE A: When a carrier employs vehicles and services of others on a commission or other basis for hauling loads over its routes in intercity service, and the expenses incurred in their operation are borne by the owners of the vehicles, the carrier shall record the freight revenue from such hauls in this account in the same manner as if it owned the vehicles. Amounts paid to the owners of the vehicles as compensation for the hauls shall be debited to the appropriate accounts in the 5400 series—Revenue Equipment Rents and Purchased Transportation.

NOTE B: Amounts payable to others for pickup and delivery and local transfer of the carrier's intercity freight under arrangements whereby the agreement for the amount payable is based on other than actual division of tariff rates by participation in the tariffs shall be debited to the appropriate accounts in the 5400 series—Revenue Equipment Rents and Purchased Transportation.

NOTE C: Divisions of interline tariff charges due other carriers shall be included in account 2020—Payables to Affiliated Companies (Class II); and 2023—Accounts Payable to Affiliated Companies (Class I); or Account 2032—Accounts Payable; Interline (Classes I and II).

NOTE D: Revenue from the intercity transportation of property in intrastate commerce, if the service is similar to that of a contract carrier as defined in section 203(a)(15) of the Interstate Commerce Act, shall be included in account 3200—Freight Revenue—Intercity Contract Carrier.

NOTE E: Revenue from local transfer service and from pickup and delivery service performed for another carrier shall be included in account 3300—Freight Revenue—Local Cartage.

NOTE F: Intercity service for the purpose of accounting and compiling statistical data means transportation performed beyond the limits defined for Local Service (see Note C to account 3300 for definition of Local Service).

NOTE G: Rigging and other accessorial services as used in (a)(6) of this account means unloading and placing of shipments of unusual size or weight necessary to effect transportation of the shipment. Revenues and expenses incident to installation, erection or dismantling of machines, structures, etc., shall be included in account 8100—Income From Noncarrier Operations (Net) (Class II), and accounts 8110—Income From Noncarrier Operations (Class I), or 8120—Expenses of Noncarrier Operations (Class I) as appropriate.

3200 Freight revenue—Intercity contract carrier (Classes I and II).

(a) This account shall include all revenue earned by the carrier from the transportation of property in intercity service while operating as a contract carrier as defined in section 203(a)(15) of the Interstate Commerce Act. This includes:

- (1) Revenue on the basis of contracts or agreements for the transportation of property in the intercity service.
- (2) Revenue from the transportation of baggage, express, mail, and newspapers as a contract carrier.
- (3) Revenue from the intercity transportation of property in intrastate commerce if the service is similar to that of a contract carrier as defined in section 203(a)(15) of the Interstate Commerce Act.

(4) Revenue from accessorial services performed under contract or transportation agreement (such as rigging, collections of money, etc.).

(5) Demurrage charged shippers for delays in loading revenue equipment.

(6) Revenue from furnishing pilot cars with drivers to accompany oversize shipments.

(7) All other revenues derived from transportation of property in intercity service when operating as a contract carrier.

(b) This account shall be charged with:

(1) Refunds of overcharges resulting from the use of erroneous intercity rates, weights, classifications, or computations, or from other errors.

(2) The carrier's proportion of refunds of freight charges in settlement of a cargo loss and damage claim.

(3) Uncollected earnings on intercity freight destroyed in transit, and on short and lost freight.

(4) The carrier's proportion of uncollected intercity charges on damaged shipments for which charges neither shipper nor consignee is liable.

NOTE A: See Note A, account 3100.

NOTE B: Revenue from the intercity transportation of property in intrastate commerce, if the service is similar to that of a common carrier as defined in section 203(a)(14) of the Interstate Commerce Act, shall be included in account 3100—Freight Revenue—Intercity Common Carrier.

NOTE C: Revenue from pickup and delivery and local transfer service performed for another carrier shall be included in account 3300—Freight Revenue—Local Cartage.

NOTE D: Intercity service for the purpose of accounting and compiling statistical data means transportation performed beyond the limits defined for Local Service (see Note C to account 3300 for definition of Local Service).

3300 Freight revenue—Local cartage (Classes I and II).

(a) This account shall include revenue earned by common or contract carriers from the transportation of property in local cartage service, such as:

(1) Revenue from pickup and delivery and local transfer services performed for carriers by motor vehicle, railroad, air, water and express, and for freight forwarders.

(2) Revenue from other local transfer service (including mail).

(3) Fees for handling o.o.d.'s and other accessorial charges (such as rigging, etc.).

(4) Amounts received from other carriers for spotting their trailers at shippers' platforms.

(5) Demurrage charged shippers for delays in loading revenue vehicles.

(6) Revenue from furnishing pilot cars with drivers to accompany oversize shipments.

(b) This account shall be debited with overcharges resulting from the use of erroneous local rates, weights, classifications or computations, and uncollected earnings of freight damaged or destroyed in transit, or short and lost freight.

NOTE A: When a carrier employs vehicles and services of others on a commission or other basis for hauling loads in its local cartage service and the expenses incurred in their operation are borne by the owners of the vehicles, the carrier shall record the freight revenue from such hauls in this account in the same manner as if it owned the vehicles. Amounts paid to the owners of the vehicles as compensation for the hauls shall be debited to the appropriate accounts in the 5400 series—Revenue Equipment Rents and Purchased Transportation.

NOTE B: Revenue earned by the carrier from pickup and delivery service incident to its transportation of property in intercity service shall be included in accounts 3100 and 3200, as appropriate.

NOTE C: Local service, for the purpose of accounting and of compiling statistical data, means transportation performed within a city or town including the suburban area contiguous thereto. Local service does not include revenue from freight carried under tariffs covering areas beyond the local area.

3400 Intercity transportation for other motor carriers (Classes I and II).

This account shall include revenue earned from any other motor carriers under a purchased transportation arrangement, for performing any portion of their intercity haul, such as:

(1) Revenue from furnishing line-haul vehicles with drivers to any other carrier under lease or similar arrangement, when the drivers are paid by the reporting carrier (lessor). (See Note A.)

(2) Revenue from transporting freight for any other carrier when such transportation is purchased by the other carrier to complete any portion of its intercity haul.

(3) Revenue from the transportation in intercity service of loaded or empty trailers for any other carrier.

NOTE A: Revenue received from the lease of revenue vehicles to other carriers without drivers or from the lease of revenue vehicles with drivers, when the drivers are paid directly by the lessee, shall be included in account 5490—Equipment Rents—Credit (Classes I and II).

3900 Other operating revenue (Classes I and II).

This account shall include revenues not provided for in accounts 3100, 3200, 3300, or 3400, derived from the operation of carrier operating property, such as:

(1) Accommodation services, such as preparation of automobiles, for delivery by attaching bumpers, etc.

(2) Advertising matter displayed in or on structures and vehicles.

(3) Amounts received from an insurance company or others for the "loss of use" of a vehicle damaged in an accident.

(4) Commissions for brokerage service.

(5) Commissions for making payroll deductions.

(6) Commissions for collecting freight charges for other carriers.

(7) Garnishment fees.

(8) Lockers, weighing and vending machines and similar devices.

(9) Operation of lunchrooms, restaurants, etc.

(10) Parking and storage of vehicles.

(11) Payments by the customer for additional insurance at his request.

(12) Privilege of installing and operating commercial and coin box telephones.

(13) Privilege of operating lunch counters, newsstands, and soda fountains.

(14) Profit on sales of material and supplies, and on shopwork and services to others.

(15) Receipts from other carriers for handling telephone calls in connection with orders.

(16) Snowplow work.

(17) Storage of freight in excess of free time provided in tariffs.

(18) Various other miscellaneous revenues incident to motor carrier operations.

Class I and Class II Motor Carriers

**OPERATING EXPENSE ACCOUNT
EXPLANATIONS**

4100 Salaries—officers and supervisory personnel.

This account may be used as a control account for all accounts in the 4100 series.

4110 Salaries—officers.

This account group includes the salaries, bonuses, and sickness, holiday and vacation pay of officers engaged in administrative functions of the company.

The total of such amount may be included in this control account. Its components shall be distributed to the following accounts in accordance with instructions 11 and 27:

- 4111—Salaries—Officers—Line-haul.
- 4112—Salaries—Officers—Pickup and Delivery.
- 4113—Salaries—Officers—Billing and Collecting.
- 4114—Salaries—Officers—Platform.
- 4115—Salaries—Officers—Terminal (see note A, below).
- 4116—Salaries—Officers—Maintenance.
- 4117—Salaries—Officers—Traffic and Sales.
- 4118—Salaries—Officers—Insurance and Safety.
- 4119—Salaries—Officers—General and Administrative (see note B, below).

NOTE A: The salary of individual terminal managers shall be included in account 4120—Salaries, Terminal, Department, and Division Managers.

NOTE B: Account 4119 shall ordinarily include the pay of the following:
Chairman of the board.
President.
Vice presidents.
Treasurer.
Controller.
General counsel.
General secretary.
General auditor.
General manager.
Sole proprietor.
Partners in charge of administration.

If the major duty of any of these officers relates to the activities included in accounts 4111 through 4118 above, however, the pay of such officer should be charged to these accounts, in accordance with instruction 11.

4120 Salaries—terminal, department, and division managers.

This account group includes the salaries, bonuses, and sickness, holiday and vacation pay of terminal, department, and division managers who are directly in charge of the activities of the company.

The total of such amounts may be included in this control account (for Class II carriers see Note A, below). Its components shall be distributed to the following accounts in accordance with instructions 11 and 27:

- 4121—Salaries—Department Managers—Line-haul.
- 4122—Salaries—Terminal and Department Managers—Pickup and Delivery.
- 4123—Salaries—Terminal and Department Managers—Billing and Collecting.
- 4124—Salaries—Terminal and Department Managers—Platform.
- 4125—Salaries—Terminal Managers.
- 4126—Salaries—Department Managers—Maintenance.
- 4127—Salaries—Department and Division Managers—Traffic and Sales.
- 4128—Salaries—Department and Division Managers—Insurance and Safety.
- 4129—Salaries—Department and Division Managers—General and Administrative.

NOTE A: Class II carriers shall include the amounts described in this account group in account 4110—Salaries—Officers.

4130 Salaries—supervisory and administrative personnel.

This account group includes the salaries, bonuses, and sickness, holiday, and vacation pay of supervisory and administrative personnel.

ITEMS

(See Instruction 6)

- Attorneys.
- Chief accountants.
- Dispatchers.
- Employees taking orders and making up load sheets.
- Foremen (other than working foremen).
- Office managers.
- Platform superintendents.
- Purchasing agents.
- Salemen.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instructions 11 and 27:

- 4131—Salaries—Supervisory Personnel—Line-haul.
- 4132—Salaries—Supervisory Personnel—Pickup and Delivery.
- 4133—Salaries—Supervisory Personnel—Billing and Collecting.
- 4134—Salaries—Supervisory Personnel—Platform (See note A, below).
- 4135—Salaries—Supervisory and Administrative Personnel (Terminal).
- 4136—Salaries—Supervisory Personnel—Maintenance.
- 4137—Salaries—Supervisory and Administrative Personnel—Traffic and Sales.
- 4138—Salaries—Supervisory and Administrative Personnel—Insurance and Safety.
- 4139—Salaries—Supervisory and Administrative Personnel—General and Administrative.

NOTE A: The salaries and wages of working foremen engaged in the platform activity shall be included in account 4230—Cargo Handlers.

4200 Salaries and wages.

This account may be used as a control account for all accounts in the 4200 series.

4210 Salaries and wages—clerical and administrative.

This account group includes the salaries, wages, bonuses and other direct compensation including overtime premium of employees performing clerical and administrative functions.

ITEMS

(See Instruction 6)

- Accounting clerks.
- Billing clerks.
- Bookkeepers.
- Credit clerks.
- Estimators.
- File clerks.
- Information clerks.
- Inspectors.
- Insurance clerks.
- Keypunch operators.
- Machine operators.
- Manifest clerks.
- Operators of two-way radios.
- Over, short, and damage clerks.
- Programmers.
- Rating clerks.
- Secretaries.
- Shop and garage clerks.
- Stenographers.
- Tariff clerks.
- Telephone operators.
- Timekeepers.
- Typists.

The total of these amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instructions 11 and 27:

- 4211—Salaries and Wages—Clerical and Administrative—Line-haul.
- 4212—Salaries and Wages—Clerical and Administrative—Pickup and Delivery.
- 4213—Salaries and Wages—Clerical and Administrative—Billing and Collecting.
- 4214—Salaries and Wages—Clerical and Administrative—Platform.
- 4215—Salaries and Wages—Clerical and Administrative—Terminal.
- 4216—Salaries and Wages—Clerical and Administrative—Maintenance.
- 4217—Salaries and Wages—Clerical and Administrative—Traffic and Sales.
- 4218—Salaries and Wages—Clerical and Administrative—Insurance and Safety.
- 4219—Salaries and Wages—Clerical and Administrative—General and Administrative.

4220 Salaries and wages—drivers and helpers.

This account group includes the wages and bonuses and other direct compensation including overtime premium and layover pay paid to employees engaged as drivers of or helpers on revenue equipment. The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instructions 11 and 27:

- 4221—Salaries and Wages—Drivers and Helpers—Line-haul.
- 4222—Salaries and Wages—Drivers and Helpers—Pickup and Delivery.

NOTE A: The pay of drivers and helpers while engaged in loading or unloading vehicles at the carrier's terminal shall be charged to account 4230—Salaries and Wages—Cargo Handlers, in accordance with instruction 27.

4230 Salaries and wages—cargo handlers.

This group of accounts includes the wages and bonuses, and other direct compensation, including overtime premium of employees engaged in loading, unloading and platform handling of freight at the carrier's terminals.

ITEMS

(See Instruction 6)

Checkers.
Casual labor used on the terminal platform.
Inspectors.
Loaders.
Stackers.
Working foremen.

The amount in this account is chargeable to 4234—Salaries and Wages, Cargo Handlers—Platform (see instruction 27).

4240 Salaries and wages—vehicle repair and service.

This account group includes the salaries, wages, bonuses and other direct compensation including overtime premium of employees engaged in repairing and servicing vehicles owned, rented or leased by the carrier.

ITEMS

(See Instruction 6)

Battery men.
Carpenters.
Electricians and radio maintenance men.
Gasoline and oil attendants.
Machinists.
Mechanics.
Metal workers.
Painters.
Washers and cleaners.
Working foremen.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instructions 11 and 27:

- 4241—Salaries and Wages—Vehicle Repair and Service—Line-haul (see notes A and B, below).
4242—Salaries and Wages—Vehicle Repair and Service—Pickup and Delivery (See notes A and B, below).
4244—Salaries and Wages—Vehicle Repair and Service—Platform (see note C, below).
4245—Salaries and Wages—Vehicle Repair and Service—Terminal (see note C, below).
4246—Salaries and Wages—Vehicle Repair and Service—Maintenance (see note C, below).
4247—Salaries and Wages—Vehicle Repair and Service—Traffic and Sales (see note C, below).
4243—Salaries and Wages—Vehicle Repair and Service—Insurance and Safety (see note C, below).
4249—Salaries and Wages—Vehicle Repair and Service—General and Administrative (see note C, below).

NOTE A: Carriers designated in instruction 31 shall further subdivide these accounts by type of equipment.

NOTE B: The pay of employees engaged in repairing and servicing revenue equipment shall be included in these accounts in accordance with instruction 27.

NOTE C: The pay of employees engaged in repairing and servicing service vehicles shall be included in these accounts. The predominant use of the service vehicle shall be used in determining the activity to be charged. (See instruction 27.)

4250 Salaries and wages—owner-operator drivers.

This account group includes the salaries, wages, bonuses, and other direct compensation including overtime pre-

mium and layover of owner-operator drivers operating vehicles rented or leased by the carrier under the conditions described in note A below.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27.

4251—Salaries and Wages—Owner-Operator Drivers—Line-haul.

4252—Salaries and Wages—Owner-Operator Drivers—Pickup and Delivery.

NOTE A: If the arrangement under which vehicles with drivers are furnished to the carrier provides that the wages of the drivers shall be paid separately by the reporting carrier, and included on its payroll, such wages shall be included here, and the vehicle portion of the rental shall be included in account 5420—Revenue Equipment Rents—With Driver, Vehicle Portion Only. If the wages of the driver are paid by the leasing company, the entire cost of renting the vehicle, including driver compensation paid by the lessor shall be included in account 5410—Vehicle Rents with Driver.

4290 Salaries and wages—other labor.

This account group includes the salaries, wages, bonuses and other direct compensation including overtime premium of employees of the carrier not included elsewhere.

ITEMS

(See Instruction 6)

Cleaners.
Electricians and radio maintenance men (for communication equipment on fixed property).
Guards (if carrier employees).
Helpers.
Janitors.
Operators of wreckers or tow trucks.
Repairmen, general.
Stock room employees.
Switchers.
Watchmen.
Yardmen.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instructions 11 and 27.

- 4291—Salaries and Wages—Other Labor—Line-haul.
4292—Salaries and Wages—Other Labor—Pickup and Delivery.
4293—Salaries and Wages—Other Labor—Billing and Collecting.
4294—Salaries and Wages—Other Labor—Platform.
4295—Salaries and Wages—Other Labor—Terminal.
4296—Salaries and Wages—Other Labor—Maintenance.
4297—Salaries and Wages—Other Labor—Traffic and Sales.
4298—Salaries and Wages—Other Labor—Insurance and Safety.
4299—Salaries and Wages—Other Labor—General and Administrative.

4300 Miscellaneous paid time off.

This account may be used as a control account for all accounts in the 4300 series. Class II carriers shall use this account group as provided in note A below. (Class II carriers are not required to maintain accounts 4310 to 4390 inclusive.)

NOTE A: Class II carriers shall include in this control account the miscellaneous paid time off expense for all employees whose salaries and wages have been included in accounts 4210 to 4290 inclusive.

ITEMS

(See Instruction 6)

Attendance at union meetings during working hours.
Birthday pay.
Compensatory time off.
Funeral or bereavement pay.
Sickness, holiday and vacation pay.
Voluntary payments to employees in lieu of salaries and wages lost, while on strike.
Other similar payments.

Miscellaneous paid time off expense shall be distributed to the following accounts in accordance with instructions 27 and 28.

- 4301—Miscellaneous Paid Time Off—Line-haul.
4302—Miscellaneous Paid Time Off—Pickup and Delivery.
4303—Miscellaneous Paid Time Off—Billing and Collecting.
4304—Miscellaneous Paid Time Off—Platform.
4305—Miscellaneous Paid Time Off—Terminal.
4306—Miscellaneous Paid Time Off—Maintenance.
4307—Miscellaneous Paid Time Off—Traffic and Sales.
4308—Miscellaneous Paid Time Off—Insurance and Safety.
4309—Miscellaneous Paid Time Off—General and Administrative.

4310 Miscellaneous paid time off—clerical and administrative.

This account group includes the total miscellaneous paid time off expense for clerical and administrative employees whose salaries and wages are included in account 4210. Such miscellaneous paid time off expense shall be distributed to the following accounts in accordance with instructions 27 and 28: (For Class II carriers, see note B below.)

- 4311—Miscellaneous Paid Time Off—Clerical and Administrative—Line-haul.
4312—Miscellaneous Paid Time Off—Clerical and Administrative—Pickup and Delivery.
4313—Miscellaneous Paid Time Off—Clerical and Administrative—Billing and Collecting.
4314—Miscellaneous Paid Time Off—Clerical and Administrative—Platform.
4315—Miscellaneous Paid Time Off—Clerical and Administrative—Terminal.
4316—Miscellaneous Paid Time Off—Clerical and Administrative—Maintenance.
4317—Miscellaneous Paid Time Off—Clerical and Administrative—Traffic and Sales.
4318—Miscellaneous Paid Time Off—Clerical and Administrative—Insurance and Safety.
4319—Miscellaneous Paid Time Off—Clerical and Administrative—General and Administrative.

NOTE A: For an illustrative item list, see account 4300—Miscellaneous Paid Time Off.

NOTE B: Class II carriers shall use account 4300 to record miscellaneous paid time off.

4320 Miscellaneous paid time off—drivers and helpers.

This account group includes the total miscellaneous paid time off expense of

drivers and helpers whose salaries and wages are included in account 4220. Such miscellaneous paid time off expense shall be distributed to the following accounts in accordance with instructions 27 and 28: (For Class II carriers, see note B below.)

4321—Miscellaneous Paid Time Off—Drivers and Helpers—Line-haul.

4322—Miscellaneous Paid Time Off—Drivers and Helpers—Pickup and Delivery.

NOTE A: For an illustrative item list, see account 4300—Miscellaneous Paid Time Off.

NOTE B: Class II carriers shall use account 4300 to record miscellaneous paid time off.

4330 Miscellaneous paid time off—cargo handlers.

This account group includes the total miscellaneous paid time off expenses for cargo handlers whose salaries and wages are included in account 4230. The amount in control account 4330 is chargeable to 4334—Miscellaneous Paid Time Off—Cargo Handlers—Platform, in accordance with instructions 27 and 28. For an illustrative item list, see account 4300—Miscellaneous Paid Time Off. (Class II carriers shall use account 4300 to record miscellaneous paid time off.)

4340 Miscellaneous paid time off—vehicle repair and service.

This account group includes the total miscellaneous paid time off expense for vehicle repair and service employees whose salaries and wages are included in account 4240. Such miscellaneous paid time off expense shall be distributed to the following accounts in accordance with instructions 27 and 28. (See note A below.) For an illustrative item list, see account 4300—Miscellaneous Paid Time Off. (For Class II carriers, see note B, below.)

4341—Miscellaneous Paid Time Off—Vehicle Repair and Service—Line-haul.

4342—Miscellaneous Paid Time Off—Vehicle Repair and Service—Pickup and Delivery.

4346—Miscellaneous Paid Time Off—Vehicle Repair and Service—Maintenance.

NOTE A: The portion of miscellaneous paid time off expense directly attributable to repair of revenue vehicles shall be allocated to accounts 4341 and 4342 in accordance with instruction 27. The balance of the miscellaneous paid time off is chargeable to account 4346.

NOTE B: Class II carriers shall use account 4300 to record miscellaneous paid time off expenses.

4350 Miscellaneous paid time off—owner-operator drivers.

This account group includes the total miscellaneous paid time off expense for owner-operator drivers, whose salaries and wages are included in account 4250—Salaries and Wages—Owner-Operator Drivers. Such miscellaneous paid time off expense shall be distributed to the following accounts in accordance with instructions 27 and 28: (For Class II carriers, see Note A below.)

4351—Miscellaneous Paid Time Off—Owner-Operator Drivers—Line-haul.

4352—Miscellaneous Paid Time Off—Owner-Operator Drivers—Pickup and Delivery.

NOTE A: Class II carriers shall use account 4300 to record miscellaneous paid time off.

4390 Miscellaneous paid time off—other labor.

This account group includes the total miscellaneous paid time off expense for employees whose salaries and wages are included in account 4290. Such miscellaneous paid time off expense shall be distributed to the following accounts in accordance with instructions 27 and 28. (For Class II carriers, see note B, below.)

4391—Miscellaneous Paid Time Off—Other Labor—Line-haul.

4392—Miscellaneous Paid Time Off—Other Labor—Pickup and Delivery.

4393—Miscellaneous Paid Time Off—Other Labor—Billing and Collecting.

4394—Miscellaneous Paid Time Off—Other Labor—Platform.

4395—Miscellaneous Paid Time Off—Other Labor—Terminal.

4396—Miscellaneous Paid Time Off—Other Labor—Maintenance.

4397—Miscellaneous Paid Time Off—Other Labor—Traffic and Sales.

4398—Miscellaneous Paid Time Off—Other Labor—Insurance and Safety.

4399—Miscellaneous Paid Time Off—Other Labor—General and Administrative.

NOTE A: For an illustrative item list, see account 4300—Miscellaneous Paid Time Off.

NOTE B: Class II carriers shall use account 4300 to record miscellaneous paid time off.

4400 Other fringes.

This account shall be used as a control account for all accounts in the 4400 series. Amounts in this account shall be distributed to the following accounts in accordance with instructions 27 and 28:

4401—Other Fringes—Line-haul.

4402—Other Fringes—Pickup and Delivery.

4403—Other Fringes—Billing and Collecting.

4404—Other Fringes—Platform.

4405—Other Fringes—Terminal.

4406—Other Fringes—Maintenance.

4407—Other Fringes—Traffic and Sales.

4408—Other Fringes—Insurance and Safety.

4409—Other Fringes—General and Administrative.

NOTE A: Carriers may distribute each natural classification within series 4400 to the appropriate activity. In this case carriers are not required to maintain or distribute this control account.

4410 Federal payroll taxes.

This account group includes the carrier's portion of Federal Insurance Contributions Act (F.I.C.A.) and unemployment taxes. The amount in this account is chargeable to account 4419—Federal Payroll Taxes—General and Administrative.

4420 State payroll taxes.

This account group includes the carrier's portion of State unemployment taxes. The amount in this account is chargeable to account 4429—State Payroll Taxes—General and Administrative.

4430 Workmen's compensation.

This account group includes the net cost (premium less dividends and refunds) of insurance required to provide for workmen's compensation or similar employee protection in connection with motor carrier operations, whether such insurance is provided by means of premi-

ums payable to government agencies, or commercial insurance companies. (See instruction 22(a).)

This account group shall also be charged each month, and account 2130—Other Current and Accrued Liabilities (Class II) or account 2172—Personal Injuries, Property Damage Claims and Workmen's Compensation Claims (Estimated liabilities; accrued) (Class I), shall be credited with amounts sufficient to meet the probable liability not covered by outside insurance on account of claims for injuries to and death of employees arising under workmen's compensation and employer's liability acts. (See instruction 22 (a) and (c).) The amount in this account is chargeable to account 4439—Workmen's Compensation—General and Administrative.

4440 Group insurance.

This account group includes the net payments (premiums less dividends or refunds) made by the carrier on behalf of its employees for group insurance. This insurance shall include life, accident, and health, and any other group coverage provided by the carrier.

The amount in this account is chargeable to account 4449—Group Insurance, General and Administrative. (For Class II carriers, see note A.)

NOTE A: Class II carriers shall use account 4490 to record group insurance expense.

NOTE B: Life insurance carried on officers where the corporation is the beneficiary, shall be included in account 8400—Other Non-operating Income (Net), for Class II carriers, or account 8423—Life Insurance Premiums for Class I carriers.

NOTE C: Dividends received from insurance companies on group policies shall be credited to this account. When employees pay part of the premiums, but the carrier retains dividends received, the full amount of the dividends is includible in the account.

4450 Pension and retirement plans.

This account group includes the net payments (premiums or contributions less dividends or refunds) made by the carrier to trustees or commercial insurance companies on behalf of its employees for pensions or retirement plans. This account group shall also include payments made to retired employees for pension or retirement. The amount in this account is chargeable to account 4459—Pension and Retirement Plans, General and Administrative (Class II carriers shall use account 4490 to record such pensions and retirement plan expenses).

4460 Health, welfare and pensions.

This account group includes amounts paid by the carrier to health, welfare or pension plans under agreements with employee unions or other established plans. The amount in this account is chargeable to account 4469—Health, Welfare and Pensions, General and Administrative. (Class II carriers shall use account 4490 to record such health, welfare and pension expense.)

4490 Other fringes.

This account group includes amounts paid by the carrier for payroll related fringe benefits not included elsewhere.

The amount in this account is chargeable to account 4499—Other Fringes, General and Administrative.

4500 Operating supplies and expenses.

This account may be used as a control account for all accounts in the 4500 series.

4510 Fuel for motor vehicles.

This account group includes the cost of gasoline, propane, diesel fuel and any other fuel (e.g., electricity for charging batteries in electrically driven vans) used by revenue vehicles, and service vehicles of the terminal or maintenance activities. This account group also includes transportation charges payable to others for gasoline, propane, diesel fuels, and other fuels for such vehicles. The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4511—Fuel for Motor Vehicles—Line-haul (see notes A, D, and E).
- 4512—Fuel for Motor Vehicles—Pickup and Delivery (see notes A, D, and E).
- 4515—Fuel for Motor Vehicles—Terminal (see notes B, C, and E).
- 4516—Fuel for Motor Vehicles—Maintenance (see notes B, C, and E).

NOTE A: The cost of gasoline, diesel fuel and other fuels consumed by revenue vehicles shall be distributed to these accounts in accordance with the designation of the primary use of the vehicle (see instruction 27).

NOTE B: The cost of gasoline, diesel fuel and other fuels consumed by service vehicles of the terminal or maintenance activities shall be distributed to account 4515 or 4516 in accordance with the designation of the primary use of the vehicle (see instruction 27).

NOTE C: The cost of gasoline, diesel fuel and other fuels (including taxes related thereto) for other service type vehicles, including automobiles, shall be included in accounts 4660 and 4670 for Class I carriers or account 4690 for Class II carriers.

NOTE D: Carriers designated in instruction 31 shall further subdivide these accounts by type of equipment.

NOTE E: Taxes on gasoline, diesel fuel, or other fuels, except as set out in note C above, shall be charged to account 4710—Gasoline, Diesel Fuel, and Oil Taxes (Federal), or 4760—Gasoline, Diesel Fuel, and Oil Taxes (State and Other), as appropriate.

NOTE F: The cost of fuel lost as a result of a leakage from a carrier's storage tank is includible in this account.

4520 Oil and lubricants for motor vehicles.

This account group includes the cost of motor oil, grease and other lubricants used by vehicles. This account group also includes transportation charges payable to others for motor oil and other lubricants.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4521—Oil and Lubricants for Motor Vehicles—Line-haul (see notes A, C, and D).
- 4522—Oil and Lubricants for Motor Vehicles—Pickup and Delivery (see notes A, C, and D).
- 4526—Oil and Lubricants for Motor Vehicles—Maintenance (see notes B and C).

NOTE A: The cost of grease, oil, and other lubricants consumed by revenue vehicles shall be distributed to these accounts in accordance with the designation of the primary use of the vehicle (see instruction 27).

NOTE B: The cost of motor oil, grease, and other lubricants consumed by service vehicles shall be charged to this account.

NOTE C: Taxes on motor oil shall be charged to account 4710—Gasoline, Diesel Fuel, and Oil Taxes (Federal) or 4760—Gasoline, Diesel Fuel, and Oil Taxes (State and Other), as appropriate.

NOTE D: Carriers designated in instruction 31 shall further subdivide these accounts by type of equipment.

4530 Vehicle parts.

This account group includes the cost of vehicle parts used in repairing the carriers' vehicles.

ITEMS

(See Instruction 6)

- Accessories installed on operating vehicles, when replacing original items.
- Diesel oil filters.
- Flares.
- Fuses.
- Light casings.
- Marker light replacements.
- Oil filter packs.
- Parts for communication equipment repair installed in vehicles.
- Parts for refrigeration units installed on vehicles.
- Reflectors.
- Replacement costs, (net) of engines (see account 121, paragraph c).
- Torches.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4531—Vehicle Parts—Line-haul (see note A).
- 4532—Vehicle Parts—Pickup and Delivery (see note A).
- 4535—Vehicle Parts—Terminal.
- 4536—Vehicle Parts—Maintenance.
- 4537—Vehicle Parts—Traffic and Sales.
- 4538—Vehicle Parts—Insurance and Safety.
- 4539—Vehicle Parts—General and Administrative.

NOTE A: Carriers designated in instruction 31 shall further subdivide these accounts by type of equipment.

NOTE B: Items which have a short life and small cost shall be charged to this account, instead of being charged to account 1151—Materials and Supplies.

4540 Vehicle maintenance by outside vendors.

This account group includes the cost of maintaining the carrier's vehicles, including inspection, to determine the need of repairs when the maintenance is performed by public shops and garages.

