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PART I

(Part II begins on page 11407)

HIGHLIGHTS OF THIS ISSUE

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

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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, 1972, and specifies how they are affected.

Presidential Documents

Title 3—The President

EXECUTIVE ORDER 11671

Committee Management

To assure that the many committees appointed to advise or assist the Federal Government can work effectively, it is necessary to set forth general standards for their formation, use, conduct, management, and accessibility to the public.

NOW, THEREFORE, by virtue of the authority vested in me as President by the Constitution and laws of the United States, it is hereby ordered as follows:

SECTION 1. As used in this order, the term—

(1) "department or agency" means any department, independent agency, or establishment of the executive branch of the Government;

(2) "Government Official" means any full-time salaried officer or employee of the Federal Government;

(3) "Director" means the Director of the Office of Management and Budget;

(4) "Committee" means any committee, board, commission, council, conference, panel, task force, or other similar group or body established to meet on a recurring basis to provide advice or recommendations to the Government, or for the purpose of coordinating the activities of departments or agencies, including Presidential, interagency, advisory, or industrial advisory committees but excluding intra-agency committees;

(5) "Presidential committee" means any advisory committee having members appointed by the President and which is used as a source of direct advice and counsel to the President or the Vice President;

(6) "Advisory committee" means any committee that is not composed wholly of Government officials and (A) is established by a department or agency of the Government in the interest of obtaining advice or recommendations, and which has been or will be in existence more than twelve months, or (B) is not established by a department or agency, but only for such period when it is being utilized by a department or agency in the same manner as a Government-established advisory committee.

(7) "industrial advisory committee" means an advisory committee composed predominantly of members or representatives of a single industry or group of related industries, or of any subdivision of a single industry made on a geographic service or product basis; and

(8) "interagency committee" means any committee formally established by a department or agency whose membership consists exclusively of Government officials, as defined herein, representing more than one department or agency, and which has been or will be in existence more than twelve months.

SEC. 2. No interagency or advisory committee including any industrial advisory committee shall be established by any department or agency unless such establishment is:

(1) specifically authorized by statute or Presidential directive, or

(2) specifically determined as a matter of formal record by the head of the department or agency to be in the public interest in connection with the performance of duties imposed on that department or agency by law.

SEC. 3. The heads of departments or agencies shall establish standards for the chartering of committees. No committee shall meet until after a committee charter has been approved by the head of the department or agency establishing the committee except where such committee has been established by statute.

SEC. 4. Unless otherwise specifically authorized by statute or Presidential directive, no advisory committee shall be utilized for functions not solely advisory. Determinations of action to be taken and policy to be expressed with respect to matters upon which a committee advises or makes recommendations shall be made solely by the President or an official of a department or agency of the Government.

SEC. 5. Unless its duration is otherwise fixed by statute or Presidential directive, a committee shall terminate not later than two years from the date of its formation unless the establishing authority makes a formal determination not more than 60 days prior to the date of scheduled termination that its continued existence is in the public interest. A like determination by the establishing authority shall be necessary not more than 60 days before the end of each subsequent two-year period to continue the existence of such committee thereafter. For the purpose of this section, the date of formation of a committee in existence on the date of publication of this order, and not now having a termination date, shall be deemed to be January 1, 1972, or the actual date of its formation