The total of such amounts may be included in this control account. Its components shall be distributed to the fol-

lowing accounts in accordance with instruction 27:

- 4541—Vehicle Maintenance by Outside Vendors—Line-haul (see note A).
- 4542—Vehicle Maintenance by Outside Vendors—Pickup and Delivery (see note A).
- 4545—Vehicle Maintenance by Outside Vendors—Terminal.
- 4546—Vehicle Maintenance by Outside Vendors—Maintenance.
- 4547—Vehicle Maintenance by Outside Vendors—Traffic and Sales.
- 4548—Vehicle Maintenance by Outside Vendors—Insurance and Safety.
- 4549—Vehicle Maintenance by Outside Vendors—General and Administrative.

NOTE A: Carriers designated in instruction 31 shall further subdivide these accounts by type of equipment.

NOTE B: Vehicle repairs performed by outside shops and garages, charged to this account group shall include any state and local sales, use and service taxes.

4550 Tires and tubes.

This account group includes the cost, including taxes, of tires and tubes applied to the carrier's vehicles. The cost of tires and tubes may be charged directly to this account or included in account 1140—Prepayments (Class II) or account 1146—Prepaid Tires and Tubes (Class I) and charged off to this account in appropriate monthly installments.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4551—Tires and Tubes—Line-haul (see note A).
- 4552—Tires and Tubes—Pickup and Delivery (see note A).
- 4555—Tires and Tubes—Terminal.
- 4556—Tires and Tubes—Maintenance.
- 4557—Tires and Tubes—Traffic and Sales.
- 4558—Tires and Tubes—Insurance and Safety.
- 4559—Tires and Tubes—General and Administrative.

NOTE A: Carriers designated in instruction 31 shall further subdivide these accounts by type of equipment.

NOTE B: When a carrier contracts to use tires at a monthly rental based on miles run or some similar method of computing the charge, the cost of such tire service, including abused tires, shall be included in this account.

NOTE C: The cost of unapplied tires and tubes held in stock, shall be charged to account 1151—Materials and Supplies.

NOTE D: Fully expensed tires and tubes that are transferred from line-haul vehicles to pickup and delivery vehicles shall be accounted for by crediting account 4551 and charging account 4552, for the estimated value at the time of transfer.

NOTE E: Recoveries from insurance companies as reimbursement for the loss of tires and tubes included in this account, the proceeds of sold tires and tubes and the estimated value of tires and tubes on a vehicle that is sold or traded in, shall be credited to this account. (See, however, account 1146—Prepaid Tires and Tubes, Note C.)

4590 Other operating supplies and expenses.

This account shall include the cost of other operating supplies, used in connection with operating vehicles and terminals, and related expenses not provided for in the foregoing accounts.

ITEMS
(See instruction 6)

- Alarm systems, rented for owned or rented vehicles.
- Antifreeze.
- Brake fluid.
- Calibrations (measurement) of tank trucks and trailers used in revenue service (initial calibration, however is includible in the cost of the vehicle).
- Cleaning expenses of the interior of revenue vehicles after particular shipments, such as: Liquid products in tank trucks, livestock and other commodities which are transported in bulk.
- Cleaning supplies and solvents.
- Cooling supplies, general.
- Cooling supplies, for special refrigerated vehicles.
- Demurrage, wharfage and similar expenses when not recollectible from customers.
- Drivers' sleeping-room rents at a terminal point (collections from owner-operators for the use of such rooms shall be credited to this account).
- Expenses incurred in deadheading intercity drivers and helpers.
- Hand tools.
- Improvements to terminal property leased for less than 1 year.
- Inspection costs of operating property by State inspection bureaus.
- Lift trucks, cranes, etc., rented with or without drivers.
- Maintenance cost (other than payroll) of grounds, including fences, shrubbery, driveways, sidewalks, sewers, etc., for shops, garages, terminals and other transportation structures.
- Operating cost of, or amounts paid others for service equipment used to raise dropped trailers, tow trucks, etc., which have been damaged in accidents.
- Operating and maintenance costs of signs designating a terminal building (see also accounts 4630 and 5990).
- Parking and storage fees paid for daily and overnight parking of revenue vehicles.
- Pilot cars rented with or without drivers.
- Repair and operating costs for communication equipment (including towers and antennae), not installed in vehicles.
- Shock absorber oil.
- Tarpaulins, cables and other rigging devices.
- Temporary storage charges for cargo occasioned by breakdowns, accident or other causes while being transported in the carrier's revenue vehicle.
- Tolls for bridges, tunnels, highways and ferries, of revenue vehicles and service vehicles of the terminal and maintenance activities (see, however, accounts 4660 and 4670).

The total of such amounts may be included in this control account. Its component shall be distributed to the following accounts in accordance with instruction 27:

- 4591—Other Operating Supplies—Line-haul (see note A).
- 4592—Other Operating Supplies—Pickup and Delivery (see note A).
- 4594—Other Operating Supplies—Platform.
- 4595—Other Operating Supplies—Terminals.
- 4596—Other Operating Supplies—Maintenance (see note B).

NOTE A: The cost of operating supplies including cooling supplies consumed by revenue vehicles shall be distributed to these accounts in accordance with the designation of the primary use of the vehicle (see instruction 27).

NOTE B: The cost of operating supplies, including cooling supplies, consumed by service vehicles shall be charged to this account.

NOTE C: The cost of tolls included in this account, when coupon books are purchased shall reflect the cost of those books which are issued only. Coupon books not yet issued shall be recorded as prepayments (see account 1147). Tolls for service vehicles, which are not included in the terminal or maintenance activities and personal vehicles used in carrier operations are chargeable similarly to accounts 4660 and 4670.

4600 General supplies and expenses.

This account may be used as a control account for all accounts in the 4600 series.

4610 Office supplies.

This account group includes the cost of supplies used in connection with the administration of carrier activities.

ITEMS
(See Instruction 6)

- Books.
- Computer programs purchased (expense portion).
- Continuous forms (data processing supplies).
- Disk packs (data processing supplies).
- Drinking water.
- Notary fees.
- Magazine subscriptions.
- Magnetic tapes (data processing supplies).
- 250.24
- Postage.
- Printed forms for general use.
- Stationery and printing.
- Tabulating cards (data processing supplies).

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4611—Office Supplies—Line-haul.
- 4612—Office Supplies—Pickup and Delivery.
- 4613—Office Supplies—Billing and Collecting.
- 4614—Office Supplies—Platform.
- 4615—Office Supplies—Terminal.
- 4616—Office Supplies—Maintenance.
- 4617—Office Supplies—Traffic and Sales.
- 4618—Office Supplies—Insurance and Safety.
- 4619—Office Supplies—General Administrative.

NOTE A: Items identified as data processing supplies are chargeable to account 4619—Office Supplies—General and Administrative.

4620 Tariffs and schedules.

This account group includes the cost of printing and other expenses, except salaries, incurred in the preparation of tariffs and schedules, including postage and transportation charges. This account group also includes amounts payable to outside agencies for publishing the carrier's tariffs and schedules. The amount in this account is chargeable to account 4627—Tariffs and Schedules, Traffic and Sales.

4630 Advertising.

This account group includes expenses, other than salaries, in connection with advertising for the purpose of securing

traffic, such as the preparation, printing, and distribution of advertising matter and copy, commissions and fees paid outside advertising agents, the cost of advertising space in newspapers and periodicals, the cost of advertisements in publications of charitable, social, fraternal, and similar organizations, expenses incurred in connection with advertising by radio or television, amounts paid to associations which advertise and publicize the industry, the cost of operating and maintaining neon and other display signs (permanent or portable) for attracting traffic, bulletin boards, display cards and cases, and photographs; also postage and express charges on advertising matter, cost of bill posting, etc. The amount in this account is chargeable to account 4637—Advertising—Traffic and Sales.

NOTE A: The cost of equipping and expenses for athletic teams, maintained primarily to advertise the carrier's name and services, are includable in this account.

4640 Commission agent fees.

This account group includes amounts paid to others on a commission basis for the solicitation, cargo handling, and pickup and delivery of freight at points where the carrier does not operate terminals or participate with other carriers in joint terminal facilities. This group also includes amounts allowed commission agents for expenses such as advertising, installing and maintaining the carrier's signs, building rents, utilities, communications expenses, and items of a similar nature.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4641—Commission Agent Fees—Line-haul.
- 4642—Commission Agent Fees—Pickup and Delivery.
- 4643—Commission Agent Fees—Billing and Collecting.
- 4644—Commission Agent Fees—Platform.
- 4645—Commission Agent Fees—Terminal.
- 4647—Commission Agent Fees—Traffic and Sales.

NOTE A: Commissions paid to freight solicitors not on the carrier's payroll, other than commission agents as set out in this account, are includable in account 4650—Solicitation Commissions and Outside Fees.

4650 Solicitation commissions and outside fees.

This account group includes commissions and fees paid to organizations and individuals (not on the carrier's payroll) for providing services to the carrier.

ITEMS
(See Instruction 6)

- Inspection and weighing bureau fees.
- Payments for manifesting, rating, and collecting freight bills.
- Solicitation commissions.
- Payments for soliciting traffic.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27.

- 4653—Outside Fees—Billing and Collecting.
4654—Outside Fees—Platform.
4657—Outside Fees—Traffic and Sales.

NOTE A: Commissions paid to commission agents, as set out in account 4640—Commission Agent Fees, shall be included in that account.

4660 Officers' and supervisory personnel expenses.

This account group includes expenses incurred for the benefit of motor carrier operations by officers and supervisory personnel whose salaries are included in accounts 4110 to 4130 inclusive:

ITEMS

(See Instruction 6)

- Entertainment.
Gifts for customers, purchased by and reimbursed to employees.
Hotels and meals; subsistence pay.
Membership dues and fees in trade, technical and professional associations, social clubs, etc.
Operating and maintenance expenses (such as: cost of license plates, gasoline and oil, including taxes, tolls, etc.) reimbursed to officers and supervisory personnel for the use of their own automobiles in carrier operations.
Physical examinations.
Taxes (Federal, State or other income; payroll, social security) of employees, assumed by the carrier.
Tolls for bridges, tunnels, highways and ferries, of service vehicles which are not included in the terminal or maintenance activities.
Travelling expenses.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instructions 11 and 27 (for Class II carriers, see note A below):

- 4661—Officers' and Supervisory Personnel Expenses—Line-haul.
4662—Officers' and Supervisory Personnel Expenses—Pickup and Delivery.
4663—Officers' and Supervisory Personnel Expenses—Billing and Collecting.
4664—Officers' and Supervisory Personnel Expenses—Platform.
4665—Officers' and Supervisory Personnel Expenses—Terminal.
4666—Officers' and Supervisory Personnel Expenses—Maintenance.
4667—Officers' and Supervisory Personnel Expenses—Traffic and Sales.
4668—Officers' and Supervisory Personnel Expenses—Insurance and Safety.
4669—Officers' and Supervisory Personnel Expenses—General and Administrative.

NOTE A: Class II carriers shall use account 4690 to record the expenses of officers and supervisory personnel.

4670 Other employee's expenses.

This account group includes expenses incurred by the carrier's employees whose salaries and wages are included in accounts 4210 to 4290 inclusive.

ITEMS

(See Instruction 6)

- Entertainment.
Expenses incurred in collecting freight charges.
Expenses of employees used as guards on vehicles to protect freight from pilferage and hijacking.
Hotels and meals; subsistence pay.
Membership dues and fees in trade, technical and professional associations, social clubs, etc.

Operating and maintenance expenses (such as: cost of license plates; gasoline and oil, including taxes; tolls, etc.) reimbursed to other employees for the use of their own automobiles in carrier operations.

Physical examinations.

Taxes (Federal, State, or other income; payroll; social security) of employees, assumed by the carrier.

Tolls for bridges, tunnels, highways and ferries for service vehicles which are not included in the terminal or maintenance activities.

Travelling expenses.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instructions 11 and 27 (for Class II carriers, see note A):

- 4671—Other Employees' Expenses—Line-haul.
4672—Other Employees' Expenses—Pickup and Delivery.
4673—Other Employees' Expenses—Billing and Collecting.
4674—Other Employees' Expenses—Platform.
4675—Other Employees' Expenses—Terminal.
4676—Other Employees' Expenses—Maintenance.
4677—Other Employees' Expenses—Traffic and Sales.
4678—Other Employees' Expenses—Insurance and Safety.
4679—Other Employees' Expenses—General and Administrative.

NOTE A: Class II carriers shall use account 4690 to record other employee expenses.

4690 Other general supplies and expenses.

This account group includes the cost of general supplies and expenses in connection with carrier operations not included elsewhere.

ITEMS

(See Instruction 6)

- Annual fees for listing stock on exchanges.
Appraisals of operating property for record purposes.
Armored car service.
Assessments levied by public authorities for the maintenance of public improvements.
Awards of merchandise and other safety campaign expenses for employees (but not bonuses; see account series 4100 and 4200).
Bank service charges.
Banquets, gifts purchased for distribution to customers.
Basic memberships in trucking associations.
Bedding used in drivers' sleeping rooms and laundry service on such bedding.
Cash bail forfeited by a driver's nonappearance in court in connection with a traffic violation.
Contributions for charitable, social, or community welfare purposes.
Cost of advertising for hiring personnel.
Cost of Christmas, wedding and similar presents given to employees.
Court costs.
Court fees.
Discounts not practical to apply to the items purchased.
Donations to funds used for the prevention of strikes.
Drivers' logs, cost of.
Facilities and services for employees, such as: cost of picnics, recreational activities, and equipping baseball, bowling and other athletic teams (see also account 4630).
Fees for guards from outside organizations placed on trucks to prevent pilferage and hijacking.

Fines for traffic violations.

General membership fees and dues in chambers of commerce, etc., which cannot be allocated to specific natural classes.

Gifts purchased in quantity for distribution to customers.

Inventory adjustments not otherwise apportioned (see account 1151—Materials and Supplies).

Law books, periodicals and subscriptions to special services.

Law expenses of receivers.

Legal forms, law office supplies, postage and stationery.

Losses from acceptance of counterfeit money.
Losses (net) from operation of employee lunchrooms.

Maintenance cost (other than payroll) of grounds, including fences, shrubbery, driveways, sidewalks, sewers, etc., for general offices.

Meals because of overtime work.

Membership fees and dues to traffic clubs and associations with members from both shippers and carriers; and to golf clubs for members of the traffic department.

Moving costs of employees' household goods when borne by the carrier.

Opening celebration expenses for a new terminal, other building, etc.

Operating and maintenance costs of signs designating the general office building (see accounts 4630 and 4690).

Payments to others for taking telephone orders from shippers.

Physical examinations of owner-operator drivers, when assumed by the carrier.

Premiums on court and other bonds.

Printing costs for freight bills, waybills, manifests and other forms.

Publications and services of a general nature.
Removing ice and snow from structures and grounds, cost of.

Rents payable and receivable for miscellaneous equipment (e.g., portable rayon frames, dress racks, refrigerator units) used in vehicles to prevent damage and to facilitate handling of shipments.

Repairs to office furniture and equipment and related inspection costs.

Statutory agent, fees for accepting service of notices, orders and processes.

Sundry operating expenses not included in other operating expense accounts.

Tax reports, claims, etc., when handled by legal staff.

Towel service.

Technical advice and services incident to the purchase of materials and supplies.

Transcripts of testimony, copies of exhibits, etc.

Tuition and text books for officers and employees attending technical, trade and other schools.

Uncollected c.o.d.'s (through bankruptcy of delivering carrier, fault of driver, etc.).

Vacation camps for employees, operating costs.

Witness fees.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4691—Miscellaneous Expenses—Line-haul.
4692—Miscellaneous Expenses—Pickup and Delivery.
4693—Miscellaneous Expenses—Billing and Collecting.
4694—Miscellaneous Expenses—Platform.
4695—Miscellaneous Expenses—Terminal.
4696—Miscellaneous Expenses—Maintenance.
4697—Miscellaneous Expenses—Traffic and Sales.
4698—Miscellaneous Expenses—Insurance and Safety.

4699—Miscellaneous Expenses—General and Administrative.

NOTE A: Fines assessed against employees for violation of company rules, shall be credited to this account.

4700 Operating taxes and licenses.

This account may be used as a control account for all accounts in the 4700 series.

4710 Gasoline, diesel fuel, and oil taxes (Federal).

This account group includes all Federal taxes on gasoline, diesel fuel, other fuels, and oil consumed by revenue vehicles and service vehicles of the terminal or maintenance activities.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27 (see note A below):

- 4711—Gasoline, Diesel Fuel, and Oil Taxes (Federal)—Line-haul.
- 4712—Gasoline, Diesel Fuel, and Oil Taxes (Federal)—Pickup and Delivery.
- 4715—Gasoline, Diesel Fuel, and Oil Taxes (Federal)—Terminal.
- 4716—Gasoline, Diesel Fuel, and Oil Taxes (Federal)—Maintenance.

NOTE A: This distribution shall be in proportion to the expense of the fuel or oil upon which the tax was levied or any other reasonable basis which the carrier can substantiate.

NOTE B: Federal taxes of fuel consumed by automobiles and service equipment, other than those specified above, shall be included in account 4660—Officers' and Supervisory Personnel Expenses or account 4670—Other Employees' Expenses, as appropriate, for Class I carriers, or account 4690—Other General Supplies and Expenses, for Class II carriers.

4720 Vehicle license and registration fees—ownership (Federal).

This account group includes the cost of all Federal taxes, licenses, and fees assessed for the privilege of owning vehicles. The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4721—Vehicle License and Registration Fees—Ownership (Federal) Line-haul.
- 4722—Vehicle License and Registration Fees—Ownership (Federal) Pickup and Delivery.
- 4725—Vehicle License and Registration Fees—Ownership (Federal) Terminal.
- 4726—Vehicle License and Registration Fees—Ownership (Federal) Maintenance.
- 4727—Vehicle License and Registration Fees—Ownership (Federal) Traffic and Sales.
- 4728—Vehicle License and Registration Fees—Ownership (Federal) Insurance and Safety.
- 4729—Vehicle License and Registration Fees—Ownership (Federal) General and Administrative.

4730 Vehicle license and registration fees—usage (Federal).

This account group includes the cost of all Federal taxes, licenses, and fees assessed for the privilege of operating vehi-

cles. The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27 (for Class II carriers, see note A below):

- 4731—Vehicle License and Registration Fees—Usage (Federal) Line-haul.
- 4732—Vehicle License and Registration Fees—Usage (Federal) Pickup and Delivery.
- 4735—Vehicle License and Registration Fees—Usage (Federal) Terminal.
- 4736—Vehicle License and Registration Fees—Usage (Federal) Maintenance.
- 4737—Vehicle License and Registration Fees—Usage (Federal) Traffic and Sales.
- 4738—Vehicle License and Registration Fees—Usage (Federal) Insurance and Safety.
- 4739—Vehicle License and Registration Fees—Usage (Federal) General and Administrative.

NOTE A: Class II carriers shall use account 4720 to record such license and registration fees.

4740 Other taxes (Federal).

This account group includes all other Federal operating taxes, licenses, and fees not specifically provided for in accounts 4710 to 4730 inclusive.

The amount in this account is chargeable to account 4749—Other Taxes (Federal)—General and Administrative.

4750 Real estate and personal property taxes.

This account group includes the amount of taxes based on the value of real estate and personal property.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4755—Real Estate and Personal Property Taxes—Terminal.
- 4756—Real Estate and Personal Property Taxes—Maintenance.
- 4759—Real Estate and Personal Property Taxes—General and Administrative.
- 4760 Gasoline, diesel fuel, and oil taxes (State and other).

This account group includes all State, county, municipal and other taxes on gasoline, diesel fuel, other fuels and oil consumed by revenue vehicles or service vehicles of the terminal or maintenance activities.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27 (see note A below):

- 4761—Gasoline, Diesel Fuel, and Oil Taxes—(State and Other)—Line-haul.
- 4762—Gasoline, Diesel Fuel, and Oil Taxes—(State and Other)—Pickup and Delivery.
- 4765—Gasoline, Diesel Fuel, and Oil Taxes—(State and Other)—Terminal.
- 4766—Gasoline, Diesel Fuel, and Oil Taxes—(State and Other)—Maintenance.

NOTE A: This distribution shall be in proportion to the expense of the fuel or oil upon which the tax was levied or any other reasonable basis which the carrier can substantiate.

NOTE B: State and other taxes on fuel consumed by automobiles and service equip-

ment other than those specified above shall be included in account 4660—Officers' and Supervisory Personnel Expenses, or account 4670—Other Employees' Expenses, as appropriate for Class I carriers, or account 4690—Other General Supplies and Expenses, for Class II carriers.

4770 Vehicle license and registration fees—ownership (State and other).

This account group includes the cost of all state, county and municipal taxes, licenses and fees assessed for the privilege of owning vehicles.

ITEMS

(See Instruction 6)

- Certificates of title fees.
- Cost of identification plates, tags, cards, etc., issued by State and regulatory bodies.
- License plate fees.
- Registration fees.
- Vehicle qualification fees.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4771—Vehicle License and Registration Fees—Ownership (State and Other)—Line-haul.
- 4772—Vehicle License and Registration Fees—Ownership (State and Other)—Pickup and Delivery.
- 4775—Vehicle License and Registration Fees—Ownership (State and Other)—Terminal.
- 4776—Vehicle License and Registration Fees—Ownership (State and Other)—Maintenance.
- 4777—Vehicle License and Registration Fees—Ownership (State and Other)—Traffic and Sales.
- 4778—Vehicle License and Registration Fees—Ownership (State and Other)—Insurance and Safety.
- 4779—Vehicle License and Registration Fees—Ownership (State and Other)—General and Administrative.

4780 Vehicle license and registration fees—usage (State and other).

This account group includes the cost of all State, County, and municipal taxes, licenses and fees assessed for the privilege of operating vehicles.

ITEMS

(See Instruction 6)

- Gross weight taxes.
- Mileage taxes.
- Overload and oversize permits (when absorbed by the carrier).
- Port-of-entry fees.
- Ton-mile taxes.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27 (for Class II carriers, see note A below):

- 4781—Vehicle License and Registration Fees—Usage (State and Other)—Line-haul.
- 4782—Vehicle License and Registration Fees—Usage (State and Other)—Pickup and Delivery.
- 4785—Vehicle License and Registration Fees—Usage (State and Other)—Terminal.
- 4786—Vehicle License and Registration Fees—Usage (State and Other)—Maintenance.

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- 4787—Vehicle License and Registration Fees—Usage (State and Other)—Traffic and Sales.
- 4788—Vehicle License and Registration Fees—Usage (State and Other)—Insurance and Safety.
- 4789—Vehicle License and Registration Fees—Usage (State and Other)—General and Administrative.

NOTE A: Class II carriers shall use account 4770 to record such vehicle license and registration fees.

4790 Other taxes (State and other).

This account group includes all other State, County, and municipal operating taxes, licenses, and fees not specifically provided for in accounts 4750 to 4780, inclusive.

ITEMS

(See Instruction 6)

- Capital stock taxes.
- Corporation taxes (for purposes of doing business in a corporation).
- Gross receipts taxes.
- Occupancy taxes.
- Permits to haul liquor, etc.
- State taxes imposed for the privilege of doing business within a State which are based on net income assigned to the State, when such taxes are considered a franchise tax rather than an income tax by the State tax agency.
- Taxes on revenue from the rental of vehicles (when assessed against the carrier).

The amount in this account is chargeable to account 4799—Other Taxes (State and other)—General Administrative.

NOTE A: Taxes on revenue from rental of vehicles, when assessed against the lessee but absorbed by the carrier, shall be debited to the account, which is credited with the rental revenue.

4800 Insurance.

This account may be used as a control account for all accounts in the 4800 series.

4810 Public liability and property damage insurance.

This account group includes the net cost (premiums less dividends or refunds) of commercial insurance (see instruction 22(a)) to protect the carrier against liability for deaths of or injuries to persons (other than the carrier's employees) and damages to the property of others (except property entrusted to the carrier for transportation or storage), resulting from the operation of owned and leased vehicles in motor carrier service.

This account group shall also be charged, and account 2130—Other Current and Accrued Liabilities (Class II) or account 2172—Personal Injuries, Property Damage Claims, and Workmen's Compensation Claims (Estimated Liabilities; accrued) (Class I) shall be credited with the self-insured portion of coverage sufficient to meet the probable liabilities and related legal fees, not covered by commercial insurance for the classes of risks set out above.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts (see note A below):

- 4811—Public Liability and Property Damage Insurance—Line-haul.
- 4812—Public Liability and Property Damage Insurance—Pickup and Delivery.
- 4818—Public Liability and Property Damage Insurance—Insurance and Safety.

NOTE A: The proportion of premiums paid and estimated liabilities accrued which is applicable to revenue vehicles shall be allocated to accounts 4811 and 4812 in accordance with instruction 27. The balance of the premium shall be charged to account 4818.

4820 Cargo loss and damage insurance.

This account group includes the net cost (premium less dividends or refunds) of commercial insurance (see instruction 22(a)) to protect the carrier against liability for claims resulting from loss or damage to, or delay of property entrusted to it for transportation or storage.

This account group shall also be charged, and account 2130—Other Current and Accrued Liabilities (Class II) or account 2173—Cargo Loss and Damage Claims (Estimated liabilities; accrued) (Class I) shall be credited with the self-imposed portion of coverage sufficient to meet the probable liabilities and related legal fees, which are not covered by commercial insurance for the classes of risks set out above.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27 (see note A below):

- 4821—Cargo Loss and Damage Insurance—Line-haul.
- 4825—Cargo Loss and Damage Insurance—Terminal.

NOTE A: The proportion of premiums paid and estimated liabilities accrued which is applicable to loss or damage of freight while in line-haul vehicles shall be allocated to account 4821. The balance of the premium is chargeable to account 4825.

NOTE B: When unclaimed freight is sold, and neither the shipper nor the consignee is known, the receipts shall be applied against any unpaid transportation charges for the property sold and the balance, if any, shall be credited to this account.

4830 Fire, theft, and collision insurance.

This account group includes the net cost (premiums less dividends or refunds) of commercial insurance (see instruction 22(b)) to protect the carrier against loss from fire, theft, or collision damage to owned or leased vehicles and equipment used in motor carrier operations.

This account group shall also be charged, and account 2130—Other Current and Accrued Liabilities (Class II) or account 2171—Self-Insurance (Estimated liabilities; accrued) (Class I) shall be credited with the self-insured portion of coverage sufficient to meet the probable liabilities and related legal fees which are not covered by commercial insurance for the classes of risks set out above.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts (see note A below):

- 4831—Fire, Theft and Collision Insurance—Line-haul.
- 4832—Fire, Theft and Collision Insurance—Pickup and Delivery.
- 4838—Fire, Theft and Collision Insurance—Insurance and Safety.

NOTE A: The proportion of premium paid which is applicable to revenue vehicles shall be charged to accounts 4831 and 4832 in accordance with instruction 27. The balance of the premium shall be charged to account 4838.

NOTE B: Fire insurance on buildings and structures shall be charged to account 4840—Insurance on Buildings and Structures.

NOTE C: A commission received from owner-operators for including their insurance in the carrier's own fleet policy shall be credited to this account.

4840 Insurance on buildings and structures.

This account group includes the net cost (premiums less dividends or refunds) of commercial insurance (see instruction 22(b)) to protect the carrier against loss of, or damage to buildings and structures caused by fire, floods, wind, boiler explosion, or any other natural or other causes.

This account group shall also be charged, and account 2130—Other Current and Accrued Liabilities (Class II) or account 2171—Self-Insurance (Estimated Liabilities; accrued) (Class I) shall be credited with the self-insured portion of coverage sufficient to meet the probable losses which are not covered by commercial insurance.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 4845—Insurance on Buildings and Structures—Terminal.
- 4846—Insurance on Buildings and Structures—Maintenance.
- 4848—Insurance on Buildings and Structures—Insurance and Safety.

4890 Other insurance.

This account group includes the net cost (premiums less dividends and refunds) of commercial insurance (see instruction 22(a) and (b)) to protect the carrier against liabilities and losses, the cost of which is not provided for elsewhere.

This account group shall also be charged, and account 2130—Other Current and Accrued Liabilities (Class II) or account 2175—Other Estimated Liabilities (estimated liabilities; accrued) (Class I) shall be credited with any self-insured portion of coverage sufficient to meet the probable liabilities, losses and related legal fees, which are not covered by commercial insurance for the classes of risks set out above.

The amounts in this account are chargeable to account 4898—Other Insurance—Insurance and Safety.

ITEMS

(See Instruction 6)

- Burglary.
- Cost of liquor bonds (see note A).
- Cost of bonds furnished to guarantee the

payment of State mileage taxes (see note A).
 Detective fees for investigation of cargo losses.
 Fidelity.
 Holdup.
 Owners', landlords', and tenants' liability.
 Premiums on performance bonds.
 Public liability and property damage insurance to cover liability resulting from other than operation of owned or leased vehicles.
 Rewards for information leading to the return of stolen money.

NOTE A: Recoverable cash deposits in lieu of bonds furnished shall be included in account 1020—Special Deposits (Class II) or account 1023—Miscellaneous Special Deposits (Class I).

5100 Communications and utilities.

This account may be used as a control account for all accounts in the 5100 series.

5110 Communication expenses.

This account group includes the cost of communication service, including taxes, used by the carrier in directing its operations.

ITEMS

(See Instruction 6)

Communications network (leased line).
 Long-distance telephone calls and telegrams, reimbursed to drivers (if practicable to segregate from other employees' expenses).
 Telegraph units (rental or lease) and service.
 Telephone dispatching service, including installation charges.
 Telephone service.
 Telex equipment (rental or lease).

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts based upon their predominant use in accordance with instruction 27:

- 5111—Communication Expenses—Line-haul.
- 5112—Communication Expenses—Pickup and Delivery.
- 5113—Communication Expenses—Billing and Collecting.
- 5114—Communication Expenses—Platform.
- 5115—Communication Expenses—Terminal.
- 5116—Communication Expenses—Maintenance.
- 5117—Communication Expenses—Traffic and Sales.
- 5118—Communication Expenses—Insurance and Safety.
- 5119—Communication Expenses—General and Administrative.

5120 Utilities expenses.

This account group includes the cost of utility services consumed by the carrier in its motor carrier operations.

ITEMS

(See Instruction 6)

Electricity.
 Fuels (coal, gas, oil) (see note A).
 Penalties for exceeding grace periods for payment.
 Water.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts based on their predominant use in accordance with instruction 27:

- 5121—Utilities Expenses—Line-haul.
- 5122—Utilities Expenses—Pickup and Delivery.
- 5123—Utilities Expenses—Billing and Collecting.
- 5124—Utilities Expenses—Platform.
- 5125—Utilities Expenses—Terminal.
- 5126—Utilities Expenses—Maintenance.
- 5127—Utilities Expenses—Traffic and Sales.
- 5128—Utilities Expenses—Insurance and Safety.
- 5129—Utilities Expenses—General and Administrative.

NOTE A: The cost of fuel and oil used in revenue or service vehicles shall be included in accounts 4510—Fuel for Motor Vehicles or account 4530—Oil and Lubricants for Motor Vehicles, as appropriate.

5300 Depreciation and amortization.

This account may be used as a control account for all accounts in the 5300 series.

5310 Depreciation expense—buildings and structures.

This account group includes depreciation of structures situated on owned land, including all fixtures permanently attached thereto, and of improvements to owned land and other structures or constructions, the investment in which is included in account 1210—Land and Structures (Class II) or account 1213—Structures (Class I).

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 5315—Depreciation Expense—Buildings and Structures—Terminal.
- 5316—Depreciation Expense—Buildings and Structures—Maintenance.
- 5319—Depreciation Expense—Buildings and Structures—General and Administrative.

5320 Depreciation expense—revenue equipment.

This account group includes depreciation of revenue equipment. (See list of items in account 1221—Revenue Equipment (Classes I and II).) The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 5321—Depreciation Expense—Revenue Equipment—Line-haul.
- 5322—Depreciation Expense—Revenue Equipment—Pickup and Delivery.

5330 Depreciation expense—service cars and equipment.

This account group includes the depreciation of automobiles, wreckers, sand and salt cars, tow cars and other service equipment, the investment in which is included in account 1223—Service Cars and Equipment (Classes I and II).

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 5334—Depreciation Expense—Service Cars and Equipment—Platform.
- 5335—Depreciation Expense—Service Cars and Equipment—Terminal.

- 5336—Depreciation Expense—Service Cars and Equipment—Maintenance.
- 5337—Depreciation Expense—Service Cars and Equipment—Traffic and Sales.
- 5338—Depreciation Expense—Service Cars and Equipment—Insurance and Safety.
- 5339—Depreciation Expense—Service Cars and Equipment—General and Administrative.

5340 Depreciation expense—shop and garage equipment.

This account group includes the depreciation of shop and garage equipment, the investment in which is included in account 1230—Other Carrier Property (Class II), or account 1233—Shop and Garage Equipment (Class I). The amount in this account is chargeable to account 5346—Depreciation Expense—Shop and Garage Equipment—Maintenance.

5350 Depreciation expense—furniture and office equipment.

This account group includes the depreciation of furniture and office equipment and appliances, the investment in which is included in account 1230—Other Carrier Property (Class II) or account 1235—Furniture and Office Equipment (Class I). The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 5355—Depreciation Expense—Furniture and Office Equipment—Terminal.
- 5356—Depreciation Expense—Furniture and Office Equipment—Maintenance.
- 5359—Depreciation Expense—Furniture and Office Equipment—General and Administrative.

5360 Depreciation expense—miscellaneous equipment.

This account group includes the depreciation, not provided for elsewhere, of equipment employed in motor carrier operations, the investment in which is included in account 1230—Other Carrier Property (Class II) or account 1237—Miscellaneous Equipment (Class I).

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27 (see note A):

- 5361—Depreciation Expense—Miscellaneous Equipment—Line-Haul.
- 5362—Depreciation Expense—Miscellaneous Equipment—Pickup and Delivery.
- 5363—Depreciation Expense—Miscellaneous Equipment—Billing and Collecting.
- 5364—Depreciation Expense—Miscellaneous Equipment—Platform.
- 5365—Depreciation Expense—Miscellaneous Equipment—Terminal.
- 5366—Depreciation Expense—Miscellaneous Equipment—Maintenance.
- 5367—Depreciation Expense—Miscellaneous Equipment—Traffic and Sales.
- 5368—Depreciation Expense—Miscellaneous Equipment—Insurance and Safety.
- 5369—Depreciation Expense—Miscellaneous Equipment—General and Administrative.

NOTE A: Where practical, carriers should distribute such depreciation based on the predominant use of the equipment. Depreciation

of equipment for which it is not practical to distribute in this manner may be charged to account 5369—Depreciation Expense—Miscellaneous Equipment—General and Administrative.

5370 Amortization expense—improvements to leasehold property.

This account group includes the amortization of improvements to leasehold property installed by the carrier, the investment in which is included in account 1230—Other Carrier Property (Class II), or account 1241—Improvements to Leasehold Property (Class I).

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 5375—Amortization Expense—Improvements to Leasehold Property—Terminal.
- 5376—Amortization Expense—Improvements to Leasehold Property—Maintenance.
- 5379—Amortization Expense—Improvements to Leasehold Property—General and Administrative.

5380 Depreciation expense—undistributed property.

This account group includes depreciation of property temporarily included in account 1230—Other Carrier Property (Class II) or account 1243—Undistributed Property (Class I). The amount in this account is chargeable to account 5389—Depreciation Expense—Undistributed Property—General and Administrative.

5390 Amortization expense (other).

This account group includes the amortization applicable to amounts representing the cost of acquiring:

- (1) Long-term leaseholds of land and easements used in carrier operations carried in account 1341—Other Intangible Property (Classes I and II).
- (2) Fixed-term motor carrier franchises and consents carried in account 1310—Organizations, Franchises and Permits (Class II) or in account 1321—Franchises (Class I).
- (3) Fixed-term permits, licenses and patent rights carried in account 1310—Organization, Franchises and Permits (Class II) or in account 1331—Permits and Patents (Class I).
- (4) Other fixed-term intangible property carried in account 1341—Other Intangible Property (Classes I and II).

The amount in this account is chargeable to account 5399—Amortization Expense (other)—General and Administrative.

NOTE A: Amortization charges on the book cost of intangible items that are not restricted to a fixed term shall be charged to account 8400—Other Nonoperating Income (Net) (Class II) or to account 8422—Amortization (franchises, permits and other) (Class I).

5400 Revenue equipment rents and purchased transportation.

This account may be used as a control accounts for all accounts in the 5400 series.

5410 Vehicle rents with driver.

This account group includes amounts payable to others for furnishing revenue vehicles and the services of drivers who are included on the payroll of the lessor when the vehicle and driver are under the control of the reporting carrier.

The total of such amounts may be included in this control account. The amounts in this account shall be distributed in accordance with instruction 27 to the following accounts:

- 5411—Vehicle Rents With Driver—Line-Haul.
- 5412—Vehicle Rents With Driver—Pickup and Delivery.

NOTE A: Carriers designated in instruction 31 shall further subdivide this account by type of equipment.

5420 Vehicle rents with driver—vehicle portion only.

This account group includes amounts payable to others for furnishing revenue vehicles with the service of drivers for the exclusive use of and control by the carrier, where the arrangement specifies that the driver shall be paid by the reporting carrier and be included on its payroll (see note A).

The total of such amounts may be included in this control account. The amounts in this account shall be distributed in accordance with instruction 27 to the following accounts:

- 5421—Vehicle Rents With Driver—Vehicle Portion Only—Line-Haul.
- 5422—Vehicle Rents With Driver—Vehicle Portion Only—Pickup and Delivery.

NOTE A: The wages of drivers as defined in this account shall be included in account 4250—Salaries and Wages—Owner-Operator Drivers.

NOTE B: Carriers designated in instruction 31 shall further subdivide this account by type of equipment.

5430 Vehicle rents without driver.

This account group includes amounts payable to others for furnishing revenue vehicles without the services of the lessor's driver, to the reporting carrier for its exclusive use.

The total of such amounts may be included in this control account. The amounts in this account shall be distributed in accordance with instruction 27 to the following accounts:

- 5431—Vehicle Rents Without Driver—Line-Haul.
- 5432—Vehicle Rents Without Driver—Pickup and Delivery.

NOTE A: Carriers designated in instruction 31 shall further subdivide this account by type of equipment.

5440 Other purchased transportation—motor carriers.

This account group includes payments for the transportation of individual shipments and part-loads (billed by the reporting carrier) in the vehicles of another carrier, when the hauling carrier retains control of the vehicle and driver; and payments to other carriers for spotting the reporting carrier's trailers at shipper's platforms.

The total of such amounts may be included in this control account. The

amount in this account shall be distributed to the following accounts in accordance with instruction 27 (see note A below):

- 5441—Other Purchased Transportation—Motor Carriers—Line-Haul.
- 5442—Other Purchased Transportation—Motor Carriers—Pickup and Delivery.

NOTE A: Payments for intercity transportation of freight shall be charged to account 5441. Payments for picking up and delivering the reporting carriers' freight, and performing its local cartage services shall be charged to account 5442.

5450 Other purchased transportation—railroads.

This account group includes payments to railroads for the intercity transportation of the reporting carrier's loaded or empty revenue vehicles and containers. Amounts in this account are chargeable to account 5451—Other Purchased Transportation—Railroads—Line-Haul.

5460 Other purchased transportation—water carriers.

This account group includes payments to water carriers for the intercity transportation of the reporting carrier's loaded or empty revenue vehicles and containers. Amounts in this account are chargeable to account 5461—Other Purchased Transportation—Water Carriers—Line-Haul.

5470 Other purchased transportation—airlines and other.

This account group includes payments to airlines for the intercity transportation of the reporting carrier's loaded or empty revenue vehicles and containers.

This account group also includes payments for the delivery of small shipments by parcel post or messenger instead of delivery by the carrier's own equipment.

The total of such amounts may be included in this control account. The amounts in this account shall be distributed in accordance with instruction 27 to the following accounts:

- 5471—Other Purchased Transportation—Airlines and Other—Line-Haul.
- 5472—Other Purchased Transportation—Airlines and Other—Pickup and Delivery.

5480 Allowances to shippers.

This account group includes allowances to shippers and consignees for picking up or delivering intercity shipments at the carrier's facility. Amounts in this account are chargeable to account 5482—Allowances to Shippers—Pickup and Delivery.

5490 Equipment rents—credit.

This account group shall be credited with rents receivable by the reporting carrier for owned or leased revenue vehicles which are furnished to others without the services of drivers.

This account group shall also be credited with rents receivable for owned or leased revenue vehicles furnished to other motor carriers under an arrangement whereby both the vehicle and driver are

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furnished by the reporting carrier but the wages of the driver are paid separately by the hiring carrier and included on its payroll.

The total of such amounts may be included in this control account. The amount in this account shall be distributed to the following accounts in accordance with instruction 27:

- 5491—Equipment Rents—Credit—Line-Haul.
- 5492—Equipment Rents—Credit—Pickup and Delivery.

NOTE A: Payments receivable from other motor carriers which cover both the rent of an intercity vehicle and wages of the driver shall be credited to account 3400—Intercity Transportation for Other Motor Carriers (Classes I and II).

NOTE B: Payments receivable from other motor carriers which cover both the rent of a pickup and delivery vehicle and wages of the driver shall be credited to account 3300—Freight Revenue—Local Cartage (Classes I and II).

NOTE C: Amounts receivable for rental of revenue vehicles included in the lease to others of a distinct operating unit (see definition 23), shall be credited to account 5620—Lease of Distinct Operating Unit—Credit.

NOTE D: Fees paid to rental agents for the current period shall be debited to this account.

NOTE E: Taxes paid on rental revenue of owned or leased vehicles shall be debited to this account.

NOTE F: Carriers designated in instruction 31 shall further subdivide this account by type of equipment.

5500 Building and office equipment rents.

This account may be used as a control account for all accounts in the 5500 series. Class II carriers shall include in this account group the expenses includable in accounts 5510 and 5520 for building operating and office equipment rents. Such expenses shall be distributed to the following accounts in accordance with instruction 27:

- 5501—Building and Office Equipment Rents—Line-Haul.
- 5502—Building and Office Equipment Rents—Pickup and Delivery.
- 5503—Building and Office Equipment Rents—Billing and Collecting.
- 5504—Building and Office Equipment Rents—Platform.
- 5505—Building and Office Equipment Rents—Terminal.
- 5506—Building and Office Equipment Rents—Maintenance.
- 5507—Building and Office Equipment Rents—Traffic and Sales.
- 5508—Building and Office Equipment Rents—Insurance and Safety.
- 5509—Building and Office Equipment Rents—General and Administrative.

5510 Building operating rents.

This account group includes rental payments for real estate and other property except revenue equipment, used in motor carrier operations. This account group shall also be credited with amounts receivable as rental from the sublease of property rented from others if amounts payable as rent for the property by the reporting carrier are charged hereto.

- Alarm systems installed at terminals, rental payments.
- Fees paid to rental agents for the current period.
- Garage space and hangar storage rents for service cars and equipment.
- Monthly leases in parking lots and garages used for parking and storing revenue equipment.
- Taxes paid by the carrier on the property of others, which represent rental charges for such property used in carrier operations.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27: (For Class II carriers, see note A, below.)

- 5515—Building Operating Rents—Terminal.
- 5516—Building Operating Rents—Maintenance.
- 5519—Building Operating Rents—General and Administrative.

NOTE A: Class II carriers shall use account 5500 to record building operating rents.

NOTE B: Amounts payable to others for the use of joint facilities (see definition 24) shall be charged to account 5910—Joint Facility Expense—Debit.

NOTE C: Amounts receivable for rental of real estate and other property included in the lease of a distinct operating unit (see definition 23) shall be included in account 5820—Lease of Distinct Operating Units—Credit.

NOTE D: Rentals for property and equipment used in non-carrier operations shall be included in account 8100—Income from Non-carrier Operations (Net) (Class II) or in account 8110—Income from Noncarrier Operations (Class I).

NOTE E: Rentals for the exclusive use of terminal loading space shall be charged to this account.

5520 Office equipment rents.

This account group includes rental payments for office equipment (including data processing equipment), used in motor carrier operations. Fees paid to a rental agent for the current period shall also be debited to this account.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts based on their predominant use in accordance with instruction 27: (For Class II carriers, see note A, below)

- 5521—Office Equipment Rents—Line-Haul.
- 5522—Office Equipment Rents—Pickup and Delivery.
- 5523—Office Equipment Rents—Billing and Collecting.
- 5524—Office Equipment Rents—Platform.
- 5525—Office Equipment Rents—Terminal.
- 5526—Office Equipment Rents—Maintenance.
- 5527—Office Equipment Rents—Traffic and Sales.
- 5528—Office Equipment Rents—Insurance and Safety.
- 5529—Office Equipment Rents—General and Administrative.

NOTE A: Class II carriers shall use account 5500 to record rental payments for office equipment.

NOTE B: Rental payments for communications equipment used in conjunction with

office or data processing equipment shall be charged to account 5110—Communication Expenses.

NOTE C: Materials and supplies used by data processing equipment shall be charged to account 4610—Office Supplies.

5700 Gain or loss on disposition of operating assets.

This account may be used as a control account for all accounts in the 5700 series.

5710 Gains on disposition of operating assets.

This account shall reflect the gains on each unit of retired, sold or traded-in operating assets, including accounts 1221 through 1232 (Class II) and accounts 1221 through 1252 (Class I), depreciated under the unit plan. (See instruction 21 (a) (1).) This account shall also reflect the gains on disposition of intangible property having a fixed term. (See instruction 21 (b) (1).) The amount in this account is chargeable to account 5719—Gains on Disposition of Operating Assets—General and Administrative.

NOTE A: Gains on disposition of property used in other than carrier operations and of intangible property not having a fixed term shall be included in account 8500—Gain or Loss on Disposition of Other Assets (Net) (Class II) and account 8510—Nonoperating Gains on Disposition of Assets (Class I).

NOTE B: Gains on disposition of land and structures shall be included in account 8500—Gain or Loss on Disposition of Other Assets (Net) (Class II) and account 8530—Gains on Disposition of Land and Structures (Class I).

5720 Losses on disposition of operating assets.

This account shall reflect the loss on each unit of retired, sold, or traded-in carrier operating property, depreciated under the unit plan. (See instruction 21 (a) (1).)

This account shall also reflect the losses on disposition of intangible property having a fixed term. (See instruction 21 (b) (1).)

The amount in this account is chargeable to account 5729—Losses on Disposition of Operating Assets—General and Administrative.

NOTE A: Losses on disposition of property used in other than carrier operations and of intangible property not having a fixed term shall be included in account 8500—Gain or Loss on Disposition of Other Assets (Net) (Class II) and account 8520—Nonoperating Losses on Disposition of Assets (Class I).

NOTE B: Losses on disposition of land and structures shall be included in account 8500—Gain or Loss on Disposition of Other Assets (Net) (Class II) and account 8540—Losses on Disposition of Land and Structures (Class I).

5800 Lease of distinct operating units.

This account may be used as a control account for all accounts in the 5800 series.

5810 Lease of distinct operating unit; debit.

This account shall include amounts payable for rent of operating authority

of a distinct operating unit (see definition 23), or system leased from others for use in motor carrier operations when the carrier has exclusive possession.

The amount in this account is chargeable to account 5819—Lease of Distinct Operating Unit; Debit—General and Administrative.

NOTE A: Expenses incurred by the reporting carrier while using the vehicles or other property shall be recorded in the appropriate operating expense accounts.

5820 Lease of distinct operating unit; credit.

This account shall include amounts receivable for rent of property constituting a distinct operating unit (see definition 23) or rent of operating authority leased by the carrier to others for use in motor carrier operations, when the lessee has exclusive possession.

This account shall be charged with all expenses assumed by the lessor in connection with the property leased, and shall be subdivided to show separately for each such lease the following:

- (1) Rent revenue.
- (2) Expenses.
- (3) Taxes.
- (4) Uncollectible rents.

The amount in this account is chargeable to account 5829—Lease of Distinct Operating Unit; Credit—General and Administrative.

NOTE A: Accruals of depreciation on carrier operating property leased to others as part of a distinct operating unit shall be credited to account 1232—Accumulated Depreciation and Amortization, Other Carrier Property (Class II) or to account 1252—Accumulated Depreciation, Carrier Operating Property Leased to Others (Class I).

5900 Miscellaneous expenses.

This account may be used as a control account for all accounts in the 5900 series.

5910 Joint facility expense—debit.

This account group includes the carrier's proportion of costs incurred by others in maintaining and operating a joint facility (see definition 24).

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(See Instruction 6)

General offices.
Shops or garages.
Terminal buildings.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 5915—Joint Facility Expense—Debit—Terminal.
- 5916—Joint Facility Expense—Debit—Maintenance.
- 5919—Joint Facility Expense—Debit—General and Administrative.

5920 Joint facility expense—credit.

This account group includes the amounts chargeable to others as their proportion of the costs incurred by the reporting carrier in maintaining and operating a joint facility (see definition 24).

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(See Instruction 6)

General offices.
Shops and garages.
Terminal buildings.

The total of such amounts may be included in this control account. Its components shall be distributed to the following accounts in accordance with instruction 27:

- 5925—Joint Facility Expense—Credit—Terminal.
- 5926—Joint Facility Expense—Credit—Maintenance.
- 5929—Joint Facility Expense—Credit—General and Administrative.

5930 Professional services—outside persons.

This account group includes the amounts of fees for services received from other persons and related expenses (see definition 30) under a service contract or other arrangement providing for the furnishing of general management, supervision, purchasing, legal, financial, auditing or other special or general services. (See note B.)

This account also includes payments made to a regulatory commission for fees or amounts assessed against the carrier for pay and expenses of the regulatory commission, its officers, agents and employees, other than those incurred in securing certificates of convenience and necessity and authority for the issuance of securities. (See note C.)

Expenses, other than salaries of employees, incurred by the carrier in connection with formal cases before Federal or State regulatory bodies or cases to which such a body is a party and chargeable to this account group.

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Advisory fees in connection with preventive maintenance of revenue equipment, operation of shops and garages, etc.

Amounts designated as taxes, fees, etc., assessed by Federal and State regulatory commissions for pay and expenses of their officers, agents, and employees; office and traveling expenses; stationery, printing, and engineering supplies.

Auditing fees.

Attorney fees for union negotiations.
Consulting and advisory fees in connection with the efficiency of carrier operations.

Cost of law suits.

Cost of preparing and printing agreements, briefs, reports, etc.

Dues or fees paid associations or agencies for negotiating or arbitrating union contracts and labor problems.

Fees paid others for collection of delinquent freight charges and other past due accounts receivable.

Fees, retainers, and expenses of counsel, solicitors, attorneys, clerks, attendants, witnesses, and others whose services are secured for the defense of prosecution of petitions or complaints presented to regulatory bodies.

Financial advisory fees.

Insurance advisors' fees for analyzing the adequacy of the carrier's coverage and for supervising industrial insurance and unemployment compensation claims.

Law expenses of receivers.

Legal fees, general.

Payments to outside attorneys.

Traveling expenses of outside attorneys, witnesses, etc.

The amount in this account is chargeable to account 5739—Professional Services, Outside Persons—General and Administrative.

NOTE A: The records supporting the entries in this account shall be so maintained as to show the respective amounts paid to each provider of the service with respect to each class of service so furnished and the basis upon which the fees are assessed.

NOTE B: Payments to commission agents or organizations for services provided as set out in account 4640—Commission Agent Fees, or account 4650—Solicitation Commissions and Outside Fees shall be charged to the appropriate account.

NOTE C: Law expenses incident to the purchase of operating rights, the acquisition of such rights from Federal or State Commissions or securing from local authorities of franchises or consents with a life of more than 1 year and expenses incident to securing certificates of convenience and necessity shall be charged to account 1310—Organization, Franchises and Permits (Class II) and accounts 1321 or 1331 (Class I), as appropriate, or account 1341—Other Intangible Property (Classes I and II). Law expenses and expenditures incident to securing authorization for issuance of long-term debt or capital stock shall be charged to account 1510—Deferred and Miscellaneous Debits (Class II) and account 1511—Unamortized Debt Discount and Expense (Class I), or account 2410—Deferred Credits (Class II) and account 2411—Unamortized Premium on Debt (Class I), or account 2633—Commission and Expense on Capital Stock (Classes I and II), as appropriate.

NOTE D: Regulatory expenses which by approval or direction of the commission are to be spread over future periods shall be charged to account 1510—Deferred and Miscellaneous Debits (Class I) or to account 1512—Other Deferred Debits (Class II) and amortized by charges to this account.

5940 Professional services—affiliates.

This account group includes the amount of fees for services received from affiliated companies (see definition 7) under a service contract or other arrangement providing for the furnishing of general management, supervision, purchasing, legal, financial, or other general services.

The amount in this account is chargeable to account 5949—Professional Services, Affiliates—General and Administrative.

NOTE A: The records supporting the entries in this account shall be so maintained as to show the respective amounts paid to each provider of the service with respect to each class of service so furnished and the basis upon which the fees are assessed.

NOTE B: Payments to commission agents or organizations for services provided as set out in account 4640—Commission Agent Fees, or account 4650—Solicitation Commissions and Outside Fees, shall be charged to the appropriate account.

NOTE C: Class II carriers shall use account 5930 to record professional services from affiliates.

5950 Uncollectible revenues.

This account group shall be charged, and account 1131—Accounts Receivable—Customers and Interline (Classes

I and II) shall be credited, with receivable for carrier operating revenues, including interline proportions of revenue and from other carriers, which, after a reasonably diligent effort to collect, have proved impracticable of collection. If accounts which have been so written off are afterwards collected, the amount received shall be credited to this account: *Provided, however,* That such recoveries are from accounts charged off against this account.

Debits to this account may be made monthly on the basis of the estimated average loss of revenue due to uncollectible accounts in which case the concurrent credit shall be to account 1138—Allowance for Uncollectible Accounts (Classes I and II). To the allowance thus established shall be charged such amounts as are determined to be uncollectible and amounts written off and subsequently collected shall be credited to the allowance. When charges to this account are made by estimate, the estimate shall be adjusted at the end of each calendar year to conform to the experience of the accounting carrier as determined by analysis of its accounts receivable. The amount in this account is chargeable to account 5959—Uncollectible Revenue—General and Administrative.

NOTE A: Losses on receivables for other than carrier operating revenues, and losses on notes or claims receivable, shall be accounted for as provided in account 8400—Other Nonoperating Income (Class II) and account 8421—Bad Debts (other nonoperating deductions) (Class I).

Class I and Class II Motor Carriers

OTHER INCOME AND EXPENSE ACCOUNT EXPLANATIONS

8100 Income from noncarrier operations (net) (Classes I and II).

(a) Class I carriers may use this account as a control account for accounts 8110 and 8120.

(b) Class II carriers may adopt their own classification of revenues and expenses for this account. The classification shall be such, however, as to permit ready analysis.

(c) This account shall include the revenues from and expenses incurred by the carrier in business activities that are not connected with its motor carrier operations, the investment in which is carried in account 1261—Property Used in Other Than Carrier Operations (Classes I and II).

NOTE A: The expenses referred to in the text of this account include all elements of cost incurred in noncarrier operations, including depreciation and amortization of property used in other than motor carrier operations (even if the carrier derives no income from this property), rents, taxes (other than income taxes), assessments, insurance, etc.

NOTE B: Uncollectible income from noncarrier operations shall be included in this account. (See also account 8400—Other Nonoperating Income (Net) (Class II), and account 8421—Bad Debts (other Nonoperating Deductions) (Class I).)

8110 Income from noncarrier operations (Class I).

This account shall include the revenues of the carrier derived from business activities which are not connected with its motor carrier operations.

The carrier may classify revenues according to its needs. Any subsidiary classification shall permit analysis of all major items included in this account.

8120 Expenses of noncarrier operations (Class I).

This account shall include the expenses incurred by the carrier in business activities which are not connected with its motor carrier operations. The carrier may classify expenses according to its needs. Any subsidiary classifications shall permit ready analysis of all major items included in this account.

NOTE: A: See Note A, account 8100.

NOTE: B: See note B, account 8100.

8200 Interest and dividend income (Classes I and II).

Carriers may use this account as a control account for accounts 8210 and 8220.

8210 Interest income (Classes I and II).

(a) This account shall include interest accruing to the accounting carrier upon securities of other companies and Federal, State, or municipal governments, on loans, notes, and advances; special deposits and all other interest bearing assets. Interest accrued shall not be credited to this account unless its payment is reasonably assured; in other cases, credits to this account shall be based upon the interest actually collected. The periodic amortization of a discount on the purchase of an interest bearing note shall be credited to this account. (See instruction 18(c).)

(b) This account shall be kept so as to show separately the interest income from each investment and from each affiliated company.

NOTE A: Service charges assessed by the carrier in connection with advances of money shall be included in this account.

8220 Dividend income (Classes I and II).

(a) This account shall include income derived by the accounting carrier from the dividends on stock of other companies held by it. Accruals of guaranteed dividends may be included in this account if the payment is reasonably assured.

(b) This account shall be kept so as to show separately the dividend income from each investment and from each affiliated company.

8400 Other nonoperating income (net) (Classes I and II).

(a) Class I carriers may use this account as a control account for accounts 8410 through 8429.

(b) Class II carriers may subdivide this account to reflect separately other nonoperating income and other nonoperating deductions.

(c) This account shall include all income accrued to the accounting carrier in accordance with the terms of any contract by which the carrier is entitled to participate in the profits from the operations of others, including subsidiaries (see Note A); and all other nonoperating income not provided for in any of the foregoing accounts. This account shall also include all deductions from gross income, not provided for in any of the foregoing accounts such as:

(1) Unsecured accruals on obligations arising under contracts whereby the accounting carrier has guaranteed the annual or more frequent periodic payment of money or performance of other obligation on the part of another corporation or person and because of the default of such other corporation or person, the liability of the accounting carrier has become actual.

(2) Losses resulting from the operations of others, including subsidiaries whenever, in accordance with the terms of any contract, the accounting carrier is bound to contribute toward reimbursement of such losses.

(3) Losses on receivables, notes or claims, that are not includible in account 5950—Uncollectible Revenue (Classes I and II), or account 8100—Income from Noncarrier Operations (Net) (Class II), and account 8120—Expense of Noncarrier Operations (Class I).

(4) Amortization charges on the book cost of property included in account 1310—Organization, Franchises and Permits (Class II), and 1341—Other Intangible Property (Class II), and in accounts 1313 through 1341 (Class I), which is not restricted to a fixed term, and other items among the carrier's assets. (See instruction 23(d).)

(5) Contributions for charitable, social, or community welfare purposes that do not have a direct or intimate relationship to the protection of the property, development of the business or welfare of the carrier's employees. (See instruction 28, and account 4690—Other General Supplies and Expenses.)

(6) Penalties and fines for violations of law except for violations of traffic regulations which are provided for in account 4690—Other General Supplies and Expenses.

(7) The expense representing the excess of premiums for life insurance carried on the lives of officers and employees over the increase in the cash surrender value of the policies, when the carrier is the beneficiary. (See Note A under instruction 22.) The excess of the proceeds of a policy over the cash surrender value upon the death of an insured officer or employee shall be credited to this account. (See, however, Note B.)

(8) Other deductions from gross income.

NOTE A: "Profits from the operations of others" does not include any dividends on stock. Income from dividends shall be credited to account 8220—Dividend Income (Classes I and II).

NOTE B: Items described in this account, shall be included in account 8800—Extraordinary Items (Class II) and account 8810—Extraordinary Items (Net) (Class I) when qualifying as extraordinary pursuant to instruction 8.

8410 Other nonoperating income (Class I).

This account shall include all income accrued to the accounting carrier in accordance with the terms of any contract by which the carrier is entitled to participate in the profits of others, and all other nonoperating income, not provided for in any of the accounts 8110, 8210, and 8220.

8420 Other nonoperating deductions (Class I).

(a) Class I carriers may use this account as a control account for the following accounts 8421, 8422, 8423, and 8429.

(b) This account shall include all deductions from gross income, not provided for in account 8120. (For items includible in this account, see account 8400).

8421 Bad debts (Class I).

This account shall include losses on receivables, notes or claims, that are not includible in account 5750—Uncollectible Revenue or account 8120—Expenses of Noncarrier Operations.

8422 Amortization (franchises, permits and other) (Class I).

This account shall include amortization charges on the book cost of property included in accounts 1313—Organization, 1321—Franchises, 1331—Permits and Patents, and 1341—Other Intangible Property, which is not restricted to a fixed term. (See instruction 23(d).)

8423 Life insurance premiums (Class I).

This account shall include the expense representing the excess of premiums for life insurance carried on the lives of officers and employees over the increase in the cash surrender value of the policies, when the carrier is the beneficiary. (See Note A under instruction 22.)

8429 Other (nonoperating deductions) (Class I).

This account shall include all other deductions from gross income outlined in control account 8400 which are not includible in accounts 8410 through 8423.

8500 Gain or loss on disposition of other assets (net) (Classes I and II).

(a) Class I carriers may use this account as a control account for account series 8500.

(b) Class II carriers may maintain records so as to show separately gains and losses on nonoperating assets, as well as permit ready analysis of each major gain or loss item.

(c) This account shall be used to record any gain or loss on retirement, sale, or trade-in of property used in other than carrier operations (including property acquired for use in carrier operations, but sold without being placed in service) and of intangible property which

is not restricted to a fixed term. Accounting in this case shall be performed in accordance with instruction 21.

8510 Nonoperating gains on disposition of assets (Class I).

This account shall reflect the gain on each unit of retired, sold or traded-in property, used in other than carrier operations, and on intangible property which is not restricted to a fixed term. (See instruction 21(b)(2).)

8520 Nonoperating losses on disposition of assets (Class I).

This account shall reflect the loss on each unit of retired, sold or traded-in property, used in other than carrier operations, and on intangible property which is not restricted to a fixed term. (See instruction 21(b)(2).)

8530 Gains on disposition of land and structures (Class I).

This account shall reflect the gain on land which is sold or traded-in and on structures which are retired, sold or traded-in. (See instruction 21(a)(4).)

8540 Losses on disposition of land and structures (Class I).

This account shall reflect the loss on land which is sold or traded-in and on structures which are retired, sold or traded-in. (See instruction 21(a)(4).)

8600 Interest and amortization of debt discount and expense and premium.

This account may be used as a control account for all accounts in the 8600 series.

8610 Interest expense—equipment obligations.

This account group includes all interest accrued on equipment obligations issued or assumed by the carrier.

NOTE A: This account shall not include interest on securities held by the carrier in its treasury, in sinking or other special funds held by the carrier in its treasury, in sinking or other special funds, or pledged as collateral.

NOTE B: A short-rate interest adjustment connected with the refinancing of old obligations shall be included in this account.

8620 Interest expense—advances.

This account includes all interest accrued on advances issued or assumed by the carrier.

NOTE A: This account shall not include interest on securities held by the carrier in its treasury, in sinking or other special funds, or pledged as collateral.

NOTE B: See note B, account 8610.

8630 Interest expense—bonds.

This account group includes all interest accrued on bonds issued or assumed by the carrier.

NOTE A: This account shall not include interest on securities held by the carrier in its treasury, in sinking or other special funds, or pledged as collateral.

NOTE B: See note B, account 8610.

8640 Interest expense—other long-term obligations.

This account includes all interest accrued on other long-term obligations issued or assumed by the carrier.

NOTE A: This account shall not include interest on securities held by the carrier in its treasury, in sinking or other special funds, or pledged as collateral.

NOTE B: See note B, account 8610.

8650 Interest expense—current obligations.

This account group includes all interest accrued on current obligations issued or assumed by the carrier.

NOTE A: This account shall not include interest on securities held by the carrier in its treasury, in sinking or other special funds, or pledged as collateral.

NOTE B: See note B, account 8610.

8660 Interest expense—matured obligations.

This account group includes all interest accrued on matured obligations issued or assumed by the carrier.

NOTE A: This account shall not include interest on securities held by the carrier in its treasury, in sinking or other special funds, or pledged as collateral.

NOTE B: See note B, account 8610.

8670 Amortization of debt discount and expense.

This account group shall be charged each month with the applicable proportion of the unamortized discount and expense on outstanding long-term debt (see note A). Nonmaterial costs of tax stamps (for long-term notes, mortgages, etc.) shall be charged directly to this account.

NOTE A: The proportion to be charged to this account each month shall be determined according to a rule, the uniform application of which during the interval between the issuance and maturity of any debt will completely amortize the discount at which such debt was issued and the debt expense connected therewith. Amounts charged to this account shall be concurrently credited to account 1510—Deferred and Miscellaneous Debits (Class II) or account 1511—Unamortized Debt Discount and Expense (Class I) (see instruction 17).

8680 Amortization of premium on debt—credit.

This account shall be credited each month with the applicable proportion of the premium at which outstanding long-term debt was issued.

NOTE A: The proportion to be credited to this account each month shall be determined according to a rule the uniform application of which during the interval between the issuance and the maturity of any debt will completely amortize the premium at which such debt was issued. Amounts credited to this account shall be concurrently debited to account 2410—Deferred Credits (Class II) or account 2411—Unamortized Premium on Debt (Class I).

8700 Income taxes on ordinary income (Classes I and II).

(a) Class I carriers may use this account as a control account for accounts 8710, 8720, and 8730.

(b) Class II carriers may subdivide this account to show separately amounts pertaining to: Federal income taxes, State income taxes, other income taxes.

(c) Monthly accruals for Federal, State, or other income taxes applicable to ordinary income shall be included in this account. (See texts of account

8800—Extraordinary Items (Class II) and account 8850—Income Taxes on Extraordinary and Prior Period Items (Class I), account 2921—Other Credits to Retained Earnings (Classes I and II), and account 2961—Other Debits to Retained Earnings (Classes I and II), for recording other income-tax consequences.)

Details pertaining to the tax consequences of other unusual and significant items and also cases where the tax consequences are disproportionate to the related amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to proper accounting.

Income taxes which are refundable or reduced as the result of carryback or carryforward of operating loss shall be credited to this account, if a carryback, in the year in which the loss occurs or, if a carryforward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item pursuant to instruction 8(a), it shall be included in account 8800—Extraordinary and Prior Period Items (Class II) and account 8820—Prior Period Items (Net) (Class I).

NOTE A: Personal income taxes of sole proprietors and members of partnerships shall not be charged to this account: If paid from funds of the business, the amounts thereof shall be charged to account 2721—Drawings (Classes I and II) (Sole Proprietorship Equity), or 2821—Drawings (Classes I and II) (Partnership Equity), as appropriate.

NOTE B: In special income tax situations not described herein, the carrier should be guided by generally accepted accounting principles. (See instruction 30.)

NOTE C: Income taxes withheld at the source on dividends received shall be charged to this account.

8710 Federal income taxes (Class I).

This account shall be debited with the monthly accruals for Federal income taxes which are estimated to be payable and which are applicable to ordinary income.

8720 State income taxes (Class I).

This account shall be debited with the monthly accruals for state income taxes, applicable to ordinary income.

8730 Other income taxes (Class I).

This account shall be debited with the monthly accruals for all other income taxes, applicable to ordinary income.

8800 Extraordinary items (Classes I and II).

(a) Class I carriers may use this account as a control account for accounts 8810, 8820, and 8850.

(b) Class II carriers may record separately amounts described as extraordinary and prior period items and income taxes on such amounts.

(c) This account shall include extraordinary and prior period items accounted for during the current accounting year in accordance with instruction 8(a) upon approval of the Commission.

(d) Class II carriers shall also include in this account the estimated income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes, are classified as unusual and extraordinary.

(e) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

8810 Extraordinary items (net) (Class I).

(a) This account shall include extraordinary items accounted for during the current accounting year in accordance with instruction 8(a), upon approval of the Commission. Among the items which shall be included in this account are:

(1) Net gain or loss on sale of land used for transportation purposes.

(2) Net gain or loss on sale of securities acquired for long term investment purposes.

(3) Net gain or loss on reacquisition of company bonds.

(4) Loss on retirement of transportation property because of abandonment or other cause for which depreciation reserve has not been provided.

(5) Changes in application of accounting principles.

(b) Income tax consequences of charges and credits to this account shall be included in account 8850—Income Taxes on Extraordinary and Prior Period Items.

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

8820 Prior period items (net) (Class I).

(a) This account shall include unusual delayed items accounted for during the current accounting year in accordance with the text of instruction 8(a), upon approval of the Commission. Among the items which shall be included in this account are: Unusual adjustments, refunds or assessments of income taxes of prior years. Similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year.

(b) Income tax consequences of charges and credits to this account shall be included in account 8850—Income Taxes on Extraordinary and Prior Period Items.

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

8850 Income taxes on extraordinary and prior period items (Class I).

This account shall include the estimated income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes, are classified as unusual and extraordinary and are includible in account 8810—Extraordinary Items (Net) or 8820—Prior Period Items (Net), as appropriate.

[FR Doc.71-9386 Filed 7-6-71;8:45 am]

Notices

DEPARTMENT OF STATE

Agency for International Development
DIRECTOR, BUREAU OF TRAINING,
CIVIL SERVICE COMMISSION

Determination Regarding Training Assistance to International Organizations

By virtue of the authority vested in me by the provisions of Agency for International Development Delegation of Authority No. 41, dated May 8, 1964 (29 F.R. 6892), and as amended by Delegation of Authority No. 67, dated June 11, 1970 (35 F.R. 11272), I hereby determine that training may be furnished to international organizations by the Civil Service Commission and by other agencies of the U.S. Government on an advance-of-funds or cost reimbursable basis in accordance with section 607(a) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2357(a)).

Training assistance to international organizations shall be provided in accordance with the following:

1. That such training assistance be limited to those international organizations in which the United States participates or with which the United States is actively cooperating;

2. That the training assistance be within the scope of an agency's functions, capability, and capacity; and

3. (a) That the training would contribute to the efficiency and effectiveness of the international organization's development effort by providing techniques for improving the coordination of its policies and programs, or of improving their administration; or

(b) That the training provide human resources development required by the international organization in order for it to carry out programs of economic or social development.

The training assistance authorized by this Determination shall extend to individuals sponsored by eligible international organizations through fellowship, scholarship, or similar programs.

The Director, Bureau of Training, Civil Service Commission is authorized to coordinate training activities under this Determination and shall provide an annual report on such activities to the Agency for International Development.

This Determination shall be published in the FEDERAL REGISTER.

Dated: June 28, 1971.

LANE DWINELL,
Assistant Administrator
for Administration.

[FR Doc.71-9508 Filed 7-6-71;8:46 am]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management
ALASKA

Notice of Filing of Plat of Survey

1. Plat of survey of the lands described below will be officially filed in the Anchorage Land Office, Anchorage, Alaska, effective at 10 a.m., August 2, 1971.

SEWARD MERIDIAN, ALASKA

T. 19 N., R. 2 W.,

Sec. 4, lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$;

Sec. 5, lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$;

Sec. 6, lots 1 through 10, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$

NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;

Sec. 8, all.

Containing 2,471.58 acres.

T. 20 N., R. 2 W.,

Sec. 31, lots 1 through 5, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$,

SE $\frac{1}{4}$.

Containing 555.32 acres.

2. The lands are situated in the Talkeetna Mountains at an elevation ranging from 1,400 feet to 2,000 feet above sea level. Willow Creek, a swift, nonnavigable stream, traverses these lands in a general northwesterly direction. Vegetation consists of spruce, birch, and cottonwood timber with willow and alder undergrowth. The soil is mostly dark loam, except along Willow Creek where it is sand and gravel.

3. The public lands affected by this order are hereby restored to the operation of the public land laws, subject to any valid existing rights, the provision of existing withdrawals, including Public Land Order 4582 dated January 17, 1969, as modified and amended by Public Land Order 4962 dated December 11, 1970, and Public Land Order 5081 dated June 17, 1971, and the requirements of applicable law, rules, and regulations.

4. Inquiries concerning the lands should be addressed to the Manager, Anchorage Land Office, 555 Cordova Street, Anchorage, AK 99501.

J. A. HAGANS,
Acting Land Office Manager.

[FR Doc.71-9525 Filed 7-6-71;8:45 am]

[A 6264]

ARIZONA

Notice of Proposed Withdrawal and Reservation of Lands

The Bureau of Reclamation, U.S. Department of the Interior, has filed an application, Serial No. A 6264, for the withdrawal of the lands described below, upon acquisition, from all forms of entry

or disposition, including the mining but not the mineral leasing laws, subject to existing valid claims.

The Bureau of Reclamation desires the lands to be used in connection with the Buttes Dam and Reservoir, which are a part of the Central Arizona Project. These lands are patented lands which are being offered to the United States in connection with a private exchange; and are to be accepted as full and fair exchange for other Federal lands.

Until August 4, 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, Department of the Interior, 3022 Federal Building, Phoenix, Ariz. 85025.

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

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party.

The lands involved in the application are described as follows:

GILA AND SALT RIVER MERIDIAN, ARIZONA

T. 4 S., R. 13 E.,

Sec. 4, NW $\frac{1}{4}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$;

Sec. 10, N $\frac{1}{2}$ NW $\frac{1}{4}$.

The areas described aggregate 160 acres in Pinal County, Ariz.

Dated: June 28, 1971.

JOE T. FALLINI,
State Director.

[FR Doc.71-9507 Filed 7-6-71;8:46 am]

[OR 7964 (Wash)]

WASHINGTON

Notice of Proposed Withdrawal and Reservation of Lands

JUNE 28, 1971.

The Department of Agriculture, on behalf of the Forest Service, has filed applications, OR 7964 (Wash), for withdrawal of the national forest land described below, from all forms of appropriation under the mining laws (30 U.S.C. Ch. 2), but not from leasing under the mineral leasing laws, subject to valid existing rights.

The applicant desires the land for use as the Wolf Creek Research Natural Area.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal, may present their views in writing to the undersigned

officer of the Bureau of Land Management, Department of Interior, Post Office Box 2965 (729 Northeast Oregon Street) Portland, OR 97208.

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 land and its 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 land for purposes other than the applicant's, to eliminate land needed for purposes more essential than the applicant's, and to reach agreement on the concurrent management of the land and its resources.

He will prepare a report for consideration by the Secretary of the Interior who will determine whether or not the land 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 it, a public hearing will be held at a convenient time and place which will be announced.

The land involved in the application is:

OKANOGAN NATIONAL FOREST

WILLAMETTE MERIDIAN

Wolf Creek Research Natural Area

T. 34 N., R. 20 E., unsurveyed,

Sec. 1, a tract of land within the N $\frac{1}{2}$ described as follows: Beginning at the section corner common to secs. 35 and 36, T. 35 N., R. 20 E., thence due south 1,426 feet to its intersection with Wolf Creek, thence following the left bank of said creek southeasterly 3,453 feet to a point due south of Corner No. 3 of H.E.S. 217, thence due north 297 feet to said Corner No. 3, thence due north 1,650 feet to Corner No. 2 of said H.E.S., thence N. 89°48' W. 652.08 feet to south quarter corner of sec. 36, thence due west 2,640 feet to point of beginning.

The area described contains approximately 150 acres in Okanogan County, Wash.

IRVING W. ANDERSON,

Acting Chief,

Division of Technical Services.

[FR Doc. 71-9563 Filed 7-6-71; 8:51 am]

DEPARTMENT OF AGRICULTURE

Packers and Stockyards Administration

CHATHAM LIVESTOCK CO. ET AL.

Depositing 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 defini-

tion 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

Chatham Livestock Co., Savannah, Ga., June 15, 1962.
 Sandpoint Livestock Auction, Inc., Sandpoint, Idaho, May 14, 1962.
 A.C. Sales Co., Arkansas City, Kas., May 26, 1959.
 Bonner Springs Auction, Inc., Bonner Springs, Kas., December 15, 1967.
 Columbus Community Sale, Columbus, Kas., August 20, 1959.
 Lyon County Livestock Auction, Emporia, Kas., June 24, 1959.
 Hoisington Sale Co., Hoisington, Kas., June 10, 1959.
 Hugoton Livestock Commission Co., Inc., Hugoton, Kas., December 7, 1959.
 Kinsley Livestock Sale Company, Kinsley, Kas., September 16, 1963.
 Dean & Weaver, Leoti, Kas., October 15, 1956.
 Minneapolis Sale Pavilion, Minneapolis, Kas., May 28, 1959.
 Moline Sales, Moline, Kas., May 21, 1959.
 Ness City Livestock Commission Co., Ness City, Kas., April 17, 1950.
 Ottawa Livestock Commission Company, Ottawa, Kas., November 27, 1961.
 Ottawa Market Sale, Ottawa, Kas., June 14, 1959.
 Severy Livestock Auction, Inc., Severy, Kas., May 21, 1959.
 Winfield Community Sales Company, Winfield, Kas., July 20, 1959.
 Callao Sale Barn, Callao, Mo., August 11, 1959.
 Cassville Livestock Auction, Cassville, Mo., May 28, 1959.
 Crocker Sale Barn, Crocker, Mo., May 19, 1959.
 Drexel Community Sales Barn, Drexel, Mo., May 26, 1959.
 Empire Sale Barn, King City, Mo., May 9, 1961.
 Kirksville Community Sale, Kirksville, Mo., May 9, 1959.
 Malden Sale Company, Malden, Mo., May 28, 1959.

Vernon County Sales Company, Nevada, Mo., September 19, 1959.
 New Palmyra Sale, Palmyra, Mo., May 22, 1959.
 Perry Sale Barn, Perry, Mo., May 11, 1959.
 Rolla Auction Company, Rolla, Mo., August 9, 1961.
 P & M Cattle Auction, Sikeston, Mo., May 8, 1959.
 East 66 Auction Co., Springfield, Mo., February 27, 1963.
 Wentzville Auction Co., Wentzville, Mo., February 6, 1962.
 Square Deal Auction, West Plains, Mo., April 30, 1963.
 K. H. Hill Livestock Ring, Plainview, Tex., May 23, 1958.

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 (7-7-71).

(42 Stat. 159, as amended and supplemented; 7 U.S.C. 181 et seq.)

Done at Washington, D.C., this 1st day of July 1971.

G. H. HOPPER,
Chief, Registrations, Bonds, and Reports Branch, Livestock Marketing Division.

[FR Doc. 71-9560 Filed 7-6-71; 8:51 am]

JACKSONVILLE LIVESTOCK AUCTION CO., INC., 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.

<i>Original name of stockyard location, and date of posting</i>	<i>Current name of stockyard and date of change in name</i>
FLORIDA	
Jacksonville Livestock Auction Co., Whitehouse, June 18, 1962.	Jacksonville Livestock Auction Co., Inc., June 1, 1970.
IOWA	
Osceola Sale Company, Osceola, June 4, 1959.....	Osceola Sale Company, Inc., Apr. 26, 1971.
NEBRASKA	
Ogallala Livestock Commission Co., Ogallala, Mar. 25, 1953.	Ogallala Livestock Commission Co., Inc., Apr. 27, 1971.
NORTH CAROLINA	
Farmers Livestock Market, Concord, July 6, 1959...	Farmers Livestock Barn, June 14, 1971.
TEXAS	
Bonham Livestock Commission Company, Bonham, Oct. 6, 1959.	Bonham Stockyards, Apr. 26, 1971.

Done at Washington, D.C., this 1st day of July 1971.

G. H. HOPPER,
Chief, Registrations, Bonds, and Reports Branch, Livestock Marketing Division.

[FR Doc. 71-9561 Filed 7-6-71; 8:51 am]

STEPHENS COUNTY 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.

Stephens County Livestock Auction, Eastanollee, Ga.
Phillips Sale Company, Good Hope, Ill.
Mammoth Cave Marketing Corporation, Smiths Grove, Ky.
Sho Me Feeder Pigs, Inc., Ava, Mo.
Collinsville Livestock Exchange, Inc., Collinsville, Okla.
Franklin County Livestock Commission Co., Mt. Vernon, Tex.

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, United States 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 1st day of July 1971.

G. H. HOPPER,
Chief, Registrations, Bonds, and
Reports Branch, Livestock
Marketing Division.

[FR Doc.71-9562 Filed 7-6-71;8:51 am]

DEPARTMENT OF COMMERCE

Bureau of International Commerce

[Case No. 421]

SCANMEC INTERNATIONAL MANUFACTURING SALES ORGANIZATION

Order Denying Export Privileges

In the matter of Marcus Dannoff, doing business as Scanmec International Manufacturing Sales Organization, Andersvagen 4, Solna C, Sweden and Post Office Box 1085, Solna C, Sweden, respondent.

By charging letter dated February 19, 1971, the Director, Investigations Division, Office of Export Control, charged

the above respondent¹ with violations of the regulations under the Export Control Act of 1949.² The violations alleged are for making false statements: (1) in a Single Transaction Statement (Form FC-842) relating to the exportation of an oscilloscope and accessories; and (2) on two occasions regarding the disposition of said equipment. The charging letter was duly served and the respondent replied thereto. The reply does not specifically deny the allegations but respondent denies that he violated the regulations as charged. He attempts to justify his conduct and claims that he acted in good faith.

The respondent, in his reply, requested that a hearing be held in Sweden and he attached certain conditions to the manner of conduct of the hearing. The Compliance Commissioner informed him that hearings of this type are held only in the United States, that he need not appear in person and could be represented by an attorney of his choice, that if he desired a hearing a date to accommodate him would be arranged. The respondent replied that he had decided not to come to Washington for a hearing. In this reply respondent acknowledged that he had violated the U.S. export regulations but said he acted without profit to help an Israeli customer.

An informal hearing was held before the Compliance Commissioner on May 25, 1971, at which time documentary evidence in support of the charges was presented on behalf of the Investigations Division. The Compliance Commissioner considered the evidence and submitted findings of fact and findings that violations had occurred and he recommended that the sanction hereinafter set forth be imposed.

After considering the record, I confirm and adopt the findings of fact of the Compliance Commissioner, which are as follows:

FINDINGS OF FACT

1. The respondent, Marcus Dannoff, does business under the firm name of Scanmec International Manufacturing Sales Organization in Solna (near Stockholm) Sweden. In this enterprise the respondent is engaged as a consultant for industrial automation and also as a trader in electronic equipment. In the transaction herein described Dannoff was

¹ The evidence shows that Dannoff does business under the firm name Scanmec International. He was the only individual involved in the transaction herein described on behalf of Scanmec. References herein to respondent will include both Dannoff and Scanmec.

² This act has been succeeded by the Export Administration Act of 1969, 50 U.S.C. App. 2401-2413, approved December 30, 1969. Section 2412(b) of this Act provides, "All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under the Export Control Act of 1949 * * * shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act."

the only individual who acted on behalf of Scanmec.

2. On or about March 6, 1966 the respondent ordered from a firm in Stockholm, Sweden, which is a distributor for a U.S. manufacturer of electronic equipment, an oscilloscope and accessories having an aggregate value of approximately \$4,500.

3. To support the request of the U.S. manufacturer to export the equipment to Sweden, the respondent executed a Single Transaction Statement (FC-842), often called an end-use statement, dated March 6, 1966 in which he certified that the commodities would not be sold for use outside of Sweden.

4. Relying on respondent's certification above mentioned the Office of Export Control authorized shipment of the equipment to Sweden. The equipment was shipped to Sweden and was delivered to respondent by the distributor in Stockholm.

5. After receipt by respondent of the equipment in Sweden he participated in a transaction whereby the equipment was reexported from Sweden.

6. At the time the respondent executed and signed the end-use statement, referred to in Finding 3, he intended to sell the equipment for use outside of Sweden and he subsequently did so. The certification by respondent that the commodities would not be sold for use outside of Sweden was false and misleading.

7. In the course of an investigation, under authority of the Export Control Act of 1949, regarding the disposition of the equipment in question, the respondent, in May 1969, stated to a representative of the U.S. Government that the equipment had been sold to a large firm in Sweden which in turn sold it to a well-known company in Paris. This statement was false and misleading since respondent did not sell the equipment to a firm in Sweden.

8. Later, in February 1970, in the course of said investigation, the respondent stated to the representative of the U.S. Government that he had sent the equipment directly to a company in France. This statement was false and misleading since respondent did not send the equipment to a company in France.

Based on the foregoing, I have concluded that the respondent violated § 387.5 of the Export Control Regulations in that: (1) He made a false and misleading certification in an export control document; and (2) in the course of an investigation under authority of the Export Control Act on two occasions he made false and misleading statements to an official of the U.S. Government regarding the disposition of commodities that had been exported from the United States.

In commenting on the evidence, the Compliance Commissioner said:

From the foregoing it is apparent that Dannoff made contradictory and inconsistent statements as to the disposition of the equipment in question. He first said that he sold it to a large Swedish company * * * which in turn sold it to a French firm * * *.

When he learned that (the Swedish firm) denied ever having received the equipment he said he sold it directly to (the French firm). Later, in answer to interrogatories, he said he delivered the equipment in person to an individual in Stockholm and that the equipment was delivered to (the French firm) to become part of a complete system for Israel.

It is immaterial whether Israel was in fact the ultimate destination of the equipment in question. I find that respondent sold the equipment for use outside of Sweden and intended such sale at the time he signed the certification on the end-use statement that the goods would not be sold outside of Sweden. The respondent's certification on this matter was false and misleading.

As to the sanction that should be imposed the Compliance Commissioner said:

We have here a case in which the respondent in the end-use statement misled the Office of Export Control as to the ultimate destination of certain strategic commodities. We know that the goods were reexported from the authorized destination but we do not know the ultimate destination. (The respondent claims the ultimate destination was Israel but considering the credibility gap he has demonstrated throughout the investigation of this case, I am unwilling to accept this claim in the absence of solid evidence.) Further, on two occasions the respondent made false statements as to the disposition of the goods.

I believe that a period of denial is appropriate in this case. After such denial period I would be willing to give the respondent the opportunity to demonstrate that he can be trusted to deal in U.S.-origin goods. I recommend that respondent be denied export privileges for five (5) years with the proviso that after 1 year he be permitted to apply to have his export privileges restored conditionally while he remains on probation. Such application as may be filed shall be supported by evidence showing compliance with the terms of this order and such disclosure of respondent's import and export transactions as may be necessary to determine his compliance with this order.

Now, after considering the record in the case and the report and recommendation of the Compliance Commissioner, and being of the opinion that his recommendation as to the sanction that should be imposed is fair and just and calculated to achieve effective enforcement of the law, it is hereby—

ORDERED

I. All outstanding validated export licenses in which respondent appears or participates in any manner or capacity are hereby revoked and shall be returned forthwith to the Bureau of International Commerce for cancellation.

II. Except as qualified in paragraph IV hereof, the respondent for the period of 5 years is hereby denied all privileges of participating, directly or indirectly, in any manner or capacity, in any transaction involving commodities or technical data exported from the United States, in whole or in part, or to be exported, or which are otherwise subject to the Export Control Regulations. Without limitation of the generality of the foregoing, participation prohibited in any such

transaction, either in the United States or abroad, shall include participation: (a) As a party or as a representative of a party to any validated export license application; (b) in the preparation or filing of any export license application or reexportation authorization, or document to be submitted therewith; (c) in the obtaining or using of any validated or general export license or other export control documents; (d) in the carrying on of negotiations with respect to, or in the receiving, ordering, buying, selling, delivering, storing, using, or disposing of any commodities or technical data; (e) in the financing, forwarding, transporting, or other servicing of such commodities or technical data.

III. Such denial of export privileges shall extend not only to the respondent, Dannoff and his firm Scanmec International Manufacturing Sales Organization, but also to Dannoff's representatives, agents, and employees, and also to any person, firm, corporation, or other business organization with which he now or hereafter may be related by affiliation, ownership, control, position of responsibility, or other connection in the conduct of trade or services connected therewith.

IV. One year after the effective date of this order the respondent may apply to have the effective denial of his export privileges held in abeyance while he remains on probation. Such application as may be filed shall be supported by evidence showing respondent's compliance with the terms of this order and such disclosure of his import and export transactions as may be necessary to determine his compliance with this order. Such application will be considered on its merits and in the light of conditions and policies existing at that time. The respondent's export privileges may be restored under such terms and conditions as appear to be appropriate.

V. During the time when the respondent or other party within the scope of this order is prohibited from engaging in any activity within the scope of Part II hereof, no person, firm, corporation, partnership, or other business organization, whether in the United States or elsewhere, without prior disclosure to and specific authorization from the Bureau of International Commerce, shall do any of the following acts, directly or indirectly, in any manner or capacity, on behalf of or in any association with the respondent or other party denied export privileges within the scope of this order, or whereby the respondent or such other party may obtain any benefit therefrom or have any interest or participation therein, directly or indirectly: (a) Apply for, obtain, transfer, or use any license, Shipper's Export Declaration, bill of lading, or other export control document relating to any exportation, reexportation, transshipment, or diversion of any commodity or technical data exported or to be exported from the United States, by, to, or for any such respondent or other party denied export privileges within the scope of this order; or (b)

order, buy, receive, use, sell, deliver, store, dispose of, forward, transport, finance or otherwise service or participate in any exportation, reexportation, transshipment, or diversion of any commodity or technical data exported or to be exported from the United States.

Dated: June 28, 1971.

This order shall become effective on July 7, 1971.

RAUER H. MEYER,
Director, Office of Export Control.
[FR Doc.71-9477 Filed 7-6-71;8:45 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Secretary
COMMISSIONER OF FOOD AND
DRUGS

Redelegation of Authority

By memorandum dated May 25, 1971, the Secretary assigned the remaining organizational elements of the Environmental Health Service to other Agencies in the Department with the Bureau of Radiological Health being assigned to the Food and Drug Administration. To reflect this reassignment the Redelegation of Authority to the Commissioner of Food and Drugs, published at 35 F.R. 606-607, 35 F.R. 3001-3002, and 36 F.R. 8893, is amended by revising paragraph 3 to read as follows:

3. Functions vested in the Secretary under sections 301, 308, 311, 314, 315, and 354 through 360F of the Public Health Service Act (42 U.S.C. 241, 242f, 243, 246, 247, and 263 b through n); and under section 361 of the Act (42 U.S.C. 264) which relate to pesticides, product safety, interstate travel sanitation (except interstate transportation of etiological agents under 42 CFR 72.25), milk and food service sanitation, shellfish sanitation, and poison control.

Effective date: May 17, 1971.

Dated: June 30, 1971.

ROGER O. EGERBERG,
Assistant Secretary for
Health and Scientific Affairs.
[FR Doc.71-9533 Filed 7-6-71;8:48 am]

ATOMIC ENERGY COMMISSION

[Dockets Nos. 50-342, 50-343]

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Notice of Receipt of Application for Construction Permits and Facility Licenses; Time for Submission of Views on Antitrust Matters

The Consolidated Edison Co. of New York, Inc., 4 Irving Place, New York, NY 10003, pursuant to the Atomic Energy

Act of 1954, as amended, has filed an application, dated June 3, 1969, for authorization to construct and operate a two-unit nuclear power station at its 130-acre site on the east side of the Hudson River in the town of Cortlandt, Westchester County, N.Y. The site is contiguous to the company's Indian Point site at Buchanan.

The proposed nuclear power station will consist of two identical boiling water nuclear reactors, designated by the applicant as Verplanck Nuclear Facility Units No. 1 and No. 2, each of which will have a net electrical output of approximately 1,115 megawatts derived from a thermal capacity of approximately 3,293 megawatts.

Any person who wishes to have his views on the antitrust aspects of the application presented to the Attorney General for consideration shall submit such views to the Commission within sixty (60) days after June 30, 1971.

A copy of the application and the amendments thereto are available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, DC, and at the Hendrik Hudson High School Library, Albany Post Road, Montrose, NY.

Dated at Bethesda, Md., this 16th day of June 1971.

For the Atomic Energy Commission.

PETER A. MORRIS,
Director,

Division of Reactor Licensing.

[FR Doc.71-8697 Filed 6-29-71; 8:45 am]

[Docket No. 50-341]

DETROIT EDISON CO.

Notice of Availability of Detailed Statement on Environmental Considerations

Pursuant to the National Environmental Policy Act of 1969 and the Atomic Energy Commission's regulations in Appendix D to 10 CFR Part 50, notice is hereby given that a document entitled "Detailed Statement on the Environmental Considerations by the Division of Radiological and Environmental Protection, U.S. Atomic Energy Commission, Related to the Proposed Issuance of a Construction Permit to the Detroit Edison Co. for the Enrico Fermi Atomic Power Plant, Unit No. 2" is being placed in the following locations where it will be available for inspection by members of the public: The Commission's Public Document Room, 1717 H Street NW., Washington, DC.; and at the Monroe County Library System, 3700 Custer Road, Monroe, MI 48161, Mrs. Mary Duane, Librarian. Single copies of the statement may be obtained by writing the Director, Division of Radiological and Environmental Protection, U.S. Atomic Energy Commission, Washington, D.C. 20545.

Dated at Bethesda, Md., this 24th day of June 1971.

For the Atomic Energy Commission.

PETER A. MORRIS,

Director,

Division of Reactor Licensing.

[FR Doc.71-9503 Filed 7-6-71; 8:46 am]

CIVIL AERONAUTICS BOARD

[Docket No. 18060, etc.]

AIRLIFT INTERNATIONAL, INC.

Renewal of Certificates; Notice of Prehearing Conference

Notice is hereby given that a prehearing conference in the above-entitled matter is assigned to be held on August 10, 1971, at 10 a.m., local time, in Room 805, Universal Building, 1825 Connecticut Avenue NW., Washington, DC, before Examiner Hyman Goldberg.

In order to facilitate the conduct of the conference, parties are instructed to submit to the examiner and other parties (1) proposed statements of issues; (2) proposed stipulations; (3) requests for information; (4) statement of positions of parties; and (5) proposed procedural dates. The Bureau of Operating Rights will circulate its material on or before July 22, 1971, and the other parties on or before August 2, 1971. The submissions of the other parties shall be limited to points on which they differ with the Bureau of Operating Rights.

Dated at Washington, D.C., June 30, 1971.

[SEAL]

RALPH L. WISER,
Acting Chief Examiner.

[FR Doc.71-9555 Filed 7-6-71; 8:50 am]

[Dockets Nos. 22058, 23293; Order 71-7-5]

ALLEGHENY AIRLINES, INC.

Order To Show Cause and Granting Temporary Suspension

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 1st day of July 1971.

On April 16, 1971, Allegheny Airlines, Inc. (Allegheny) filed an application requesting that the Board issue an order to show cause why its application in Docket 22058, should not be granted. As amended, the latter application requests the designation of Hagerstown, Md., and Martinsburg, W. Va., as a hyphenated point to be served through the Hagerstown airport. Allegheny also requests that condition (13) of its certificate be deleted and replaced with a one-stop restriction on flights operated between Charleston, W. Va., and Washington, D.C.¹

Presently, Henson Aviation, Inc. (Henson), is providing air service in the

¹ Condition (13) of Allegheny's certificate requires that flights serving Charleston and Washington also serve Elkins, W. Va., or Martinsburg. Allegheny is temporarily suspended at Elkins. (See Order 69-9-4, Sept. 2, 1969.)

Washington / Baltimore - Martinsburg markets pursuant to a Board-approved replacement agreement between Allegheny and Henson.² However, Henson has notified Allegheny that it intends to discontinue providing service at Martinsburg.

No answers to Allegheny's application have been received.

Upon consideration of the pleadings and all the relevant facts, we have decided to issue an order to show cause proposing to amend Allegheny's certificate for route 97 so as to hyphenate Hagerstown, Md., and Martinsburg, W. Va.³ In addition, we will grant Allegheny authority to temporarily suspend service at Martinsburg,⁴ pending final decision on its application to permanently suspend service at Martinsburg. Docket 22058.

In support of our ultimate finding on hyphenation, we tentatively find that the cities of Hagerstown and Martinsburg are approximately 25 miles apart; that travel between the cities is facilitated by a limited-access interstate highway; that there were only an average of 3.3 passengers per day enplaned at Martinsburg for 11 months ending November 1970; that Hagerstown presently receives substantial air service to other communities; that the hyphenation of Hagerstown and Martinsburg will result in more efficient and economic operations for Allegheny; that resumption of Allegheny's Martinsburg service would result in the carrier experiencing an increase in the carrier's subsidy requirement of approximately \$150,000; and that the latter subsidy requirement is unwarranted in view of these facts.

Interested persons will be given 20 days following service of this order to show cause why the tentative findings and conclusions set forth herein should not be made final. We expect such persons to direct their objections, if any, to specific markets and to support such objections with detailed answers, specifically setting forth the tentative findings and conclusions to which objection is taken. Such objections should be accompanied by arguments of fact or law and should be supported by legal precedent or detailed economic analysis. If an evidentiary hearing is requested, the objector should state in detail why such a hearing is considered necessary and what relevant and material facts he would expect to establish through such a hearing.

² Order 70-9-80, Sept. 16, 1970.

³ Also, we propose to delete condition (13) of Allegheny's certificate and replace it with a mandatory intermediary stop on flights between Charleston, W. Va., and Washington, D.C.

⁴ Order 70-9-80 authorized Allegheny to temporarily suspend service at Martinsburg, W. Va., to the extent necessary to relieve Allegheny of its obligation to provide services in excess of those provided by the Henson agreement, subject to the condition that such suspension shall terminate if Henson ceases to provide the specified service. Accordingly, with Henson no longer providing service, a new suspension authorization is necessary.

General, vague, or unsupported objections will not be entertained.

We also find that Allegheny should be authorized to suspend service at Martinsburg, pendente lite. During the period 1965 through 1970 the highest average passenger emplanements at Martinsburg were 4.7 per day. Moreover, despite the increase in frequencies offered by Henson, Allegheny's air taxi replacement, traffic has failed to respond. In fact, for the first 4 months of operation⁴ traffic never exceeded an average of one passenger per departure.⁵

Although the Board is reluctant to authorize a local service carrier to suspend service at a certificated point where air taxi replacements are not available, we find that the foregoing factors justify a temporary suspension of service. Accordingly, we shall authorize Allegheny to suspend service for a temporary period terminating 60 days following final Board decision on Allegheny's application filed in Docket 22058.

Accordingly, it is ordered, That:

1. All interested persons are directed to show cause why the Board should not issue an order making final the tentative findings and conclusions stated herein and amending Allegheny's certificate of public convenience and necessity for route 97 so as to redesignate the points Hagerstown, Md., and Martinsburg, W.Va., as Hagerstown-Martinsburg (to be served through the Hagerstown airport), modify condition 4(b) to require an intermediate stop on flights between Charleston, W.Va., and Washington, D.C., and delete condition (13) and renumber subsequent conditions;

2. Any interested person having objection to the issuance of an order making final any of the proposed findings, conclusions, or certificate amendments set forth herein shall, within 20 days after service of a copy of this order, file with the Board and serve upon all persons made parties to this proceeding a statement of objections together with a summary of testimony, statistical data, and other evidence expected to be relied upon to support the stated objections;

3. If timely and properly supported objections are filed, full consideration will be accorded the matters and issues raised by the objections before further action is taken by the Board;

4. In the event no objections are filed, all further procedural steps will be deemed to have been waived and the Board may proceed to enter an order in accordance with the tentative findings and conclusions set forth herein;

5. Allegheny Airlines, Inc., is authorized to suspend service at Martinsburg, W. Va., for a period terminating 60 days after final Board decision on Allegheny's application in Docket 22058;

6. The authority granted herein may be amended or revoked at any time in the discretion of the Board without hearing; and

7. A copy of this order shall be served upon Allegheny Airlines, Inc., the city of Hagerstown, and the city of Martinsburg, who are hereby made parties to this proceeding.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL]

HARRY J. ZINK,
Secretary.

[FR Doc.71-9556 Filed 7-6-71;8:50 am]

[Docket No. 23164; Order 71-6-156]

NORTH CENTRAL AIRLINES, INC.

Order To Show Cause Regarding Certificate of Public Convenience and Necessity

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 30th day of June 1971.

North Central Airlines, Inc. (North Central), has filed a petition requesting the Board to issue and order to show cause why its application in Docket 23164 should not be granted. In that application North Central requests that its certificate of public convenience and necessity for route 86 be amended to redesignate the points Kalamazoo and Battle Creek, Mich., as a hyphenated point. North Central proposes to serve the point through a southwest Michigan regional airport once such a facility is constructed. Prior to the construction of the regional airport, North Central proposes to serve the hyphenated point through either the Kalamazoo Airport or Battle Creek Airport, with the final determination to be made by North Central at the time service to the hyphenated point is commenced.

No answers to North Central's application and petition have been filed.¹

Upon consideration of the pleadings and all the relevant facts, we have decided to issue an order to show cause proposing to amend North Central's certificate as requested. We tentatively find and conclude that the public convenience and necessity require amendment of North Central's certificate for route 86, so as to redesignate the points Kalamazoo and Battle Creek as a hyphenated point Kalamazoo-Battle Creek.

In support of our findings, we tentatively find and conclude as follows: That the cities of Kalamazoo and Battle Creek are located 20 miles apart and their respective airports are 17 miles apart; that

¹ We invite comment on whether it is likely that a new regional airport will be constructed to serve both cities and, if, so, the dates that such a facility is likely to be started and completed, and whether the action contemplated herein should be deferred pending the decision to go forward or not go forward with the new regional airport.

the two cities are connected by an interstate highway; that the normal maximum travel time between either city center and the other city's airport is no more than 30 minutes; and that the hyphenation of Kalamazoo and Battle Creek ultimately will result in a more efficient and economic operation for North Central and a reduction in the carrier's need for subsidy.

Interested persons will be given 20 days following service of this order to show cause why the tentative findings and conclusions set forth herein should not be made final. We expect such persons to support their objections, if any, with detailed answers, specifically setting forth the tentative findings and conclusions to which objection is taken. Such objections should be accompanied by arguments of fact or law and should be supported by legal precedent or detailed economic analysis. If an evidentiary hearing is requested, the objector should state in detail why such a hearing is considered necessary and what relevant and material facts he would expect to establish through such a hearing. General, vague, or unsupported objections will not be entertained.

Accordingly, it is ordered, That:

1. All interested persons are directed to show cause why the Board should not issue an order making final the tentative findings and conclusions stated herein and amending North Central's certificate of public convenience and necessity for route 86 so as to redesignate the points Kalamazoo and Battle Creek as Kalamazoo-Battle Creek;

2. Any interested persons having objection to the issuance of an order making final any of the proposed findings, conclusions, or certificate amendments set forth herein shall, within 20 days after service of a copy of this order, file with the Board and serve upon all persons made parties to this proceeding a statement of objections together with a summary of testimony, statistical data, and other evidence expected to be relied upon to support the stated objections;

3. If timely and properly supported objections are filed, full consideration will be accorded the matters and issues raised by the objections before further action is taken by the Board;

4. In the event no objections are filed, all further procedural steps will be deemed to have been waived and the Board may proceed to enter an order in accordance with the tentative findings and conclusions set forth herein; and

5. A copy of this order shall be served upon North Central Airlines, Inc., the city of Kalamazoo, Mich., and the city of Battle Creek, Mich., who are hereby made parties to this proceeding.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL]

HARRY J. ZINK,
Secretary.

[FR Doc.71-9557 Filed 7-6-71;8:50 am]

⁴ December 1970-March 1971.

⁵ Presently, Henson provides the Martinsburg-Washington market with 1½ nonstop round trips; one one-stop round trip and one two-stop flight. In the Baltimore-Martinsburg market, Henson provides one non-stop and 1½ one-stop round trips.

[Dockets Nos. 22842, 22859; Order 71-6-153]

UNITED AIR LINES, INC.**Order of Consolidation**

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 30th day of June 1971.

By Order 70-12-20, dated December 4, 1970, the Board ordered an investigation of eastbound specific commodity rates on avocados, artichokes, asparagus, and grapes proposed by United Air Lines, Inc., Docket 22842. By Order 70-12-44, dated December 8, 1970, we instituted the Domestic Air Freight Rate Investigation, Docket 22859. Since United's tariffs under investigation in Docket 22842 are included in the tariffs ordered investigated by Order 70-12-44, we find that consolidation of these proceedings will be conducive to the proper dispatch of the Board's business and to the ends of justice and will not unduly delay the proceedings.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly section 204(a) thereof,

It is ordered, That:

1. The investigation in Docket 22842 is consolidated into the investigation in Docket 22859.

2. Copies of this order will be served on all parties to Dockets 22842 and 22859.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.71-9558 Filed 7-6-71; 8:50 am]

CIVIL SERVICE COMMISSION**EDUCATION PROGRAM OFFICER,
OFFICE OF EDUCATION****Manpower Shortage; Notice of Listing**

Under the provisions of 5 U.S.C. 5723, the Civil Service Commission found a manpower shortage on June 18, 1971, for the single position of Education Program Officer (Director, Right-to-Read Program), GS-1720-15, Office of Priority Management, Office of the Deputy Commissioner for Management, Office of Education, Department of Health, Education, and Welfare, Washington, D.C. The finding is self-canceling when the position is filled.

Assuming all legal requirements are met, an appointee to this position may be paid for the expense of travel and transportation to the first post of duty.

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
Executive Assistant to
the Commissioners.

[FR Doc.71-9532 Filed 7-6-71; 8:48 am]

**FEDERAL COMMUNICATIONS
COMMISSION**

[Docket No. 19183]

**FM TRANSMITTERS TO ALLEVIATE
INTERFERENCE TO TELEVISION
RECEPTION****Order Regarding Inquiry Into Performance of Television Broadcast Receivers and Location**

1. In a Notice of Inquiry,¹ adopted on March 24, 1971, the Commission instituted the above-captioned proceeding. The notice sets out July 1, 1971, as the timely date for filing comments.

2. By its petition, submitted on June 11, 1971, the Consumer Electronics Group (CEG) of the Electronic Industries Association, has requested that the time for filing comments in this proceeding be extended to October 1, 1971. The Corporation for Public Broadcasting (CPB), by a petition submitted on June 14, 1971, has also asked the Commission to grant an extension of time in which to file comments in this proceeding; the CPB requested that the time be extended by two weeks to July 15, 1971.

3. Noting that data submitted by various manufacturers might not be comparable, CEG filed with its petition a preliminary response, which proposes definitions of the TV receiving system parameters listed in the Commission's Notice. CEG argues that more time is needed for the industry to generate the uniform quantitative data it feels the Commission must have for formulating the rules needed to alleviate the interference problems stated in the Commission's notice. Moreover, CEG states that the industry cannot devote its full energy to a study of these problems until after July 1, 1971, because this date conflicts with the time period in which the TV industry is customarily directing all of its manpower effort toward introduction of new model lines.

4. The CPB states that it needs the additional time requested because the engineering tests and the technical analysis that the Corporation desires to incorporate into its comment have not yet been completed. Recognizing that the subject matter of the Commission's Notice is of crucial importance to public broadcasting, the CPB believes that its comment will be of significant value to the Commission in resolving the problem of FM interference to TV Channel 6.

5. The Commission needs both complete and fully informative data on which to base a decision as to whether or not new rules can be formulated for alleviating the complex TV interference problems outlined in its notice. In

¹ 36 F.R. 6459, Apr. 3, 1971; paragraph 9(c) corrected in 36 F.R. 7029, Apr. 13, 1971.

light of the arguments in the two subject petitions, the Commission is persuaded that extension of the time for filing comments in this proceeding will produce the information of the quality it requires.

6. Therefore, it is ordered. That, pursuant to the provisions in § 1.46 of the Commission's rules and regulations, the time in which interested parties may file comments in response to the notice in the instant proceeding is extended from July 1, 1971, to October 1, 1971, and the subject petitions are hereby granted.

Adopted: June 29, 1971.

Released: June 29, 1971.

[SEAL] RICHARD E. WILEY,
General Counsel.

[FR Doc.71-9550 Filed 7-6-71; 8:50 am]

[Docket No. 19270; FCC 71-666]

HERBERT L. RIPPE**Order Designating Application for
Hearing on Stated Issues**

In re application of Herbert L. Rippe, 3785 Susanna Drive, Cincinnati, OH 45239; Docket No. 19270; for amateur radio station and extra class operator licenses in the amateur radio service.

The Commission has under consideration the above-entitled application for Amateur radio station and Extra Class Operator licenses filed by Herbert L. Rippe on March 8, 1971. There is a substantial question concerning the qualifications of the applicant to be a licensee of the Commission arising from the following:

Applicant's Amateur Extra Class Operator license was suspended on March 16, 1969, for the balance of its term (June 4, 1970). His Amateur radio station license, W8DE, was revoked February 16, 1970. Both of these actions were taken when it was established that he had obtained a modified Amateur license by fraudulent means. In the order of revocation released on January 5, 1970, it was found that the applicant had "fraudulently obtained a two-letter call sign in the Amateur Radio Service in violation of § 97.129 of the Commission's rules". That order was grounded upon the following:

a. That Rippe had filed an application for and was granted a "two-letter" call sign in the Amateur Radio Service;

b. That by filing the application the licensee certified that he had been an Amateur Radio Service operator for 25 years prior to filing;

c. That, in support of his application, Rippe submitted a photo copy of a license purportedly issued to him by the Commission in 1942; and

d. That said document, described in (c) above, had in fact been altered to reflect the 1942 date.

The applicant first denied but then subsequently admitted that he had altered a license issued to him by the Commission in 1947 and had submitted a copy of that license to the Commission which then indicated, after alteration, that it had been issued in 1942. In a petition for reconsideration of the order of revocation, Rippe maintained that he had, in fact, been issued a license in the Amateur Radio Service in 1942. This representation is also made in documents associated with the present application in which a two-letter call sign is requested.

The Commission is unable to find, upon the information before it, that a grant of the captioned application would serve the public interest, convenience and necessity and must, therefore, designate the application for hearing. Except for the issues specified herein, the applicant is otherwise qualified to hold an Individual Amateur radio station and extra class operator license.

Accordingly, it is ordered, Pursuant to section 309(e) of the Communications Act of 1934, as amended, and § 1.973(b) of the Commission's rules, that the captioned application is designated for hearing, at a time and place to be specified by subsequent order, upon the following issues:

1. To determine all of the facts and circumstances surrounding the preparation, execution and filing of an application for a two-letter call sign by the applicant on March 19, 1968, including correspondence in respect to said application.

2. To determine the facts concerning representations made by Rippe in three applications for Amateur licenses filed in 1947.

3. To determine whether the applicant was issued a license in the Amateur Radio Service at Nashville, Tenn., in 1942.

4. To determine, pursuant to the evidence adduced under the above issues, whether the applicant can be relied upon to operate his station in accordance with the terms of his license and whether the Commission can rely upon the representations made in his present application.

5. To determine, if the foregoing issues are resolved in favor of the applicant, whether the applicant is eligible for and should be granted a two-letter call sign.

6. To determine, in light of the evidence adduced pursuant to issues 1 through 5, whether the applicant possesses the requisite qualifications to be a licensee of the Commission.

It is further ordered, That, to avail himself of the opportunity to be heard, the applicant herein, pursuant to § 1.221 of the Commission's rules, in person or by attorney, shall within 20 days of the mailing of this order file with the Commission, in triplicate, a written appearance stating an intent to appear on the date fixed for hearing and to present evidence on the issues specified in this order.

Adopted: June 24, 1971.

Released: June 30, 1971.

FEDERAL COMMUNICATIONS
COMMISSION,¹

[SEAL] BEN F. WAPLE,
Secretary.
[FR Doc.71-9551 Filed 7-6-71; 8:50 am]

STANDARD BROADCAST APPLICATION READY AND AVAILABLE FOR PROCESSING

JUNE 30, 1971.

Notice is hereby given, pursuant to § 1.571(c) of the Commission's rules,

¹ Commissioners Robert E. Lee and Houser absent.

[Canadian List No. 280]

CANADIAN BROADCAST STATIONS Notification List

JUNE 23, 1971.

List of new stations, proposed changes in existing stations, deletions, and corrections in assignments of Canadian standard broadcast stations modifying the assignments of Canadian broadcast stations contained in the Appendix to the Recommendations of the North American Regional Broadcasting Agreement Engineering Meeting January 30, 1941.

Call Letters	Location	Power kw.	Antenna	Schedule	Class	Antenna height (feet)	Ground system		Proposed date of commencement of operation
							Number radials	Length (feet)	
CFTR (change in call letters—PO 680 kHz, 10 kw., DA-2).	Toronto, Ontario, N. 43° 34' 48", W. 79° 38' 30".	580 kHz	DA-2	U	II
		900 kHz							
(New).....	Penticton, British Columbia, N. 49° 29' 54", W. 119° 38' 32".	1.....	DA-1	U	II	E.I.O. 6.23.71.
CFGN (assignment of call letters) ..	Port aux Basques, Newfoundland, N. 47° 35' 08", W. 59° 07' 22".	0.25.....	ND-183	U	IV	146.5	120	320

FEDERAL COMMUNICATIONS COMMISSION,
WALLACE E. JOHNSON,
Assistant Chief, Broadcast Bureau.

[FR Doc.71-9553 Filed 7-6-71; 8:50 am]

FEDERAL MARITIME COMMISSION

NORTH ATLANTIC FRENCH ATLANTIC FREIGHT CONFERENCE

Notice of Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1202; or may inspect the agreement at the Field Offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

Elliott B. Nixon, Esq., Burlingham Underwood, Wright, White & Lord, 25 Broadway, New York, NY 10004.

Agreement No. 7770-7 increases the amount of the financial guarantee required of each Conference member to \$25,000 and provides that this guarantee may be applied toward the satisfaction of a member's financial obligations to the Conference which have been outstanding for more than sixty days after notice.

Dated: July 1, 1971.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.71-9535 Filed 7-6-71;8:48 am]

CERTIFICATES OF FINANCIAL RESPONSIBILITY (OIL POLLUTION)

Notice of Certificates Issued

Notice is hereby given that the following vessel owners and/or operators have established evidence of financial responsibility, with respect to the vessels indicated, as required by section 11(p) (1) of the Federal Water Pollution Control Act,

as amended, and, accordingly have been issued Federal Maritime Commission Certificates of Financial Responsibility (Oil Pollution) pursuant to Part 542 of Title 46 CFR.

Certificate No.	Owner/operator and vessels	Certificate No.	Owner/operator and vessels
01014	Robert Bornhofen Reederei: Robert Bornhofen. Elisabeth Bornhofen.	03744	Ocean Fisheries, Inc.: Trinidad.
01035	Ove Skou: Dagmar Skou.	03746	Midwest Towing Co., Inc.: M/V Arrowhead. M/V Prairie State. M/V Hawkeye. M/V Badger.
01185	Absjeselskapet Kosmos: Janega.	04090	Sabine River Barge Line, Inc.: NDT 101. UMI 1202. UMI 1205.
01229	Belships Co., Ltd., Skibs-A/S: Belnor.	04201	Naciente Compania Naviera, S.A.: Teikala.
01244	Mytilus A.S. Canto.	04202	Petroleum Transport, Inc.: Pyrgos.
01301	Skipsreder Kristian Ravn: Olanda.	04232	B & B Marine & Construction Corp.: Bollinger No. 4. Bollinger No. 5.
01876	Sicula Ligure Compania Armatoriale Siciliana S.P.A.: Sunprince.	04433	Allied Chemical Corp.: ETT 112. ETT 114.
02022	C. T. Gogstad & Co.: Lyra.	04442	Wisconsin & Michigan Steamship Co.: S/S Milwaukee Clipper. M/V Highway 16.
02194	Compagnie Generale Transatlantique: Cuczo. Ica.	04533	Mr. Choemon Kikuchi: Nittomaru No. 5.
02221	Freatis Shipping Co., Ltd.: Christopher.	04593	Bow Shipping Corp.: Federal Nagara.
02332	Lykes Bros. Steamship Co., Inc. Ly-1.	04622	Island Tug & Barge Ltd.: Island Exporter. Island Importer. Island Fir. Island Hemlock. Island Spruce. Sudbury II. I.T. 109. I.T. 108. Island Logger. I.T. 103. Island Tanker No. 1. Island Monarch. Island King.
02496	U.S. Steel Corp.: Redding Co. No. 17. Redding Co. No. 22. Penn Central 663. Penn Central 665. Penn Central 666. Hughes 144. Roger Blough. Hughes No. 102.	04669	Seaway Lines, Inc.: Sea Challenger. Sea Saga. Sea Hawk.
02505	The Bambergh Shipping Co., Ltd.: Dunstanburgh Castle. Cheviot. Longstone. Lindisfarne. Bambergh Castle.	04768	Texco Overseas Tankship Ltd.: Texco Norway.
02511	Seawind Tankers Corp.: Assimina.	04869	Blessing Co., Ltd.: Grace.
02608	Heinr. von Bergen & Sohn OHG: M/S Susann von Bergen.	05039	Inland Oil & Transport Co.: IOT-354. IOT-353.
02870	Isthmian Lines Inc.: Long Lines.	05071	Vasa Shipping Co., Ltd., Nicosia: Virgy.
02945	American Trading and Production Corp.: Baltimore Trader.	05238	Tradax Internacional S.A.: Ghent. Carlantic.
02961	Kobe Kisen Kabushiki Kaisha: Nikkoh Maru.	05281	Slade, Inc.: S-2013.
03134	Compania Naviera Marlina S.A.: Capetan Giorgis.	05306	Peter Klewit Sons' Co.: Sandpiper. Mohawk. Apache. Cheboygan. Samson. Samson III. ACBL 1613. Davy Crockett. Thelma. Cynthia. Jeanne. Dump Scow No. 10. Dump Scow No. 11. Y.D. 155. Daniel G.
03292	Maritimcor S.A.: Morillo. Iceiland.		
03420	Daimichi Kaiun Kabushiki Kaisha: Nichiwa Maru.		
03441	Japan Lines, K.K.: Japan Orchid.		
03447	K. K. Kyokuyo: Kyokko Maru.		
03459	Meiji Kaiun K.K.: Meiko Maru.		
03474	Nippon Suisan K.K.: Nippon Maru No. 3.		
03730	Brown & Root, Inc.: Bar 283.		
03742	Baurer Dredging Co., Inc.: Bauer ST-2. Bill Bauer. BDCO No. 28. Russell B. Long. Dave Blackburn. ST-5. ST-6. John H. Shary. BDCO No. 32.		

Certificate No.	Owner/operator and vessels
05312...	Parida Compania Naviera S.A.: Dione.
05316...	Ionmar Compania Naviera S.A.: Nicolaos D.L.
05317...	Vira Compania Naviera S.A.: Okeanis.
05341...	Oswego Steamship Co., Inc.: Alma.
05355...	Global Shipping Corp.: Sankolake.
05472...	National Shipping Corp.: Sutlej, Padma.
05531...	Hydraulic Dredging Co., Ltd.: Papoosh, Duwamish.
05664...	Steeleycarre Shipping Co. SA Panama: Steeley Carrier.
05784...	W. R. Grace & Co.: Rockland II.
05882...	Elmini Lot Inc.: Mini Lot.
05893...	Efplia Compania Naviera S.A.: Efplia.
05894...	Yutana Barge Lines Inc.: OB 6, OB 5, OB 4, OB 3, OB 2, Stewart, Riverways No. 4.
05896...	A/S Trans-Kosan: Eva Tholstrup.
05917...	Voyager Transportation Co.: Jack, Ev.
05920...	Yale Shipping Inc.: Banana Reefer.
05964...	Davison Sand & Gravel Co.: Dredge Allegheny, Crescent, Derrick Boat No. 4, Barge No. OPS-52, Barge No. OPS-53, Barge No. OPS-55, Barge No. OPS-65, Barge No. OPS-68, Barge No. OPS-71, Barge No. OPS-73, Barge No. 80, Barge No. 81, Barge No. 82, Barge No. 83.
05977...	Shun Choeh Steam Navigation Co., Ltd.: Angelina.
05979...	Compania Vlotia de Navegacion S.A.: Faethon.
05982...	Naves Transatlantica S.A. and Ktimatikal Epichirisis Athi- non A.E.: Spillada.
05991...	Fukukyu Gyogyo Kabushiki Kaisha: Fukukyu Maru No. 8, Fukukyu Maru No. 1.
05993...	Kabushiki Kaisha Fukuyoshi Maru: Fukuyoshi Maru No. 35.
06013...	Osaka Asahi Kaiun Kabushiki Kaisha: Kyokushin Maru.
06029...	Associated Container Transporta- tion (Australia) Ltd.: Act 3.
06033...	M & D, Inc.: Hines-6.
06042...	Luzon Stevedoring Corp.: LSCO Katipunan, LSCO Anzac.
06043...	Sunflower Transport & Trading Comp. N.V.: Sylvia-2.

Certificate No.	Owner/operator and vessels
06062...	Belcher Towing Co., of Boca Grande: Barge No. 4, Barge No. 1.
06063...	Belcher Towing Co.: Barge No. 10, Barge No. 11, Barge No. 18, Barge No. 19, Barge No. 21, Barge No. 22, Barge No. 20.

By the Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc. 71-9534 Filed 7-6-71; 8:48 am]

FEDERAL POWER COMMISSION

[Docket No. CP71-309]

GREAT LAKES GAS TRANSMISSION CO.

Notice of Application

JUNE 30, 1971.

Take notice that on June 9, 1971, Great Lakes Gas Transmission Co. (applicant), 1 Woodward Avenue, Detroit, MI 48226, filed in Docket No. CP71-309 an application pursuant to the Commission's Order No. 431, issued in Docket No. R-418 on April 15, 1971, for a limited term certificate of public convenience and necessity authorizing the operation of existing facilities and the transportation of natural gas for and on behalf of Michigan Wisconsin Pipe Line Co. (Michigan Wisconsin), all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant was authorized, inter alia, on April 30, 1970, in Docket No. CP70-19 et al. (43 FPC 635), to deliver up to 168,000 Mcf of natural gas per day to Michigan Wisconsin at a point of interconnection between their systems near Fortune Lake, in the Upper Peninsula of Michigan. Applicant states that it was informed by Michigan Wisconsin that because of the reduced market requirements of the summer months, it would be unable to take delivery of the full contract volume at Fortune Lake and requested that applicant, on a best efforts basis, transport such undeliverable portion of the contract demand to an interconnection between their respective systems located near Farwell, Mich. Michigan Wisconsin operates a natural gas storage field near the Farwell delivery point and any volumes delivered by applicant to Michigan Wisconsin at this point will be placed in storage.

Applicant states that it began this transportation service for Michigan Wisconsin under the provisions of § 157.22 of the regulations under the Natural Gas Act (18 CFR 157.22) and informed the Commission thereof, by telegram, on April 27, 1971. Applicant seeks authorization to continue this transportation service, as necessary, until the market requirements of Michigan Wisconsin are such that the entire contract demand

volume is delivered at Fortune Lake. Applicant states that this continuation would be in furtherance of the policy set forth in § 2.70 of the Commission's general policy and interpretations (18 CFR 2.70), as promulgated by the Commission's Order No. 431.

Any person desiring to be heard or to make any protest with reference to said application should on or before July 23, 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,
Secretary.

[FR Doc. 71-9540 Filed 7-6-71; 8:49 am]

[Docket No. CP71-307]

IROQUOIS GAS CORP.

Notice of Application

JUNE 30, 1971.

Take notice that on June 22, 1971, Iroquois Gas Corp., 10 Lafayette Square, Buffalo, NY 14203, filed in Docket No. CP71-307 an application pursuant to section 7(b) of the Natural Gas Act for permission and approval to abandon one 400 horsepower compressor unit, and 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 pipeline and compressor facilities, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

[Docket No. E-7630]

METROPOLITAN EDISON CO.**Order Suspending Increased Rates and Charges, Providing for Hearing, and Granting Petitions To Intervene**

JUNE 29, 1971.

Specifically, applicant proposes to construct and operate approximately 5.9 miles of 8-inch pipeline extending from its Nashville Compressor Station to its Sheridan Compressor Station, each of which are located in Chautauqua County, N.Y. Applicant also proposes to install an additional 2,000 horsepower compressor unit at the aforementioned Nashville Compressor Station, and to abandon an obsolete 400 horsepower compressor unit at the Sheridan Compressor Station. The facilities proposed herein will enable applicant to maximize the deliverability of its Sheridan, Nashville, and Perrysburg Storage Pools. The estimated cost of the facilities proposed is \$1,380,500, which cost applicant states will be financed by the use of available funds and the issuance of promissory notes and common stock to its parent company, National Fuel Gas Co.

Any person desiring to be heard or to make any protest with reference to said application should on or before July 20, 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 and permission and approval for the proposed abandonment are 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,
Secretary.

[FR Doc.71-9566 Filed 7-6-71;8:51 am]

The Metropolitan Edison Co. (Met-Ed or Company), a public utility subject to the jurisdiction of this Commission, on April 30, 1971, tendered for filing in Docket No. E-7630, increases in rate levels in its schedules designated Rate RP, covering sales for resale to Hershey Electric Co. and Rate RM covering sales for resale to four municipal customers (Goldsboro,¹ Kutztown,² Lewisberry,³ and Royalton,⁴ all located in the State of Pennsylvania). A fuel adjustment clause applicable to each of the five customers was included with the filing and is set out in Sheet 3 of each rate schedule. The schedule designated as Rate RP is applicable to service at 69-kv. and the Rate RM covers service of 13.2-kv. or less.

By its tender Met-Ed proposes to increase its charges to its five jurisdictional customers by \$1,319,637, based on operations for the 12 month period ended December 31, 1970. The operation of the fuel adjustment clause is responsible for \$315,855 of said total increase. The Company requested an effective date of June 30, 1971.

In support of its filing, Met-Ed states that the aforementioned five jurisdictional sales account for 1.8 percent of its total electric operating revenues (\$1.98 million of the \$108.5 million realized in 1970). The Company contends that on the basis of its study utilizing the calendar year 1970 operations, sales under Rate Schedule RP reflect a 1.75 percent return and sales under Rate Schedule RM, a 6.39 percent return. In the study the Company employed the average monthly coincidental peak method of demand responsibility.

Notice of the filing was published May 17, 1971 (36 F.R. 9346). Said notice states that any person desiring to be heard or to make protest with reference to said application should on or before June 1, 1971, file with the Federal Power Commission, Washington, D.C., petitions to intervene or protests in accordance with the requirements of the Commission's rules of practice and procedure.

Protests and petitions to intervene have been filed by the Boroughs of Middletown, Goldsboro, Kutztown, Lewisberry, and Royalton, Pa., and the Hershey Electric Co. In said tenders the

petitioners deny that the increased rates are necessary because of increased operating costs, or costs associated with the installation of new equipment or those associated with environmental considerations, or because of the increase in the cost of money. Hershey requested that the filing be suspended at least until July 16, 1971, and the Borough of Kutztown, because of a resulting "increase in the wholesale cost of energy of approximately 45 percent", requested that the suspension be for the full statutory period.

Examination of the protests, the petitions to intervene, and Met-Ed's answers thereto indicate that certain issues raised should be resolved on the basis of an evidentiary record. However, our examination of the pleadings does not appear to warrant suspension of the increased rates for the periods as hereinbefore set out. Accordingly, we shall suspend the operation of the tendered rate schedules for 1 day and direct that a public hearing be held on the lawfulness of such rates.

The Commission finds:

(1) The rate schedules hereinbefore designed as filed on April 30, 1971, and as supplemented on June 5, 1971, may be unjust, unlawful, unduly discriminatory or preferential, or otherwise unlawful under the Federal Power Act.

(2) It is necessary and appropriate in the enforcement of the Federal Power Act, particularly sections 205, 206, 301, 308, and 309 thereof, that the Commission enter upon a hearing concerning the lawfulness of the aforementioned tendered schedules and that said schedules be suspended and the use thereof be deferred and a public hearing be initiated in accordance with the procedures set forth below, all as hereinafter provided.

(3) Participation by the aforementioned named petitioners for leave to intervene in this proceeding may be in the public interest.

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Federal Power Act and pursuant to the Commission's rules of practice and procedure issued thereunder, a public hearing shall be convened at the office of the Federal Power Commission, in Washington, D.C., concerning the lawfulness of Met-Ed's rate schedules hereinbefore identified.

(B) Pending such hearing and decision thereon, the tendered rate schedules (Rate RP and Rate RM) are hereby suspended and the use thereof deferred until July 1, 1971. On that day those filings shall take effect in the manner prescribed by the Federal Power Act, and Met-Ed, subject to further orders of the

¹ FPC No. 27.² FPC No. 34.³ FPC No. 35.⁴ FPC No. 37.⁵ FPC No. 38.

Commission, shall charge and collect the increased rates and charges set forth in such filings for all power sold and delivered thereunder.

(C) Met-Ed shall file with the Commission and serve on all parties, on or before August 16, 1971, its case-in-chief in support of the subject rate schedules, including testimony of witnesses and exhibits. Intervenor's and Staff evidence, including testimony and exhibits, shall be served on September 27, 1971. The Company's rebuttal testimony shall be filed on or before October 15, 1971. Cross-examination of all witnesses and the testimony filed by all parties shall commence on November 1, 1971. Any further and necessary procedural dates and matters shall be ordered by the Presiding Examiner.

(D) Met-Ed shall refund at such times and in such manner as may be required by final order of the Commission that portion of the increased rates and charges, if any, found by the Commission in this proceeding not justified, together with interest thereon at the rate of 6 percent per annum from the date of payment until refunded; shall bear all costs of such refunding; shall keep accurate records in detail of all the amounts received by reason of the increased rates and charges effective as of July 1, 1971, for each billing period; and shall report (original and one copy) in writing and under oath, to the Commission monthly, for each billing period, the billing determinants of electric energy sold and delivered under the subject rate schedules, and the revenues resulting therefrom as computed under the rate in effect immediately prior to July 1, 1971, and the rates and charges made effective by this order, together with the differences in revenues so computed.

(E) The Boroughs of Middletown, Goldsboro, Kutztown, Lewisberry, and Royaltown, Pa., and the Hershey Electric Co. are hereby permitted to intervene in this proceeding subject to the Commission's rules of practice and procedure: *Provided, however*, The participation of such interveners shall be limited to matters affecting asserted rights and interests specifically set forth in the respective petitions to intervene; *And provided, further*, That the admission of such interveners shall not be construed as recognition by the Commission that they or any of them might be aggrieved by any orders entered in this proceeding.

(F) Unless otherwise ordered by the Commission, Met-Ed shall not change the terms or provisions of the subject rate schedules or its presently effective rate schedules until this proceeding has been terminated or until the period of suspension has expired.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.71-9567 Filed 7-6-71; 8:51 am]

[Docket No. RP71-125]

NATURAL GAS PIPELINE COMPANY OF AMERICA

Order Providing for Hearing, Suspending Proposed Revised Tariff Sheets, Providing Hearing Procedure, and Rejecting for Filing Revised Tariff Sheets Containing Rate Adjustment Provision for Advance Payments

JUNE 30, 1971.

Natural Gas Pipeline Company of America (Natural) on May 28, 1971, tendered for filing proposed changes in its FPC Gas Tariff to become effective as of July 1, 1971.¹ The proposed rate changes, based on a cost of service study for the 12-month period ending February 28, 1971, as adjusted, would increase Natural's charges for jurisdictional sales and services by approximately \$58,800,000 per annum over the settlement rates in Docket No. RP70-35, approved by Commission order issued April 7, 1971.

Natural states that the principal reasons for its filing are the substantial increases necessary in jurisdictional revenues to recover increases in all costs over those claimed in Docket No. RP70-35. Natural claims an overall rate of return of 9 percent is needed to cover its capital costs and states that other claimed major increases in costs are attributable to increases in purchased gas, advance payments, and an overall single depreciation rate of 3.5 percent in lieu of the present three separate depreciation rates.

Natural's filing includes major revisions of its FPC gas tariff, which would establish a proposed new service procedure for the sale of gas and a related new rate structure. Natural has proposed a three-part rate structure under its new Rate Schedule DMQ-1, proposed revisions in the Rate Schedule S-1 to eliminate the present cost of service formula, and would limit the annual quantity under Rate Schedule G-1 to 185 days of use of the winter maximum daily entitlement.

Natural's filing includes a set of revised tariff sheets which contain an advance payment rate adjustment provision. Natural requests waiver of the provisions of the regulations under the

Natural Gas Act, § 154.38(d) (3), for the purposes of accepting for filing the proposed tariff sheets incorporating the proposed rate adjustment provision in its tariff. If such waiver is not granted, Natural requests that its filing be considered to include all tariff sheets, except for those containing the proposed provision, and that the Commission provide for hearing on the appropriateness of the inclusion of an advance payment rate adjustment in its FPC gas tariff.

The reasonableness of including an advance payment rate adjustment provision in Natural's tariff has not been tested in any evidentiary proceeding. If accepted at this time, this provision would become operative after suspension. The automatic rate adjustment raises a number of substantive issues which should be fully explored and resolved before the rates and charges to Natural's customers are subjected to changes by application of this proposed adjustment provision. Accordingly, we deem it inappropriate at this time to waive the provisions of § 154.38(d) (3) of the Commission's regulations under the Natural Gas Act to permit the filing of those tariff sheets of Natural containing the advance payment adjustment provision.

Review of the rate filing indicates that issues are raised which require development in evidentiary proceedings. The proposed increased rates and charges have not been shown to be justified and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provision of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the rates and charges contained in Natural's FPC gas tariff, as proposed to be amended herein, and that the proposed tariff sheets listed in footnote 1 above (excluding Original Sheets Nos. 123-127, which contain proposed advance payment rate adjustment provision) be suspended, and the use thereof be deferred as herein provided.

(2) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the disposition of this proceeding be expedited in accordance with the procedures set forth below.

(3) Natural's tendered Original Sheets Nos. 123-127 containing the advance payment rate adjustment provision should be rejected.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 5 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing commencing with a prehearing conference shall be held on September 10, 1971, in a hearing room of the Federal Power Commission, 441 G

¹ The proposed revised tariff sheets filed are as follows: Original Sheets Nos. 1-45, 101-127, 201-212, 301-305, 401-406, and 501, 3d Revised Volume No. 1 and 11th Revised Sheet No. 1, 2d Revised Sheet No. 75, 1st Revised Sheet No. 212, 2d Revised Sheet No. 220, 1st Revised Sheet No. 221, Original Sheet No. 221-A of 2d Revised Volume No. 2, FPC Gas Tariff. On June 11, 1971, Natural filed corrected tariff sheets to be substituted for Original Sheets Nos. 16 and 210, 3d Revised Volume No. 1, 1st Revised Sheet No. 78, and 3d Revised Sheet No. 220, 2d Revised Volume No. 2.

[Docket No. RP71-119]

Street NW., Washington, DC 20426 concerning the lawfulness of the rates, charges, classifications, and services contained in Natural's FPC gas tariff, as proposed to be revised herein.

(B) Pending such hearing and decision thereon, Natural's revised tariff sheets listed in footnote 1 above, except Original Sheets Nos. 123-127, are hereby suspended and the use thereof deferred until December 1, 1971, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(C) Natural's Original Sheets Nos. 123-127 containing an advance payment rate adjustment provision are hereby rejected for filing. These proposed tariff sheets may be made a part of the record herein, to be considered, along with any modifications thereof or alternative provisions submitted by the parties or the Commission Staff, as a proposed advance payment rate adjustment provision to be included in Natural's tariff.

(D) At the hearing on September 16, 1971, Natural's prepared testimony (Statement P), together with its entire rate filing as submitted and served on May 28, 1971, be admitted to the record as Natural's complete case-in-chief, as provided by § 154.63(e) (1) of the Commission's regulations under the Natural Gas Act, and Order No. 254, 28 FPC 495, subject to appropriate motions, if any, by parties to the proceeding.

(E) Following the admission of Natural's complete case-in-chief, the parties shall proceed to effectuate the intent and purpose of § 2.59 of the Commission's rules of practice and procedure and of this order as set forth above.

(F) On or before October 8, 1971, the Commission Staff shall serve its prepared testimony and exhibits. The prepared testimony and exhibits of any and all intervenors shall be served on or before October 22, 1971. Any rebuttal evidence by Natural shall be served on or before November 5, 1971. Cross-examination of the evidence shall commence November 18, 1971. The Presiding Examiner, upon a showing of good cause, may grant such extensions of time as he deems appropriate.

(G) A Presiding Examiner to be designated by the Chief Examiner for that purpose (see Delegation of Authority, 18 CFR 3.5(d)), shall preside at the hearing in this proceeding; shall prescribe relevant procedural matters not herein provided, and shall control this proceeding in accordance with the policies expressed in § 2.59 of the Commission's rules of practice and procedure.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.71-9568 Filed 7-6-71;8:51 am]

**PANHANDLE EASTERN PIPE LINE CO.
Order Suspending Proposed Tariff
Sheets, Permitting Intervention, Fixing
Date of Hearing, and Specifying
Procedures**

JUNE 30, 1971.

Panhandle Eastern Pipe Line Co. (Panhandle) filed on May 17, 1971, a written report, pursuant to paragraph (A) (2) of the Commission's Order No. 431, issued April 15, 1971, in Docket No. R-418, and tendered for filing proposed changes in its FPC Gas Tariff, Original Volume No. 1, consisting of Second Revised Sheet No. 42 and Original Sheets Nos. 42-A, 42-B, and 42-C, to become effective July 1, 1971, in order to effectuate a gas curtailment and interruption policy which Panhandle will follow to meet any gas shortage or operating problems which might arise. Notice of the filing was issued June 4, 1971, and published in the FEDERAL REGISTER on June 12, 1971, 36 F.R. 11488.

Petitions requesting leave to intervene in this proceeding were timely filed by the following petitioners:

Anchor Hocking Corp.
Associated Natural Gas Co.
Battle Creek Gas Co.
C-E Refractories Corp., A. P. Green Refractories Co., North American Refractories Co., and Wellsville Fire Brick Co. (Joint Petition).
Central Illinois Light Co.
Central Illinois Public Service Co.
Central Indiana Gas Co., Inc.
Citizens Gas Fuel Co.
Corning Glass Works.
East Ohio Gas Co., The.
Fulton and Macon, Missouri, cities of, and The Illinois Municipal Utilities Association (Joint Petition).
Gas Service Co., The.
Great River Gas Co.
Hayes-Alblon Corp.
Illinois Power Co.
Indiana Gas Co., Inc.
Indianapolis, city of.
Michigan Consolidated Gas Co.
Michigan Gas Storage Co.
Michigan Gas Utilities Co.
Missouri Power & Light Co.
Missouri Public Service Co.
Missouri Utilities Co.
National Distillers and Chemical Corp.
Northern Illinois Gas Co.
Northern Indiana Public Service Co.
Ohio Fuel Gas Co., The.
Ohio Valley Gas Corp.
Toledo Edison Co., The.
Union Gas Company of Canada, Ltd.

The Michigan Public Service Commission on June 18, 1971, filed a timely notice of intervention.

Johns-Manville Fiber Glass, Inc., and Richmond Gas Corp. filed untimely petitions requesting leave to intervene, alleging that permitting their late filings would in no way delay the proceeding. Kokomo Gas and Fuel Co. also filed an

untimely petition for leave to intervene.

Sixteen of the petitions to intervene contain requests that the issues raised by the proposed tariff sheets be scheduled for formal hearing. Among the many allegations made concerning the proposed curtailment procedures are the following: (1) There is no way to determine from the proposals the extent, if any, to which Panhandle's direct interruptible customers will be curtailed before firm deliveries to its resale customers are restricted; (2) Panhandle did not follow the criteria set forth in Order No. 431 because it failed to differentiate between the procedures to be used for obtaining gas for refilling storage and the steps to be followed when there is a gas deficiency during a heating season; (3) the proposed overrun penalty of \$10 per Mcf is excessive; (4) there is no way to determine whether customers with their own storage fields will be treated differently from those without storage; (5) the term used for classifying industrial usage may inadvertently have included human needs customers, such as hospitals, schools, and apartment houses; (6) classifying the cutoff point of industrial usage at a rate of 50 Mcf per day may be so low as to be administratively inoperable; (7) the means of selecting the base period used in determining industrial curtailment may be unduly discriminatory; (8) there may be undue discrimination in Panhandle's proposal to curtail without making demand charge adjustments; (9) the proposed curtailment provisions are so difficult to comprehend that no one can be certain of their impact in the event of their implementation; (10) the proposed curtailment plan may be in direct conflict with outstanding provisions in Commission orders governing deliveries to an export customer; (11) Panhandle's curtailment proposals far exceed in scope the principles expressed by the Commission in Order No. 431; (12) Panhandle has alleged no facts justifying any need to curtail firm deliveries; and (13) the proposed curtailment procedures have not been shown to be just and reasonable and should be rejected entirely or, alternatively, suspended for the full statutory period.

The Ohio Gas Co. filed a timely protest containing many of the allegations set forth above and requesting that Panhandle's proposed tariff sheets be rejected or, alternatively, suspended for the full statutory period.

The only statement contained in Panhandle's filing regarding its need to curtail deliveries is that it " * * * is unable to predict whether the availability of gas supplies will at all times permit deliveries without some curtailment from time to time." Panhandle's failure to allege any real emergency associated with its gas supply, when considered in conjunction with the many questions raised

concerning the propriety of its proposed curtailment policy, indicates that the tariff sheets tendered for filing in this proceeding should be suspended for 4 months, or until November 1, 1971. Suspension for 4 months will prevent implementation of the proposed curtailment plan until evidence has been presented by Panhandle to explain how it would be applied and by other parties to set forth in detail their criticisms of it. Most of the objections expressed by the parties appear to be based upon their inability to interpret the ambiguous wording of the proposed tariff revisions. Consequently, it is possible that the hearing hereinafter ordered will provide a vehicle for clarifying the language used in the curtailment provisions so as to eliminate the objections which have been raised prior to the time when Panhandle might have to implement any curtailment program.

The city of Indianapolis asks permission to amend its petition to intervene if evidence at the hearing shows that it needs to introduce proof demonstrating the effect on it of Panhandle's proposed curtailment procedures. The city's petition to intervene is sufficiently specific to obviate an amendment to its petition in the event it may later wish to introduce evidence concerning the impact of Panhandle's proposals on its operations.

Issues have been raised in this proceeding which require development in an evidentiary proceeding. The proposed changes in the General Terms and Conditions of Panhandle's tariff have not been shown to be justified and their operation may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the proposed changes in the General Terms and Conditions of Panhandle's FPC Gas Tariff and that the proposed tariff sheets, hereinbefore listed, be suspended, and use thereof be deferred as herein provided.

(2) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the disposition of this proceeding be expedited in accordance with the procedures set forth below.

(3) Good cause exists to permit the late filings of Johns-Manville Fiber Glass, Inc., Richmond Gas Corp., and Kokomo Gas and Fuel Co.

(4) The participation of the above-named petitioners may be in the public interest.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4, 5, and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing shall be held commencing September 7, 1971, at 10 a.m. e.d.s.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, DC 20426, concerning the lawfulness of the curtailment provisions

contained in Panhandle's FPC Gas Tariff as proposed to be revised herein. The hearing shall begin with admission into the record of Panhandle's direct case, subject to appropriate motions, followed by cross-examination of Panhandle's witnesses. Except for very brief recesses which may be allowed by the Presiding Examiner upon a showing of good cause therefor, the hearing shall go forward immediately with cross-examination of witnesses sponsoring any direct testimony previously served by the interveners and the Commission's staff, followed by oral rebuttal, if any, by Panhandle with cross-examination thereon.

(B) Pending such hearing and decision thereon, Panhandle's proposed Second Revised Sheet No. 42 and Original Sheets Nos. 42-A, 42-B, and 42-C to its FPC Gas Tariff, Original Volume No. 1, are hereby suspended and the use thereof is deferred until November 1, 1971, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(C) On or before July 21, 1971, Panhandle shall prepare and file with the Commission and serve on the Commission's staff and all parties to this proceeding its direct testimony and exhibits in support of the proposed tariff sheets submitted on May 17, 1971. Panhandle's presentation should include (1) precise details concerning the implementation of its proposed curtailment procedures to clarify the differences between curtailments in the event of (a) operating problems, (b) force majeure, (c) shortage of gas needed for refilling storage, and (d) shortage of gas required to meet requirements during a heating season, and (2) an explanation of its position regarding the issues raised in the petitions to intervene, particularly the questions hereinbefore mentioned.

(D) Any parties or the Commission's staff planning to present testimony in opposition to Panhandle's curtailment procedures shall, on or before August 20, 1971, file and serve on the Presiding Examiner, the Commission's staff, and all parties prepared written testimony in support of their positions.

(E) The above-named petitioners are hereby permitted to become interveners in this proceeding subject to the Rules and Regulations of the Commission: *Provided, however,* That the participation of such interveners shall be limited to matters affecting asserted rights and interests specifically set forth in said petitions for leave to intervene: *And provided, further,* That the admission of such interveners shall not be construed as recognition by the Commission that they or any of them might be aggrieved because of any order or orders of the Commission entered in this proceeding.

(F) A Presiding Examiner to be designated by the Chief Examiner for that purpose (see Delegation of Authority, 18 CFR 3.5(d)) shall preside at the hearing in this proceeding pursuant to the Commission's rules of practice and procedure. By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.71-9569 Filed 7-6-71;8:51 am]

[Docket No. RP71-124]

TRANSCONTINENTAL GAS PIPE LINE CORP.

Order Accepting Rate Increase Without Suspension and Granting Petitions To Intervene

JUNE 30, 1971.

On May 14, 1971, Transcontinental Gas Pipe Line Corp. (Transco) tendered for filing proposed changes in its FPC Gas Tariff, Original Volume No. 1,¹ to become effective July 1, 1971. The proposed rate changes would increase Transco's charges for jurisdictional sales and services by approximately \$1.3 million annually.

Transco states that the revised tariff sheets relate solely to Transco's Rate Schedule GSS for underground storage service and provide only for a tracking of the rate increase to Transco from Consolidated Gas Supply Corp. (Con-Gas) of an identical storage service under the latter's Rate Schedule GSS. Con-Gas on December 17, 1970, filed with the Commission in Docket No. RP71-77 increases in its rates, including its Rate Schedule GSS. The Commission by its order issued January 29, 1971, suspended Con-Gas' rate increase until July 1, 1971. Transco requests that the proposed rate changes become effective, without suspension, on July 1, 1971, the same day as Con-Gas' rate increase is to be made effective.

Transco states that it will flow through to its GSS customers any refunds or rate reductions received from Con-Gas as a result of further Commission action in Con-Gas' rate proceeding in Docket No. RP71-77, which reduces Con-Gas' Rate Schedule GSS.

Transco served copies of its filing on its jurisdictional customers and interested State commissions. Notice was published on June 16, 1971 (36 F.R. 11611). Petitions to Intervene have been filed by Philadelphia Gas Works and Washington Gas Light Co. No objections to the changes have been filed with the Commission.

Review of the data submitted in support of the proposed increase indicates that the proposed rate increase is warranted and should be permitted to become effective without suspension on the date requested.

The Commission orders:

(A) The increased rates proposed by Transco are accepted, and the revised tariff sheets contained in the application are permitted to go into effect July 1, 1971: *Provided, however,* That Transco shall flow through to its GSS customers any refunds together with interest received thereon or rate reductions received from Con-Gas as a result of further Commission action in Con-Gas' rate proceeding in Docket No. RP71-77, which reduces Con-Gas' Rate Schedule GSS.

(B) The Petitioners hereinabove set forth are permitted to intervene in these

¹Sixth Revised Sheet No. 17H and Fourth Revised Sheet No. 17M.

proceedings subject to the rules and regulations of the Commission: *Provided, however,* That the participation of such interveners shall be limited to matters affecting asserted rights and interests as specifically set forth in their respective petitions to intervene: *And provided further,* That the admission of said interveners shall not be construed as recognition by the Commission that they might be aggrieved, because of any order or orders of the Commission entered in these proceedings.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.71-9570 Filed 7-6-71;8:51 am]

FEDERAL RESERVE SYSTEM

CONNECTICUT BANK AND TRUST CO.

Order for, and Notice of, Reconsideration

In the matter of the application of the Connecticut Bank and Trust Co., Hartford, Conn., for prior approval of a merger with the North Side Bank and Trust Co., Bristol, Conn.

This matter comes before the Board of Governors on a request for reconsideration filed by the Connecticut Bank and Trust Co. requesting that the Board reconsider its order dated November 5, 1970, whereby the Board denied the application of the Connecticut Bank and Trust Co. for prior written consent to effect a merger pursuant to section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), and, incident thereto, to establish branches under section 9 of the Federal Reserve Act (12 U.S.C. 321).

This request for reconsideration is filed pursuant to § 262.3(f) (6) of the Board's Rules of Procedure (12 CFR 262.2(f) (6)), which provides:

After action by the Board on an application, the Board will not grant any request for reconsideration of its action unless the request presents relevant facts that, for good cause shown, were not previously presented to the Board, or unless it otherwise appears to the Board that reconsideration would be appropriate.

The Board finds that the request for reconsideration presents relevant facts (concerning particularly the relevant markets in which the banks operate) that, for good cause shown, were not previously presented to the Board, and reconsideration otherwise appears appropriate. Therefore, it appears that reconsideration is in the interests of all parties as well as in the public interest.

It is hereby ordered, That the request for reconsideration of the application be and hereby is granted. In order to facilitate such reconsideration, not later than thirty (30) days after the publication of this order 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 Sys-

tem, Washington, D.C. 20551. The application, as supplemented, may be inspected at the Office of the Board of Governors or at the Federal Reserve Bank of Boston.

By order of the Board of Governors,
June 25, 1971.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.
[FR Doc.71-9506 Filed 7-6-71;8:46 am]

SOUTHEAST BANKING CORP.

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 Southeast Banking Corp., which is a bank holding company located in Miami, Fla., for prior approval by the Board of Governors of the acquisition by applicant of 80 percent or more of the voting shares of Southeast Bank of Dadeland, Miami, Fla. (a proposed new bank).

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 Atlanta.

By order of the Board of Governors,
June 30, 1971.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.
[FR Doc.71-9504 Filed 7-6-71;8:46 am]

¹ Voting for this action: Chairman Burns and Governors Robertson, Malsel, Brimmer, and Sherrill. Absent and not voting: Governors Mitchell and Daane.

UNITED BANCORP OF MAINE

Notice of Amended 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 Bancorp of Maine which is a bank holding company located in Portland, Maine, for prior approval by the Board of Governors of the acquisition by applicant of 51 percent of the voting shares of Central National Bank, Waterville, Maine, a proposed new bank.

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.

Comments and views regarding the proposed acquisition may be filed with the Board to be received not later than two weeks after publication of this notice in the FEDERAL REGISTER. 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 Boston. Notice of receipt of the original application to acquire a lesser percentage of shares in Central National Bank was published in the FEDERAL REGISTER on May 13, 1971 (36 F.R. 8830).

By order of the Board of Governors,
June 30, 1971.

[SEAL] ELIZABETH L. CARMICHAEL,
Assistant Secretary.

[FR Doc.71-9505 Filed 7-6-71;8:46 am]

INTERAGENCY TEXTILE ADMINISTRATIVE COMMITTEE

CERTAIN COTTON TEXTILES AND COTTON TEXTILE PRODUCTS PRO- DUCED OR MANUFACTURED IN COLOMBIA

Entry or Withdrawal From Warehouse for Consumption

JUNE 30, 1971.

On June 25, 1971, the U.S. Government, in furtherance of the objectives of, and under the terms of, the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, concluded a new comprehensive bilateral cotton textile agreement with the Government of Colombia concerning exports of cotton textiles and cotton textile products from Colombia to the United States over a 4-year period beginning on July 1, 1971, and extending through June 30, 1975. Among the provisions of the agreement are those establishing an aggregate limit for the 64 Categories; within the aggregate limit, group limits on Categories 1-4, 5-27, and 28-64; and within both of the aforesaid limits, specific limits on certain categories for the first agreement year beginning on July 1, 1971. The categories with specific limits are Categories 5, 6, 9/10, 16, 19, 22/23, 26, and 27.

Accordingly, there is published below a letter of June 29, 1971, from the Chairman of the President's Cabinet Textile Advisory Committee to the Commissioner of Customs, directing that the amounts of cotton textiles and cotton textile products in Categories 1 through 27, produced or manufactured in Colombia, which may be entered or withdrawn from warehouse for consumption in the United States for the period beginning July 1, 1971, and extending through June 30, 1972, be limited to the designated levels. The letter published below and the actions pursuant thereto are not designed to implement all of the provisions of the bilateral agreement, but are designed to assist only in the implementation of certain of its provisions.

STANLEY NEHMER,
Chairman, Interagency Textile
Administrative Committee,
and Deputy Assistant Secretary
for Resources.

THE SECRETARY OF COMMERCE

PRESIDENT'S CABINET TEXTILE ADVISORY
COMMITTEE

COMMISSIONER OF CUSTOMS,
Department of the Treasury,
Washington, D.C. 20226.

JUNE 29, 1971.

DEAR MR. COMMISSIONER: Under the terms of the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, pursuant to the bilateral cotton textile agreement of June 25, 1971, between the Governments of the United States and Colombia, and in accordance with Executive Order 11052 of September 28, 1962, as amended by Executive Order 11214 of April 7, 1965, you are directed to prohibit, effective July 1, 1971 and for the

12-month period extending through June 30, 1972, entry into the United States for consumption and withdrawal from warehouse for consumption of cotton textiles and cotton textile products in Categories 1 through 27 produced or manufactured in Colombia, in excess of the levels of restraint set forth below.

The combined level of restraint for Categories 1 through 4 shall be 3,847,826 pounds.

The overall level of restraint for Categories 5 through 27 shall be 21,300,000 square yards.

Within the overall level of restraint for Categories 5 through 27, the following specific levels of restraint shall apply:

Category	12-month level of restraint
5 -----square yards	1,736,437
6 -----do	347,288
9/10 -----do	4,538,250
16 -----do	1,041,863
19 -----do	1,157,625
22/23 -----do	7,600,000
26 (excluding duck fabrics) ¹ -----do	3,657,500
26 (duck fabrics only) ² -----do	578,812
27 -----do	661,200

¹ Excluding T.S.U.S.A. numbers:

320...01 through 04, 06, 08
321...01 through 04, 06, 08
322...01 through 04, 06, 08
326...01 through 04, 06, 08
327...01 through 04, 06, 08
328...01 through 04, 06, 08

² Including only those T.S.U.S.A. numbers excluded by footnote 1.

In carrying out this directive, entries of cotton textiles and cotton textile products in the above categories, produced or manufactured in Colombia, which have been exported to the United States from Colombia prior to July 1, 1971, shall, to the extent of any unfilled balances be charged against the level of restraint established for such goods for the 12-month period beginning July 1, 1970, and extending through June 30, 1971. In the event that the level of restraint for the 12-month period ending June 30, 1971, has been exhausted by previous entries, such goods shall be subject to the directives set forth in this letter.

The levels of restraint set forth above are subject to adjustment pursuant to the provisions of the bilateral agreement of June 25, 1971, between the Governments of the United States and Colombia which provide in part that within the aggregate and applicable group limits, limits on certain categories may be exceeded by not more than 5 percent; for the limited carryover of shortfalls in certain categories to the next agreement year; and for administrative arrangements. Any appropriate adjustments pursuant to the provisions of the bilateral agreement referred to above, will be made to you by letter from the Chairman of the Interagency Textile Administrative Committee.

The bilateral agreement of June 25, 1971, also provides an overall limit on Categories 28 through 64. Import controls on these Categories at an overall level of 1 million square yards equivalent may be established during the current agreement year. In such event, you will be advised in a further directive from the Chairman of the Interagency Textile Administrative Committee.

A detailed description of the categories in terms of T.S.U.S.A. numbers was published in the FEDERAL REGISTER on January 17, 1968 (33 F.R. 582), and amendments thereto on March 15, 1968 (33 F.R. 4600).

In carrying out the above directions, entry into the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The actions taken with respect to the Government of Colombia and with respect to imports of cotton textiles and cotton textile products from Colombia have been determined by the President's Cabinet Textile Advisory Committee to involve foreign affairs functions to the United States. Therefore, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the notice provisions of 5 U.S.C. 553 (Supp. V, 1965-69). This letter will be published in the FEDERAL REGISTER.

Sincerely,

MAURICE H. STANS,
Secretary of Commerce, Chairman,
President's Cabinet Textile Ad-
visory Committee.

[FR Doc.71-9648 Filed 7-6-71;8:52 am]

CERTAIN COTTON TEXTILES AND COT- TON TEXTILE PRODUCTS PRODUCED OR MANUFACTURED IN MEXICO

Entry or Withdrawal from Warehouse for Consumption

JULY 1, 1971.

On June 29, 1971, the U.S. Government, in furtherance of the objectives of, and under the terms of, the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, concluded a new comprehensive bilateral cotton textile agreement with the Government of Mexico concerning exports of cotton textiles and cotton textile products from Mexico to the United States over a 5-year period beginning on May 1, 1971. Among the provisions of the agreement are those establishing an aggregate limit for the 64 Categories; within the aggregate limit, group limits on Categories 1-4, 5-27 and part of 64 (knit fabrics), and 28-64 (excluding knit fabrics); and within both of the aforesaid limits, specific limits for Categories 9, 10, 22, 23, 26, 27, 63, and 64, with sublimits on duck fabric (parts of Categories 26 and 27), and on zipper tapes (part of Category 64).

Pending the establishment of a visa system governing the entry into the United States of cotton textile products in Categories 28-64 (excluding knit fabrics), the limits applicable to these categories, at the request of the Government of Mexico, are established for the 3-month period extending through July 31, 1971. The limits applicable to Categories 1-27 and part of 64 (knit fabrics) are established for the 12-month period extending through April 30, 1972.

There is published below a letter of June 29, 1971, from the Chairman of the President's Cabinet Textile Advisory Committee to the Commissioner of Customs, directing that the amounts of cotton textiles and cotton textile products in Categories 1 through 64, produced or manufactured in Mexico, which may be entered or withdrawn from warehouse for consumption in the United States for the periods indicated, be limited to designated levels. This letter and the actions pursuant thereto are not designed to implement all of the provisions of the bilateral agreement, as extended, but are

designed to assist only in the implementation of certain of its provisions.

STANLEY NEHMER,
Chairman, Interagency Textile
Administrative Committee, and
Deputy Assistant Secretary
for Resources.

PRESIDENT'S CABINET TEXTILE ADVISORY
COMMITTEE

COMMISSIONER OF CUSTOMS,
Department of the Treasury,
Washington, D.C. 20226.

JUNE 29, 1971.

DEAR MR. COMMISSIONER: Under the terms of the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, pursuant to the bilateral cotton textile agreement of June 29, 1971, between the Governments of the United States and Mexico, and in accordance with Executive Order 11052 of September 28, 1962, as amended by Executive Order 12124 of April 7, 1965, you are directed to prohibit, effective July 1, 1971, and for the 12-month period beginning May 1, 1971, and extending through April 30, 1972, entry into the United States for consumption and withdrawal from warehouse for consumption of cotton textiles and cotton textile products in Categories 1 through 27 and part of 64 (knit fabrics), produced or manufactured in Mexico, in excess of the designated levels of restraint set forth below.

The combined level of restraint for Categories 1, 2, 3, and 4, shall be 10,663,044 pounds.

The overall level of restraint for Categories 5 through 27 and part of 64 (knit fabrics) shall be 41,650,000 square yards equivalent.

Within the overall level of restraint for Categories 5 through 27 and part of 64 (knit fabrics) the following specific levels of restraint shall apply:

Category	12-Month Level of Restraint
9/10 -----	12,262,500 square yards.
22/23 -----	12,262,500 square yards.
26/27 and part of 64 (knit fabrics).	17,125,000 square yards (but not more than 6,750,000 square yards in Categories 26 and 27 shall be in duck, ¹ and not more than 625,000 square yards equivalent shall be in knit fabrics, T.S.U.S.A. Nos., 345,1020, 345,1040, 346,4560, 353- 5014 and 359,1040).

¹ Only T.S.U.S.A. numbers:
320...01 through 04, 06, 08
321...01 through 04, 06, 08
322...01 through 04, 06, 08
325...01 through 04, 06, 08
327...01 through 04, 06, 08
328...01 through 04, 06, 08

Within the overall level of restraint for Categories 5 through 27 and part of 64 (knit fabrics), each category without a specific level of restraint is subject to a consultation level of 607,754 square yards, pursuant to paragraph 7 of the bilateral agreement. If appropriate, future directions concerning these categories will be made to you by letter from the Chairman of the Interagency Textile Administrative Committee.

Pursuant to the authorities set forth in the first paragraph of this letter, you are further directed to prohibit, effective July 1, 1971, and for the 3-month period beginning May 1, 1971, and extending through July 31, 1971, entry into the United States for consumption and withdrawal from warehouse for consumption of cotton textile products in Categories 28 through 63 and 64 (exclud-

ing knit fabrics), produced or manufactured in Mexico, in excess of the designated levels of restraint set forth below.

The overall level of restraint for Categories 28 through 63 and 64 (excluding knit fabrics) shall be 668,529 square yards equivalent. There was attached to the directive of April 28, 1969, from the Chairman of the President's Cabinet Textile Advisory Committee, concerning cotton textiles and cotton textile products from Mexico a table of the rates of conversion into square yard equivalents of Categories 28 through 64 which may be used in implementing this part of this directive.

Within this overall level of restraint for Categories 28 through 63 and 64 (excluding knit fabrics), the following specific levels of restraint shall apply:

Category	3-Month Level of Restraint
63	33,427 pounds.
64 (excluding knit fabrics). ²	99,064 pounds (of which not more than 27,349 pounds shall be in zipper tapes, T.S.U.S.A. No. 347,3340).

² All of Category 64 except T.S.U.S.A. Nos. 345,1020, 345,1040, 346,4560, 353,5014, and 359,1040.

Within the overall level of restraint for Categories 28 through 63, and 64 (excluding knit fabrics), each category without a specific level of restraint is subject to a consultation level of 106,536 square yards equivalent. If appropriate, future directions concerning these categories will be made to you by letter from the Chairman of the Interagency Textile Administrative Committee.

In carrying out this directive, cotton textiles and cotton textile products in Categories 1 through 64 produced or manufactured in Mexico and which have been exported to the United States from Mexico prior to May 1, 1971, shall to the extent of any unfilled balances, be charged against the levels of restraint established for such goods during the period May 1, 1970, through April 30, 1971. In the event that any level of restraint for the period ending April 30, 1971, has been exhausted by previous entries, such goods shall be subject to the directives set forth in this letter.

The levels of restraint set forth above are subject to adjustment pursuant to the provisions of the bilateral agreement of June 29, 1971, between the Governments of the United States and Mexico which provide in part that within the aggregate limit, the group limits for Group I and Group II may be exceeded by not more than 10 percent and the Groups limit on Groups III may be exceeded by not more than 5 percent; within the aggregate and applicable group limits, limits on certain categories may be exceeded by not more than 5 percent; for the limited carryover of shortfalls in certain categories to the next agreement year; and for administrative arrangements. Any appropriate adjustments pursuant to the provisions of the bilateral agreement referred to above, will be made to you by letter from the Chairman of the Interagency Textile Administrative Committee.

A detailed description of the categories in terms of T.S.U.S.A. numbers was published in the FEDERAL REGISTER on January 17, 1968 (33 F.R. 582), and amendments thereto on March 15, 1968 (33 F.R. 4600).

In carrying out the above directions, entry into the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The actions taken with respect to the Government of Mexico and with respect to imports of cotton textiles and cotton textile products from Mexico have been determined by the President's Cabinet Textile Advisory

Committee to involve foreign affairs functions of the United States. There, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the notice provisions of 5 U.S.C. 553 (Supp. V, 1965-69). This letter will be published in the FEDERAL REGISTER.

Sincerely,

MAURICE H. STANS,
Secretary of Commerce, Chairman,
President's Cabinet Textile Ad-
visory Committee.

[FR Doc.71-9650 Filed 7-6-71;8:52 am]

**CERTAIN COTTON TEXTILES AND
COTTON TEXTILE PRODUCTS PRO-
DUCED OR MANUFACTURED IN
THE REPUBLIC OF CHINA**

**Entry or Withdrawal From Warehouse
for Consumption**

JULY 1, 1971.

On October 12, 1967, the Government of the United States, in furtherance of the objectives of, and under the terms of, the Long-Term Arrangement Regarding International Trade in Cotton Textiles, done at Geneva on February 9, 1962, concluded a comprehensive bilateral cotton textile agreement with the Government of the Republic of China concerning exports of cotton textiles and cotton textile products from the Republic of China to the United States over a 11-year period beginning January 1, 1967. The agreement was initially extended through June 30, 1971, and further extended through August 31, 1971. Among the provisions of the agreement are those applying specific export limitations to Categories 5, 6, 9, 15, 18/19, 22/23, 24/25, 26, 28, 30, 32, 34, 35, 41/42, 44, 45, 46, 47, 50, 51, 52, 53, 54, 57, 59, 60, 62, 63, and 64.

Accordingly, there is published below a letter of June 29, 1971, from the Chairman of the President's Cabinet Textile Advisory Committee to the Commissioner of Customs, directing that the amounts of cotton textiles and cotton textile products in the above categories, produced or manufactured in the Republic of China, which may be entered or withdrawn from warehouse for consumption for the 8-month period beginning January 1, 1971, and extending through August 31, 1971, be limited to the designated levels. This letter and the actions pursuant thereto are not designed to implement all of the provisions of the bilateral agreement, as amended and extended, but are designed to assist only in the implementation of certain of its provisions.

STANLEY NEHMER,
Chairman, Interagency Textile
Administrative Committee,
and Deputy Assistant Secretary
for Resources.

SECRETARY OF COMMERCE

PRESIDENT'S CABINET TEXTILE ADVISORY
COMMITTEE

COMMISSIONER OF CUSTOMS,
Department of the Treasury,
Washington, D.C. 20226.

JUNE 29, 1971.

DEAR MR. COMMISSIONER: Under the terms of the Long-Term Arrangement Regarding

International Trade in Cotton Textiles done at Geneva on February 9, 1962, pursuant to the bilateral cotton textile agreement of October 12, 1967, as amended and extended, between the Governments of the United States and the Republic of China, and in accordance with the procedures outlined in Executive Order 11052 of September 28, 1962, as amended by Executive Order 11214 of April 7, 1965, you are directed, effective January 1, 1971, and for the eight-month period extending through August 31, 1971, to prohibit entry into the United States for consumption and withdrawal from warehouse for consumption of cotton textiles and cotton textile products in Categories 5, 6, 9, 15, 18/19, 22/23, 24/25, 26, 28, 30, 32, 34, 35, 41/42, 44, 45, 46, 47, 50, 51, 52, 53, 54, 57, 59, 60, 62, 63, and 64 produced or manufactured in the Republic of China, in excess of the following levels of restraint:

Category	8-month level of restraint
5.....	856,760 square yards.
6.....	542,738 square yards.
9.....	16,146,478 square yards.
15.....	474,896 square yards.
18/19.....	890,432 square yards.
22/23.....	1,766,054 square yards.
24/25.....	1,722,980 square yards.
26.....	2,906,366 square yards. (of which not more than 1,722,980 square yards may be duck ¹)
28.....	807,324 pieces.
30.....	1,424,690 pieces.
32.....	312,356 dozen.
34.....	96,272 pieces.
35.....	64,084 pieces.
41/42.....	73,798 dozen.
44.....	14,248 dozen.
45.....	8,548 dozen.
46.....	213,704 dozen.
47.....	23,744 dozen.
50.....	115,876 dozen.
51.....	188,160 dozen.
52.....	118,724 dozen.
53.....	9,498 dozen.
54.....	19,946 dozen.
57.....	94,970 dozen.
59.....	23,744 dozen.
60.....	17,950 dozen.
62.....	22,314 pounds.
63.....	118,713 pounds.
64.....	112,338 pounds.

¹ The T.S.U.S.A. numbers for duck are:

320...01 through 04, 06, 08
321...01 through 04, 06, 08
322...01 through 04, 06, 08
326...01 through 04, 06, 08
327...01 through 04, 06, 08
328...01 through 04, 06, 08

In carrying out this directive, entries of cotton textiles and cotton textile products in the above categories, produced or manufactured in the Republic of China and which have been exported from the Republic of China prior to January 1, 1971, shall not be subject to this directive.

Cotton textile products which have been released from the custody of the Bureau of Customs under the provisions of 19 U.S.C. 1448(b) prior to the effective date of this directive shall not be denied entry under this directive.

The levels of restraint set forth above are subject to adjustment pursuant to the provisions of the bilateral agreement of October 12, 1967, as amended and extended, between the Governments of the United States and the Republic of China which provide, in part, that within the aggregate and applicable group limits, limits on certain categories may be exceeded by not more than 5 percent; for the limited carryover of shortfalls in certain categories to the next agreement year; and for administrative

arrangements. Any appropriate adjustments pursuant to the provisions of the bilateral agreement referred to above, will be made to you by letter from the Chairman of the Interagency Textile Administrative Committee.

A detailed description of the categories in terms of T.S.U.S.A. numbers was published in the FEDERAL REGISTER on January 17, 1968 (33 F.R. 582), and amendments thereto on March 15, 1968 (33 F.R. 4600).

In carrying out the above directions, entry into the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The actions taken with respect to the Government of the Republic of China and with respect to imports of cotton textiles and cotton textile products from the Republic of China have been determined by the President's Cabinet Textile Advisory Committee to involve foreign affairs functions of the United States. Therefore, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the notice provisions of 5 U.S.C. 553 (Supp. V, 1965-69). This letter will be published in the FEDERAL REGISTER.

Sincerely,

MAURICE H. STANS,
Secretary of Commerce, Chairman,
President's Cabinet Textile Ad-
visory Committee.

[FR Doc.71-9649 Filed 7-6-71;8:52 am]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-3421]

CONTINENTAL VENDING MACHINE CORP.

Order Suspending Trading

JUNE 29, 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 June 30, 1971, through July 9, 1971.

By the Commission.

[SEAL] THEODORE L. HUMES,
Associate Secretary.

[FR Doc.71-9518 Filed 7-6-71;8:47 am]

[File No. 500-1]

DAL PETROLEUM CO.

Order Suspending Trading

JUNE 30, 1971.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Dal Petroleum Co. (a Nevada corporation), and all other securities of

Dal Petroleum Co. 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 June 30, 1971, 12 m., e.d.t., through July 9, 1971.

By the Commission.

[SEAL] THEODORE L. HUMES,
Associate Secretary.

[FR Doc.71-9519 Filed 7-6-71;8:47 am]

[811-2130]

HARRIS GROWTH FUND

Notice of Filing of Application for Order Declaring That Company Has Ceased To Be an Investment Com- pany

JUNE 29, 1971.

Notice is hereby given that Harris Growth Fund (applicant), 111 West Monroe Street, Chicago, IL 60603, an open-end, diversified management investment company registered 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 contained therein, which are summarized below.

Applicant was established pursuant to a resolution, adopted May 13, 1970, of the board of directors of Harris Trust and Savings Bank (Bank), an Illinois banking corporation, and proposed to operate as a collective investment account in conformity with various applicable laws of the United States. Applicant registered under the Act on October 16, 1970, and filed a registration statement under the Securities Act of 1933 on December 23, 1970. The application states that, to date, Applicant has not commenced its proposed operations and has engaged only in organizational activities.

Applicant states that on April 5, 1971, the U.S. Supreme Court ruled, with respect to an action which challenged the legality of a bank operated collective investment fund similar to the type contemplated by Applicant, that such arrangements are violative of certain provisions of the Federal banking laws. In light of the above-mentioned court decision, Applicant has determined to abandon its proposed operations and has withdrawn its registration statement under the Securities Act of 1933. Applicant represents that it has not offered or sold any units of participation to the public, has no investors and has no assets. Applicant further represents that the committee charged with conducting its operations, has, by resolution dated May 7, 1971, authorized the termination of Applicant.

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 July 19, 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 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 later than 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.71-9520 Filed 7-6-71;8:47 am]

[811-2131]

HARRIS INVESTMENT FUND

Notice of Filing of Application for Order Declaring That Company Has Ceased To Be an Investment Company

JUNE 29, 1971.

Notice is hereby given that Harris Investment Fund (Applicant), 111 West Monroe Street, Chicago, IL 60603, an open-end diversified management investment company registered 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 contained therein, which are summarized below.

Applicant was established pursuant to a resolution, adopted May 13, 1970, of the board of directors of Harris Trust and Savings Bank (Bank), an Illinois banking corporation, and proposed to operate as a collective investment account in conformity with various applicable laws of the United States. Applicant registered under the Act on October 16, 1970, and filed a registration statement under the Securities Act of 1933 on December 23, 1970. The application states that, to date, Applicant has not commenced its proposed operations and has engaged only in organizational activities.

Applicant states that on April 5, 1971, the U.S. Supreme Court ruled, with respect to an action which challenged the legality of a bank operated collective investment fund similar to the type contemplated by Applicant, that such arrangements are violative of certain provisions of the Federal banking laws. In light of the above-mentioned court decision, Applicant has determined to abandon its proposed operations and has withdrawn its registration statement under the Securities Act of 1933. Applicant represents that it has not offered or sold any units of participation to the public, has no investors and has no assets. Applicant further represents that the committee charged with conducting its operations, has, by resolution dated May 7, 1971, authorized the termination of Applicant.

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 July 19, 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 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 later than 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, in-

cluding 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.71-9521 Filed 7-6-71;8:47 am]

[811-1973]

INVESTTECH FUND, INC.

Notice of Filing of Application for an Order Declaring That Company Has Ceased To Be an Investment Company

JUNE 30, 1971.

Notice is hereby given that an application has been filed pursuant to section 8(f) of the Investment Company Act of 1940 (Act) for an order of the Commission declaring that Investtech Fund, Inc. (Investech), registered under the Act as an open-end, nondiversified investment company, 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 contained therein which are summarized below.

Investech was organized on November 14, 1969, under the laws of the Commonwealth of Massachusetts, and registered under the Act on November 24, 1969. The application represents that Investech presently has no shareholders. It has not made nor does it propose to make a public offering of its securities. Investech has no assets of any kind.

The application further represents that Investech has not engaged in any business activity and does not propose at any time in the future to engage in any business including the business of investing, reinvesting, holding, or trading in securities.

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, and that, if necessary for the protection of investors, such order may be made upon appropriate conditions.

Notice is further given that any interested person may, not later than July 20, 1971, submit to the Commission in writing a request for 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 Investech 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.71-9522 Filed 7-6-71;8:47 am]

TARIFF COMMISSION

[337-28]

LIGHTWEIGHT LUGGAGE

Notice of Resumption of Hearing

Notice is hereby given that on August 2, 1971, the U.S. Tariff Commission will resume its public hearing in connection with Investigation No. 337-28, regarding alleged unfair methods of competition and unfair acts in the importation and sale of lightweight luggage which are embraced within the claims of U.S. Patent Nos. 3,298,480 and Re. 26,443 both of which are owned by the complainant, Atlantic Products Corp. of Trenton, N.J.

The complaint alleges that the effect or tendency of the unfair methods or acts is to destroy or substantially injure an industry, efficiently and economically operated, in the United States in violation of the provisions of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337). Notice of institution of the investigation was published in the FEDERAL REGISTER of May 1, 1971 (36 F.R. 8275). A public hearing was held on June 21, 1971, and a recess was ordered.

The hearing will be resumed on August 2, 1971, at 10 a.m., e.d.s.t., in the Hearing Room of the Tariff Commission, Eighth and E Streets NW., Washington, DC. Requests for appearances at the hearing should be received by the Secretary of the Tariff Commission no later than July 28, 1971. Parties wishing to submit documentary evidence for the record, but not desiring to make an appearance, should send such evidence to

the Secretary in time for inclusion in the record when the hearing resumes.

Issued: July 1, 1971.

By order of the Commission.

[SEAL] KENNETH R. MASON,
Secretary.
[FR Doc.71-9559 Filed 7-6-71;8:50 am]

DEPARTMENT OF LABOR

Employment Standards Administration

[Administrative Order 621]

REGIONAL ADMINISTRATORS ET AL.

Authorization To Grant or Deny Certificates

Pursuant to authority under the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended; 29 U.S.C. 201 et seq.), Reorganization Plan No. 6 of 1950 (3 CFR, 1949-53 Comp., p. 1004), Secretary of Labor's Orders 13-71 and 15-71 (36 F.R. 8755-6), the Walsh-Healey Public Contracts Act (49 Stat. 2036, as amended; 41 U.S.C. 35 et seq.), and the minimum wage determinations and regulations of the Secretary of Labor thereunder (41 CFR Parts 50-201 and 202), the Service Contract Act (79 Stat. 1034, as amended; 41 U.S.C. 351 et seq.) and the regulations of the Secretary of Labor thereunder (29 CFR Part 4), I hereby:

A. Designate and appoint as my authorized representative the following persons with full power and authority to grant or deny applications for special certificates authorizing employment of full-time students, student-learners, apprentices, handicapped persons, and handicapped clients in sheltered workshops as provided in 29 CFR Parts 519, 520, 521, 524, and 525 and as provided in 41 CFR Parts 50-201 and 202 and 29 CFR Part 4, and to take such other action as may be necessary or appropriate therewith: (1) The Regional Administrators of the Employment Standards Administration (who are authorized to redelegate this authority) within their respective regions and (2) the Caribbean Director of the Wage and Hour Division for the area covered by the Caribbean Office.

B. Designate and appoint as my authorized representatives the following persons with full power and authority to grant or deny applications for special certificates authorizing the employment of full-time students, learners, and student-workers at special minimum wage rates as provided in 29 CFR Parts 519, 522, and 527 and pursuant to 41 CFR Part 50-202 and to take such other action as may be necessary or appropriate in connection therewith: (1) The Assistant Administrator of the Wage and Hour Division for government contracts and special wage standards, (2) the Director

of the Division of Special Minimum Wages, and (3) the Chief of the Branch of Learners.

C. Designate and appoint as my authorized representatives the following persons with full power and authority to grant or deny applications for special certificates authorizing the employment of learners at special minimum wage rates as provided in 29 CFR Part 522 and to take such other action as may be necessary or appropriate in connection therewith: the Caribbean Director of the Wage and Hour Division for the area covered by the Caribbean Office.

D. Revoke and withdraw Administrative Order No. 595 (31 F.R. 12981).

Except for the authority to issue temporary certificates for handicapped trainees in accordance with the provisions of 29 CFR Part 524.4, all other authority to grant or deny applications for, or to sign or issue certificates pursuant to section 14 of the Fair Labor Standards Act of 1938 is hereby revoked and withdrawn.

Part 528 of Title 29 of the Code of Federal Regulations, which authorizes certain officers to effect premature termination of certificates issued under 29 CFR Parts 519, 520, 521, 522, 523, 524, and 527, is unaffected by this administrative order.

Signed at Washington, D.C., this 28th day of June 1971.

HORACE E. MENASCO,
Administrator, Employment Standards Administration.

[FR Doc.71-9523 Filed 7-6-71;8:45 am]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

JULY 1, 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. 42236—Methyl methacrylate monomer from Woodstock, Tenn. Filed by O. W. South, Jr., agent (No. A6266), for interested rail carriers. Rates on methyl methacrylate monomer, in tank carloads, as described in the application, from Woodstock, Tenn., to Belle and Washington, W. Va.

Grounds for relief—Market competition.

Tariff—Supplement 121 to Southern Freight Association, agent, tariff ICC S-804. Rates are published to become effective on August 2, 1971.

FSA No. 42237—Iron or steel articles to Jetero, Tex. Filed by Southwestern

Freight Bureau, agent (No. B-243), for interested rail carriers. Rates on iron or steel articles, in carloads, as described in the application, from points in southern, southwestern, official (including Illinois), and western trunk-line territories, to Jetero, Tex.

Grounds for relief—Market competition.

Tariff—Supplement 227 to Southwestern Freight Bureau, agent, tariff ICC 4758. Rates are published to become effective on August 9, 1971.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-9536 Filed 7-6-71;8:48 am]

TRANS-COLD EXPRESS, INC., ET AL.

Assignment of Hearings

JULY 1, 1971.

Cases assigned for hearing, postponement, cancellation or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the Official Docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

MC 114045 Sub 342, Trans-Cold Express, Inc., assigned July 28, 1971, at Chicago, Ill., canceled and application dismissed.

MC-F-10903, Cole's Express—Purchase—Hunnell Trucking, Inc. MC-F-11013, St. Johnsbury Trucking Co.—Purchase (Portion)—Hunnell Trucking, Inc. now assigned July 7, 1971, at Portland, Maine, canceled.

MC 42125 Sub 1, The Overland Express International, Inc., assigned September 13, 1971, at Lansing, Mich., at the Office of the Public Service Commission, Fifth Floor, Seven Story Office Building, 525 West Ottawa Street.

MC 118989 Sub 48, Container Transit, Inc., now assigned July 7, 1971, at Chicago, Ill., canceled and application dismissed.

MC-E-10945, Western Gillette, Inc.—Purchase (Portion)—Deaton, Inc., MC 11207 Sub 299, Deaton, Inc., and MC 8948 Sub 95, Western Gillette, Inc., continued to July 7, 1971, at Washington, D.C., at the Offices of the Interstate Commerce Commission.

FD 20358, Customs Forwarders, Inc., Transferee and J. E. Bernard & Co., Inc., Transferor, assigned September 22, 1971, at Chicago, Ill., in Room 1086A, Everett McKinley Dirksen Building, 219 South Dearborn Street.

MC 114045 Sub 341, Trans-Cold Express, Inc., now assigned July 28, 1971, Chicago, Ill., canceled and application dismissed.

MC 113974 Sub 33, Pittsburgh & New England Trucking Co., application dismissed. MC-F-11082 and MC 87909 Sub 12, Arrow Motor Freight Line, Inc.—Control and Merger—Rite-Way Trucking Co., Inc.; Purchase—Amburn Freight Line, Inc., now assigned September 20, 1971, in Room 271, Federal Building, 210 Walnut Street, Des Moines, IA.

MC 128772 Sub 5, Star Bulk Transport, Inc., now assigned September 13, 1971, in Judge Larsons Courtroom No. 4, Seventh Floor, Federal Building and U.S. Courthouse, 316 North Robert Street, St. Paul, MN.

MC 116073 Sub 154, Barrett Mobile Transport, Inc., now assigned September 15, 1971, in Judge Larsons Courtroom No. 4, Seventh Floor, Federal Building and U.S. Courthouse, 316 North Robert Street, St. Paul, MN.

MC 117940 Sub 38, Nationwide Carriers, Inc., now assigned September 17, 1971, in Judge Larsons Courtroom No. 4, Seventh Floor, Federal Building and U.S. Courthouse, 316 North Robert St., St. Paul, MN.

MC 51146 Sub 184, Schneider Transport & Storage, Inc., assigned September 13, 1971, at Chicago, Ill., in Room 1086A, Everett McKinley Dirksen Building, 219 South Dearborn Street.

MC 51146 Sub 190, Schneider Transport & Storage, Inc., assigned September 15, 1971, at Chicago, Ill., in Room 1086A, Everett McKinley Dirksen Building, 219 South Dearborn Street.

MC 134909 Sub 1, Ramirez Transportation Co., Inc., assigned September 17, 1971, at Chicago, Ill., in Room 1086A, Everett McKinley Dirksen Building, 219 South Dearborn Street.

MC 134995 Sub 1, Jack Urbain, doing business as B & J Distributing Co., assigned September 20, 1971, at Chicago, Ill., in Room 1086A, Everett McKinley Dirksen Building, 219 South Dearborn Street.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-9537 Filed 7-6-71;8:48 am]

[Notice 324]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

JUNE 30, 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 Part 1131) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific

as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 26396 (Sub-No. 42 TA), filed June 24, 1971. Applicant: POPELKA TRUCKING CO., doing business as THE WAGGONERS, Post Office Box 990, 201 West Park, Livingston, MT 59047. Applicant's representative: J. F. Meglen, Post Office Box 1581, Billings, MT 59103. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: Lumber and lumber products, from points in Park County, Mont., to points in Illinois, Indiana, Iowa, and Nebraska, for 180 days. NOTE: Applicant intends to tack with authority presently held in Docket No. MC 26396. Supporting shipper: Burkland Studs, Inc., Post Office Box 498, Livingston, MT 59047. Send protests to: Paul J. Labane, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 251, U.S. Post Office Building, Billings, Mont. 59101.

No. MC 30884 (Sub-No. 17 TA), filed June 23, 1971. Applicant: JACK COOPER TRANSPORT CO., INC., 3501 Manchester Trafficway, Kansas City, MO 63011. Applicant's representative: Warren Goff, 2111 Sterick Building, Memphis, TN 38103. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: Motor vehicles, (except trailers) in initial movements in truckaway service, from places of manufacture and assembly of the General Motors Corp. located in Kansas City, Mo., except those portions of the Kansas City, Mo., commercial zone which lie within the State of Kansas and within Clay County, Mo., to points in Indiana, with no transportation for compensation on return except as otherwise authorized, for 180 days. Supporting Shipper: General Motors Corp., 30007 Van Dyke Avenue, Warren, MI. Send protests to: John V. Barry, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1100 Federal Office Building, 911 Walnut Street, Kansas City, MO 64106.

No. MC 72442 (Sub-No. 33 TA), (Correction), filed May 3, 1971, published FEDERAL REGISTER, issues of May 15 and June 15, 1971, and republished as corrected this issue. Applicant: AKERS MOTOR LINES, INC., Post Office Box 579, Gastonia, NC 28052. Applicant's representative: Paul M. Daniell, Post Office Box 872, Atlanta, GA 30301. NOTE: The

purpose of this partial republication is to show that the republication of June 15, 1971, was in error. The notice of filing of May 15, 1971 was corrected, except that it should have noted: "Applicant intends to tack with existing authority in MC 72442 and subs and interchange traffic at authorized service points."

No. MC 96803 (Sub-No. 8 TA), filed June 23, 1971. Applicant: PRICHARD TRANSFER, INC., Post Office Box 690, Price, UT 84501. Applicant's representative: Harry D. Pugsley, 400 El Paso Gas Building, Salt Lake City, Utah 84111. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Coal*, in bulk, from mines approximately 4 miles from Emery, Utah, to railhead at Wellington, Utah, over unnumbered highway to Emery, Utah, and then to Price over Utah Highway 10 and then over U.S. Highway 6-50 to Wellington, Utah, for 180 days. Supporting shipper: Browning Coal Co., Emery, Utah 84522 (Horace A. Petty), send protests to: John T. Vaughan, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 5239 Federal Building, Salt Lake City, Utah 84111.

No. MC 105566 (Sub-No. 34) (Correction), filed June 14, 1971, published FEDERAL REGISTER June 24, 1971, corrected and republished in part as corrected this issue. Applicant: SAM TANKSLEY TRUCKING, INC., Post Office Box 1119, Cape Girardeau, MO 63701. Applicant's representative: Thomas F. Kilroy, 405-S Crystal Plaza, 2111 Jefferson Davis Highway, Arlington, VA 22202. NOTE: The purpose of this partial republication is to include the origin point, at or near Josslin, Ill., which was inadvertently omitted in previous publication. The rest of the application remains the same.

No. MC 107162 (Sub-No. 31 TA) (Correction), filed June 15, 1971, published FEDERAL REGISTER issue June 24, 1971, corrected and, republished in part as corrected this issue. Applicant: NOBLE GRAHAM, Brimley, Mich. 49715. Applicant's representative: John D. Varda, 121 South Pinckney Street, Madison, WI 53703. NOTE: The purpose of this partial republication is to remove the State of Michigan from the exception list. The rest of the notice remains the same.

No. MC 116073 (Sub-No. 176 TA), filed June 23, 1971. Applicant: BARRETT MOBILE HOME TRANSPORT, INC., Post Office Box 919, 1825 Main Avenue, Moorhead, MN 56560. Applicant's representative: Robert G. Tessar (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Trailers*, designed to be drawn by pas-

senger automobiles, in initial movements, from Schuylkill Haven, Pa., to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Vermont, Virginia, and West Virginia, for 180 days. Supporting shipper: American Coach Co. and Detroit Mobile Homes, Pennsylvania Division, DMH Co., 1008 Pennsylvania Highway 61, Schuylkill Haven, PA 17972. Send protests to: J. H. Ambs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Post Office Box 2340, Fargo, ND 58102.

No. MC 117370 (Sub-No. 21 TA), filed June 24, 1971. Applicant: STAFFORD TRUCKING, INC., 2155 Hollyhock Lane, Box 403, Elm Grove, WI 53122. Applicant's representative: Nancy J. Johnson, 111 South Fairchild Street, Suite 203, Madison, WI 53703. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Industrial dust*, from Wabash, Ind., to Milwaukee and Oak Creek, Wis., and Wampum, Pa., for 180 days. Supporting shipper: Thiem Corp., 2433 North Mayfair Road, Milwaukee, WI 53222 (Wesley Kramlich, Secretary). Send protests to: District Supervisor Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 118989 (Sub-No. 64 TA), filed June 23, 1971. Applicant: CONTAINER TRANSIT, INC., 5223 South Ninth Street, Milwaukee, WI 53221. Applicant's representative: Robert H. Levy, 29 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic containers*, from Jerseyville, Ill., to points in Arkansas, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Massachusetts, Minnesota, Missouri, New York, New Jersey, North Carolina, Ohio, Oklahoma, Pennsylvania, Texas, and Wisconsin, for 150 days. Supporting shipper: Roper Plastics, Inc., Post Office Box 388, Jerseyville, IL 62052 (William R. Johnson, Plant Manager). Send protests to: District Supervisor Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 124708 (Sub-No. 32 TA), filed June 23, 1971. Applicant: MEAT PACKERS EXPRESS, INC., 222 South 72d Street, Omaha, NE 68114. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Milk products, frozen desserts* (other than milk-base desserts), *ice cream and water ice confections*, from Omaha, Nebr., to points in Kansas, Kansas City, Mo., and Quincy, Ill.; (2) *milk*

products and juices, from Council Grove, Kans., to Lincoln, Nebr.; (3) *chocolate and cocoa*, from Mount Sterling, Ill., to plantsites, warehouse and storage facilities utilized by Fairmont Foods Co. at or near Omaha, Nebr. (4) *cartons and containers* used in the packaging of milk products, frozen desserts (other than milk-base desserts), ice cream and water ice confections, from Aurora, Ill., to plantsites, warehouse, and storage facilities utilized by Fairmont Foods Co. at or near Omaha, Nebr.; and (5) *soap and cleaning compounds*, from Burlington, Iowa, to plantsites, warehouse, and storage facilities utilized by Fairmont Foods Co. at or near Omaha and Lincoln, Nebr. Restriction: The operations authorized herein are limited to the transportation service to be performed under a continuing contract (or contracts) with Fairmont Foods Co. of Omaha, Nebr., for 150 days. Supporting shipper: Fairmont Foods Co., 1209 Jackson Street, Omaha, NE 68201 (Joseph M. Strobl, Nebraska Region Operations Manager). Send protests to: Carroll Russell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 705 Federal Office Building, Omaha, Nebr. 68102.

No. MC 126780 (Sub-No. 5 TA), filed June 24, 1971. Applicant: MACK E. BURGESS, doing business as BUILDERS TRANSPORT, Post Office Box 1022, 409 14th Street, SW., Great Falls, MT 59401. Applicant's representative: Howard C. Burton, Post Office Box 1403, Great Falls, MT 59401. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Brick, tile, and clay products*, from ports of entry in Montana and Idaho, located on the United States-Canada boundary line to points in Montana and Idaho; and (2) *silica blasting sand*, in bags, or in bulk, from the plantsite of Del Monte Sand Co. located at or near Emmett, Idaho, to points in Montana, for 180 days. Supporting shipper: Forzley Sales, Inc., Post Office Box 2870, Great Falls, MT 59401. Send protests to: Paul J. Labane, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 251 U.S. Post Office Building, Billings, MT 59101.

No. MC 134075 (Sub-No. 3 TA), filed June 23, 1971. Applicant: LYLE H. DAVIS, Route 3, Box 235-D, Enumclaw, WA 98022. Applicant's representative: Joseph O. Earp, 411 Lyon Building, Seattle, Wash. 98104. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting (a) *Yogurt*, from Issaquah, Wash., to Portland, Ore.; (b) *cheese*, from Issaquah, and Seattle, Wash., to Portland, Ore.; and (c) *exempt dairy products*, when transported in the same vehicle with items named in (a) and (b) above,

from Issaquah, and Seattle, Wash., to Portland, Oreg., for the account of Mayflower Farms, Portland, Oreg., for 180 days. Supporting shipper: Mayflower Farms, 2720 East Sixth Avenue, Portland, OR. Send protests to: E. J. Casey, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 134449 (Sub-No. 3 TA) (Correction) filed June 14, 1971, published FEDERAL REGISTER June 24, 1971, corrected and, republished in part as corrected this issue. Applicant: LESTER V. MOZNIX, 3753 Grandview Highway, Burnaby, 2, BC Canada. Applicant's representative: Joseph O. Earp, 411 Lyon Building, Seattle, Wash. 98104. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Kitchen cabinets counter tops and parts thereof*, from ports of entry on the international boundary between the United States and Canada at or near Blaine and Sumas, Wash., to points in California, except points in Alameda, San Francisco, Contra Costa, Martin, San Mateo, Santa Cruz, Santa Clara, Sonoma, and Solano Counties, Calif., Las Vegas and Reno, Nev., and Phoenix, Ariz., for 180 days. Supporting shipper: Crestwood Kitchens Ltd., 225 No. 5 Road, Richmond, BC Canada. Send protests to: E. J. Casey, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 6130 Arcade Building, Seattle, Wash. 98101. Note: The purpose of this republication is to include portion of territory description which was inadvertently omitted in previous publication.

No. MC 135669 (Sub-No. 1 TA), filed June 24, 1971. Applicant: JERRY W. RATTERREE, Route 2, Box 151-A, Star City, AR 71667. Applicant's representative: L. C. Cypert, 206 Fifteen, Fifteen Building, Little Rock, Ark. 72201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wood chips, shavings, and sawdust*, from Star City, Ark., to Bastrop, La., for 180 days. Supporting shipper: Robert Floyd Sawmill, Inc., Post Office Box No. 36, Star City, AR 71667. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.

No. MC 135708 TA, filed June 23, 1971. Applicant: MARC D. ELSMO AND JOAN E. ELSMO, a partnership, doing business as LAKEPORT TRANSFER, 5801 Spring Street, Racine, WI 53406. Applicant's representative: John D. Varda, 121 South Pinckney Street, Madison, WI 53703. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (a) *Cold rolled sheet steel in coils*, from warehouse and dock facilities of Morelli Overseas Export Service of Wis., Inc., at or near Kenosha, Wis., to the city of North Chicago, the Chicago commercial zone, and Joliet, Ill., and Milwaukee, Wis.; and (2) *concrete roofing tile*, from the warehouse and dock facilities of Morelli Overseas Export

Service of Wis., Inc., located at or near Kenosha, Wis., to the city of North Chicago, Grayslake, Libertyville, and Waukegan, Ill., for 180 days. Supporting shipper: Morelli Overseas Export Service of Wisconsin, Inc., Post Office Box 563, Kenosha, WI 53140 (Marty Morelli, Vice President). Send protests to: District Supervisor Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 135714 TA, filed June 24, 1971. Applicant: CARL E. HOUGHTON, doing business as HOUGHTON MOVING & STORAGE, 601 Hi-way 12, Post Office Box 249, Suisun, CA 94585. Applicant's representative: Alan F. Wohlstetter, 1700 K Street NW., Washington, DC 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used household goods*, between points in Solana, Napa, Sonoma, Contra Costa, Yolo, and San Joaquin Counties, Calif., restricted to the transportation of traffic having a prior or subsequent movement, in containers and further restricted to the performance of pickup and delivery service in connection with packing, crating, and containerization, or unpacking, uncrating and decontainerization of such traffic, for 180 days. Supporting shipper: Perfect Pak Co., 1001 Westlake Avenue North, Seattle, WA 98109. Send protests to: District Supervisor Wm. E. Murphy, Interstate Commerce Commission, Bureau of Operations, 450 Golden Gate Avenue, Box 36004, San Francisco, CA 94102.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-9538 Filed 7-6-71;8:49 am]

[Notice 711]

MOTOR CARRIER TRANSFER PROCEEDINGS

JULY 1, 1971.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

F.D. No. 26680. By order of June 28, 1971, the Motor Carrier Board approved the transfer to Francis F. Farrell, Boston, Mass., of the operating rights in certificate No. W-716, issued October 14, 1942, to I. Jacobson, Portland, Maine, authorizing the transportation of commodi-

ties generally between ports and points along the Atlantic Coast and inland tributary waterways from Maine to Virginia, inclusive, with certain exceptions. Neal Holland, 225 Franklin Street, Boston, MA 02110, attorney for applicants.

No. MC-F-72790. By supplemental order of June 24, 1971, the Motor Carrier Board approved the transfer to Frazier Motor, Inc., 2012 Gihon Road, Parkersburg, WV 26101, of certificate No. MC-118458 (Sub-No. 2), issued May 7, 1971, to Robert G. Frazier, doing business as Frazier Motor Co., 2012 Gihon Road, Parkersburg, WV, authorizing the transportation of: Scrap and waste materials, except in bulk, in tank or dump vehicles, between Parkersburg, W. Va., on the one hand, and, on the other, points as specified in Kentucky, Ohio, and Pennsylvania, and those in Virginia.

No. MC-FC-72882. By order of June 29, 1971, the Motor Carrier Board approved the transfer to C. E. Griffin and Charles R. White, a partnership, doing business as Rogers Truck Line, Wake Village, Tex., of the operating rights in permits Nos. MC-107802, MC-107802 (Sub-No. 1), and MC-107802 (Sub-No. 3) issued January 23, 1947, May 8, 1953, and September 5, 1962, respectively, to Lewis Rogers, Naples, Tex., authorizing the transportation of fertilizer from Texarkana, Ark., to specified portions of Texas, Louisiana, and Oklahoma and from Fort Worth, Tex., to specified portion of Oklahoma. Austin L. Hatchell, 1102 Perry Brooks Building, Austin, Tex. 78701, attorney for applicants.

No. MC-FC-72926. By order of June 28, 1971, the Motor Carrier Board approved the transfer to Paul Warren Mischler, doing business as Inter-City Delivery Service, Vincennes, Ind., of permit No. MC-123933 issued January 22, 1962, to Raymond J. Hunckler, doing business as Inter-City Delivery Service, Vincennes, Ind., authorizing the transportation of: Such commodities as are dealt in by chain, retail, and mail order department stores, from Vincennes, Ind., to points in Illinois within 35 miles of Vincennes. Harvey K. Ramsey, Ramsey & Ramsey, 113 North Seventh, Vincennes, IN 47591.

No. MC-FC-72927. By order of June 28, 1971, the Motor Carrier Board approved the transfer to Harold H. Warfel, Peach Bottom, Pa., of the operating rights in certificate No. MC-114781 issued January 25, 1955, to Hyman D. Abramson and Donald W. Abramson, a partnership, doing business as H. D. Abramson and Son, Lancaster, Pa., authorizing the transportation of noninflammable petroleum products, in containers, from Karns City, Pa., to Philadelphia, Pa. Robert R. Herr, Post Office Box 8, Quarryville, PA 17566, registered practitioner for applicants.

No. MC-FC-72935. By order of June 29, 1971, the Motor Carrier Board approved the transfer to John Sharp Trucking Co., Inc., Woodbury, N.J., of the operating rights in permits Nos. MC-125535 and MC-125535 (Sub-No. 2) issued March 2, 1970, and April 3, 1970, respectively, to John J. Sharp, Woodbury Heights, N.J.,

authorizing the transportation of refrigerators and freezing units, machines, equipment, parts and supplies, shelves, bins, display cases and counters, uncrated, between Cherry Hill, N.J., and points in Connecticut, Delaware, Maryland, Pennsylvania, Virginia, and the District of Columbia and from Philadelphia, Pa., to points in Connecticut, Delaware, New Jersey, Maryland, Pennsylvania, New York, Virginia, West Virginia, and the District of Columbia. Theodore Polydoroff, 1140 Connecticut Avenue NW., Washington, DC, attorney for applicants.

No. MC-FC-72960. By order of June 28, 1971, the Motor Carrier Board approved the transfer to Team Trucking, Inc., Glendale, N.Y., of the operating rights in permits Nos. MC-133524 and MC-133524 (Sub-No. 1) issued February 13, 1970, and October 20, 1970, respectively, to Pier Service Trucking Corp., Brooklyn, N.Y., authorizing the transportation of such merchandise as is dealt in or sold by electronics and radio

stores and mail order houses, between points in that part of the New York, N.Y., commercial zone within which local operations may be conducted under the exemption provided by section 203(b)(8) of the act (the "exempt" zone), on the one hand, and, on the other, Syosset and Hauppauge, N.Y.; such merchandise as is sold by retail department stores, between points within the New York, N.Y., harbor area as defined in 49 CFR 1070.1, on the one hand, and, on the other, Woodbridge, N.J., and such merchandise as is dealt in by a wholesale dealer in athletic goods, between points in New York, N.Y., harbors and harbors contiguous thereto, as defined in 49 CFR 1070.1, on the one hand, and, on the other, Suffern, N.Y. Morton E. Kiel, 140 Cedar Street, New York, NY 10006, registered practitioner for applicants.

No. MC-FC-72964. By order of June 28, 1971, the Motor Carrier Board approved the transfer to Leonard L. Madsen, doing business as Kroger Transfer, Minden, Iowa, of the operating rights in certifi-

cate No. MC-16868 issued July 30, 1954, to Ellis Driver, Neola, Iowa, authorizing the transportation of household goods from Neola, Iowa, and points within 15 miles thereof to Omaha, Nebr., and feed, tankage, livestock, farm implements, building materials, and household goods from Omaha, Nebr. to Neola, Iowa, and points within 15 miles thereof. R. A. Porter, 201 First National Bank Building, Council Bluffs, Iowa 51501, attorney for applicants.

No. MC-FC-72975. By order of June 29, 1971, the Motor Carrier Board approved the transfer to Herbert F. Jauquet, doing business as Herb Jauquet Trucking, Post Office Box 107, Channing, MI 49815, of the operating rights in permit No. MC-116230 issued May 17, 1957 to Don D. Becker, 201 Granite Avenue, Marquette, MI 49855, authorizing the transportation of Malt Beverages from Milwaukee, Wis. to Marquette, Mich.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-9539 Filed 7-6-71;8:49 am]

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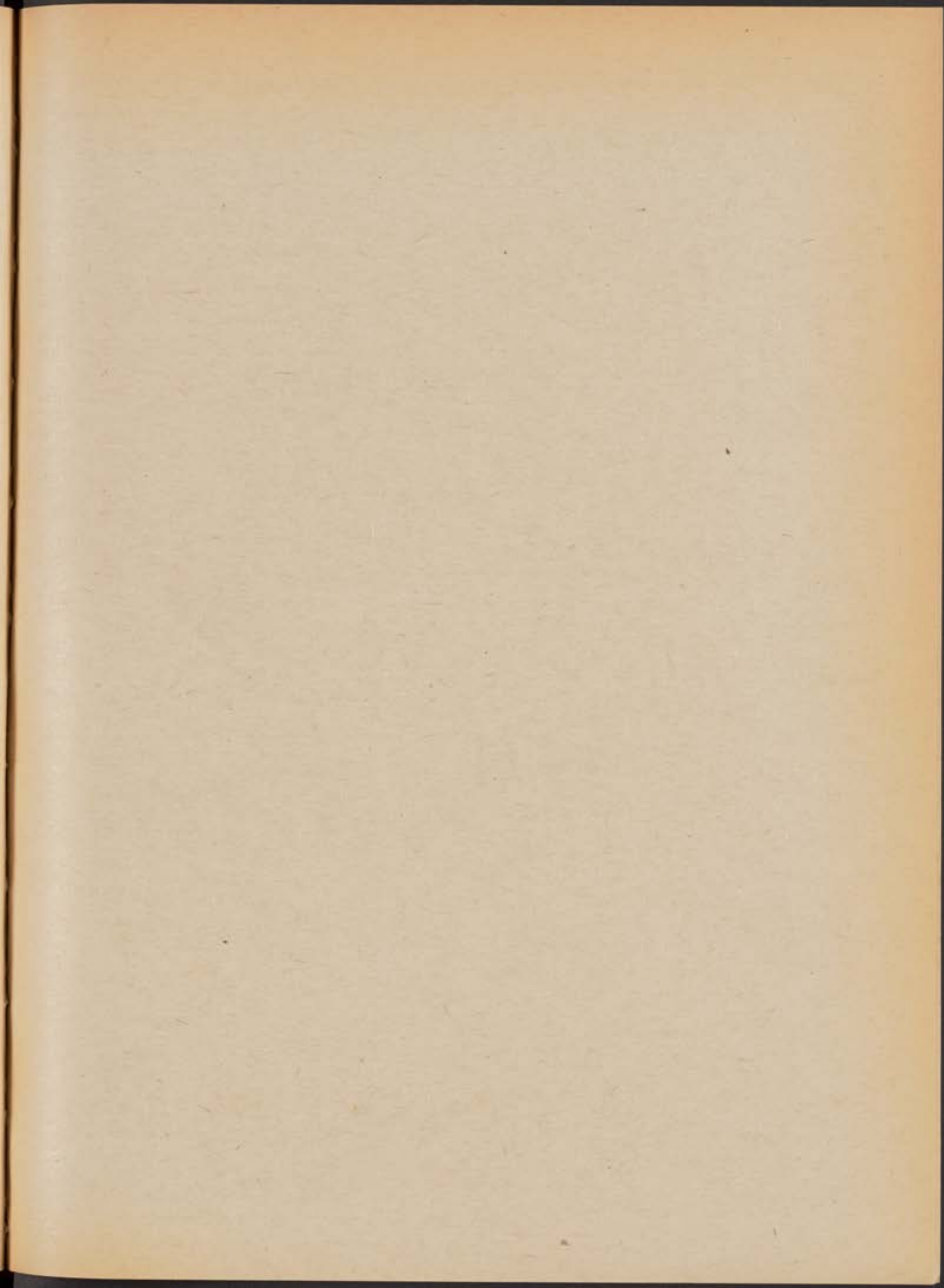
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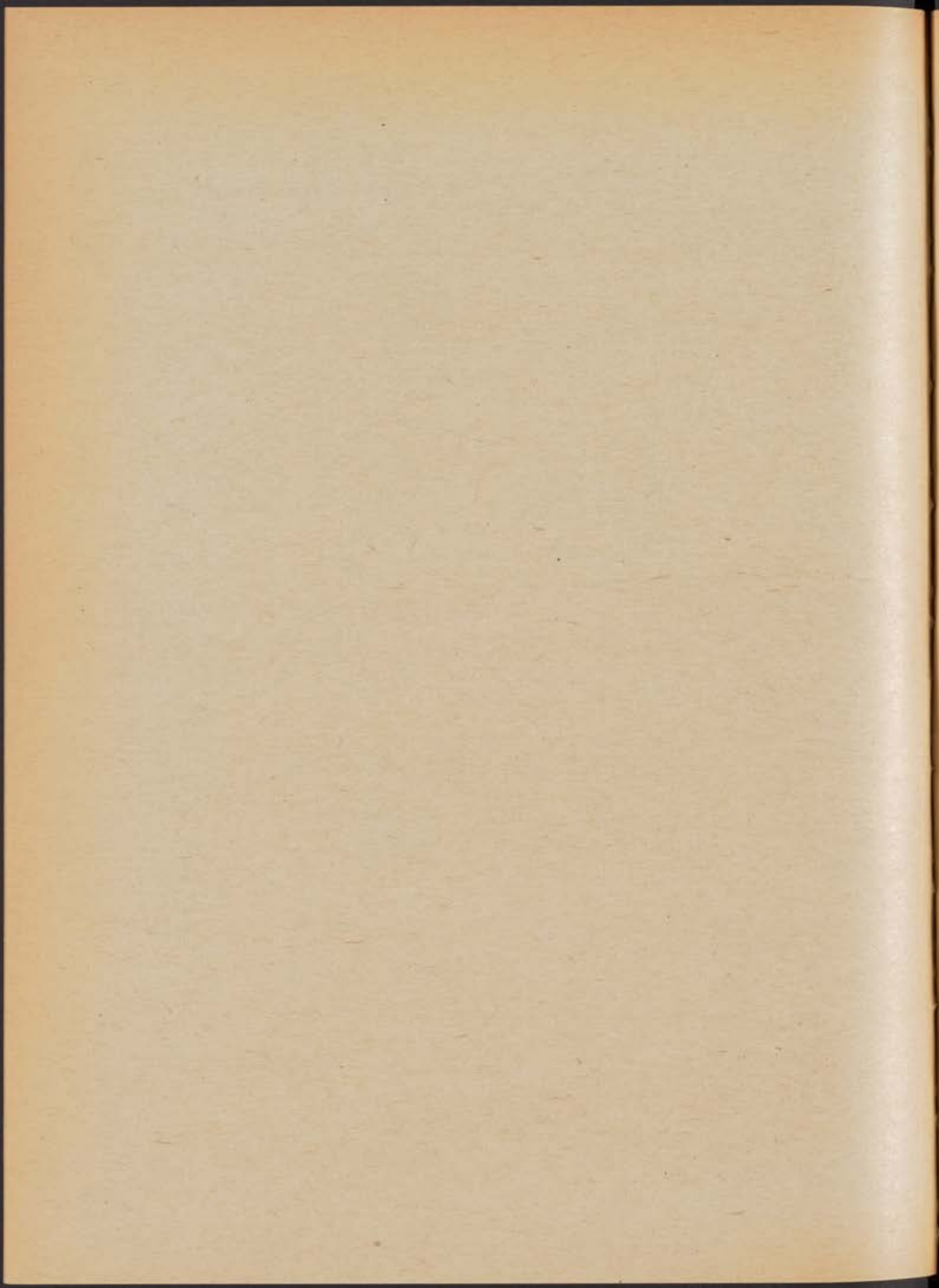
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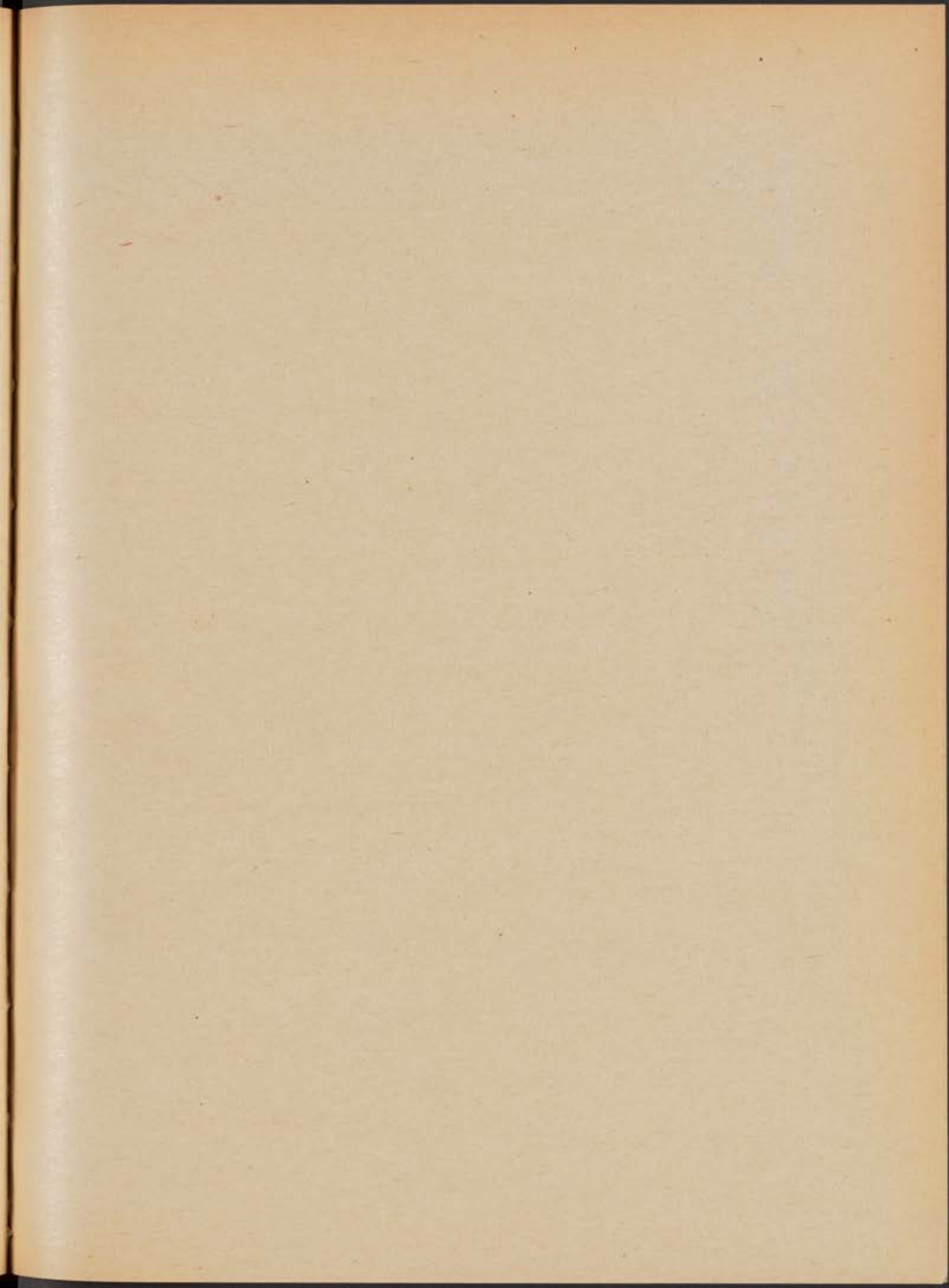
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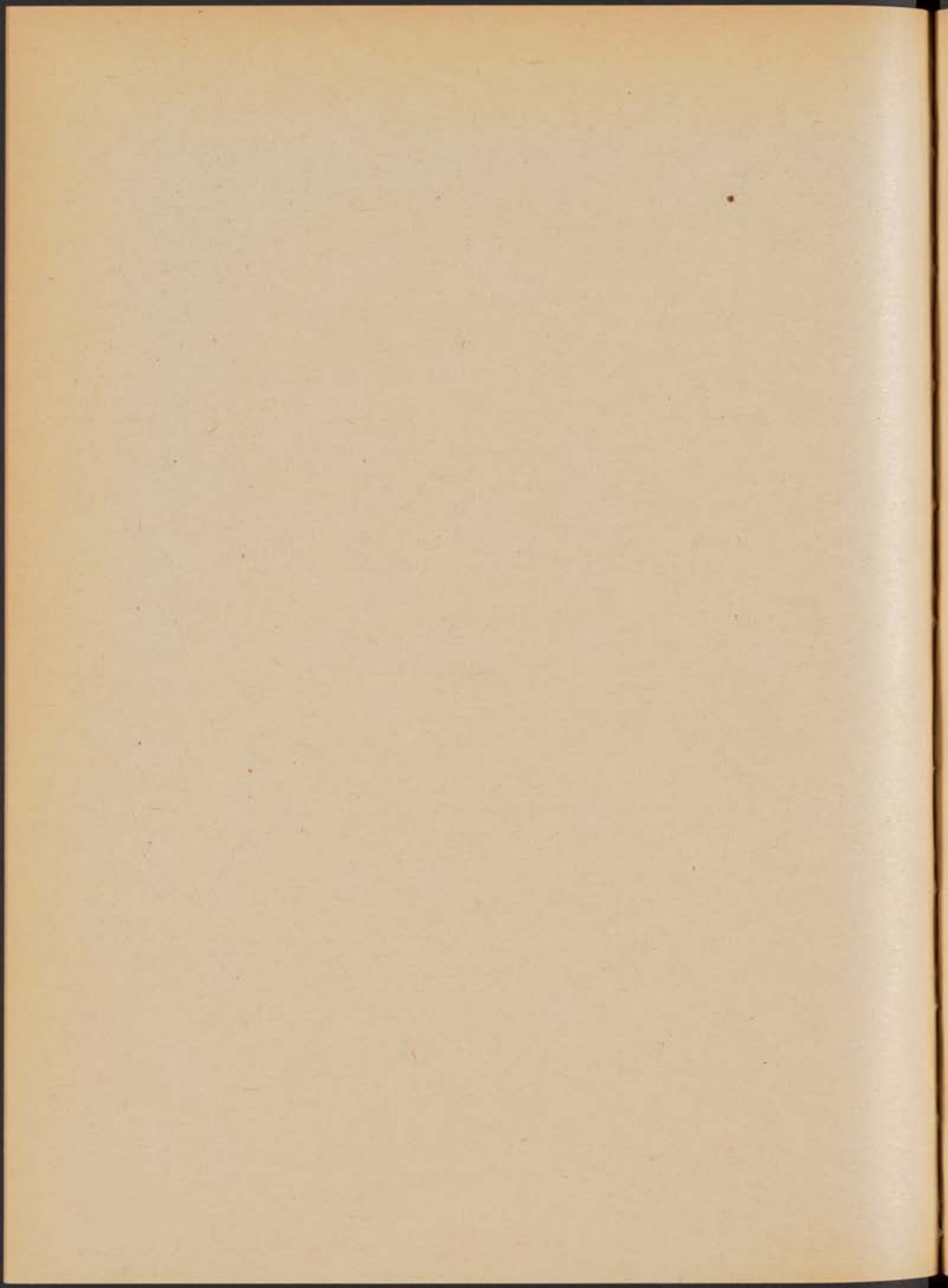
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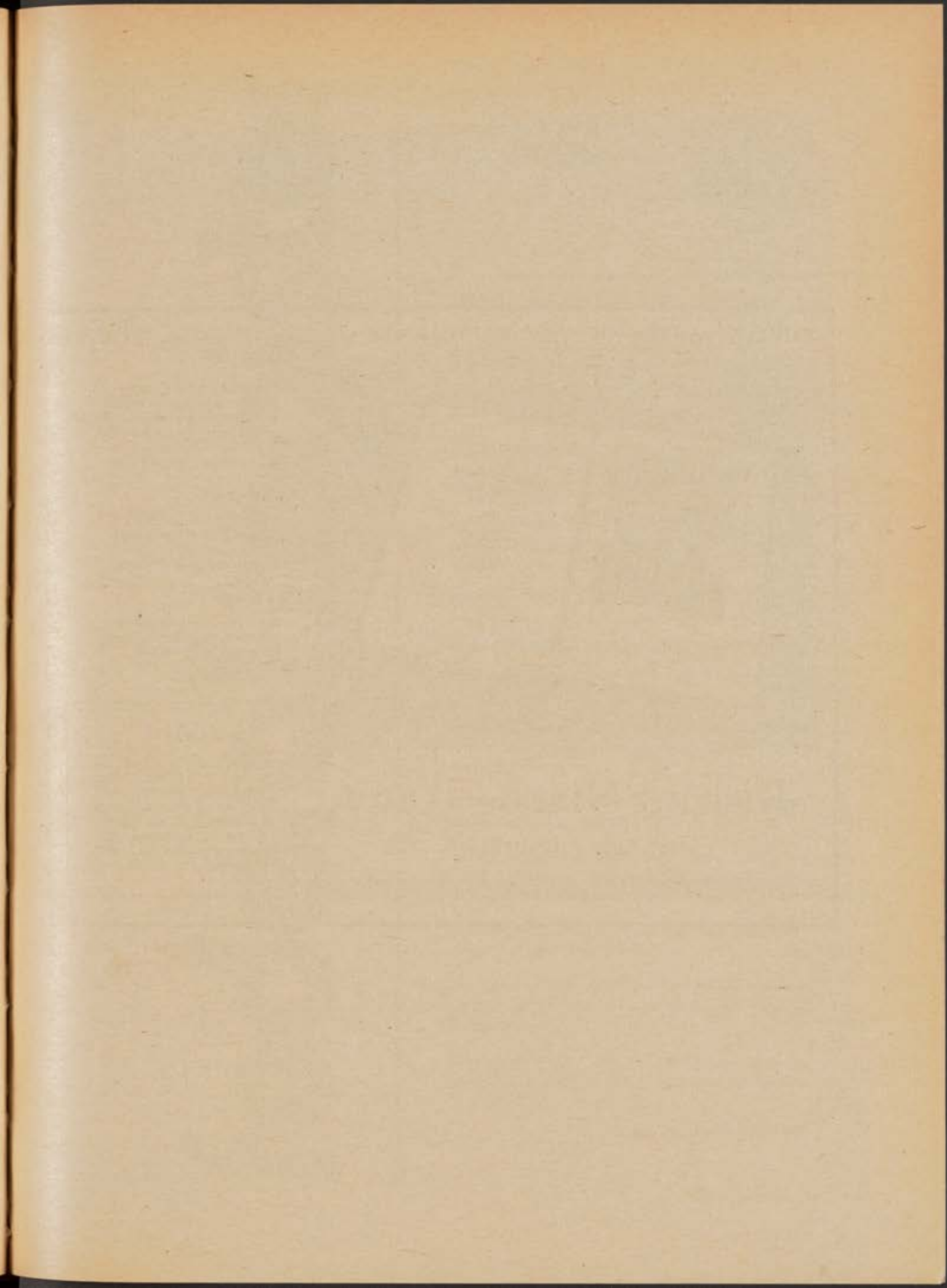
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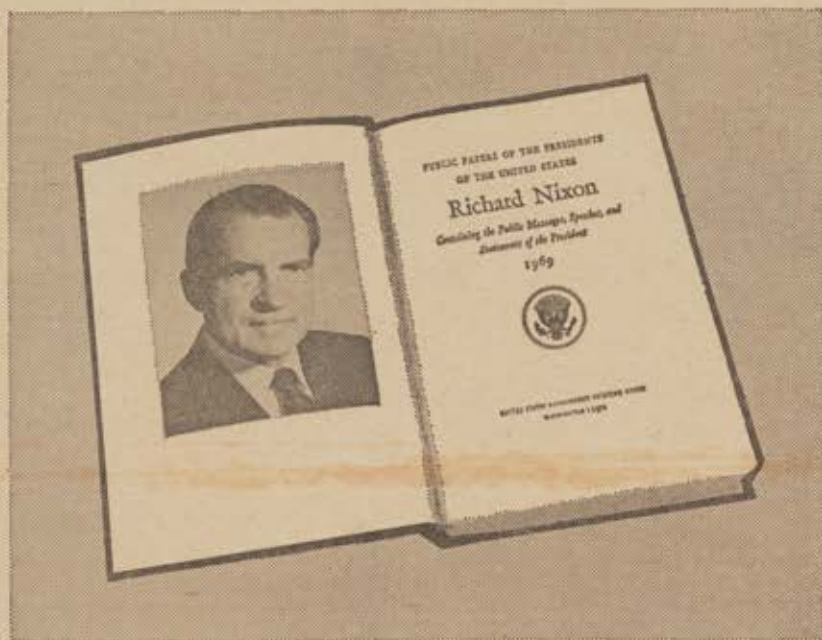








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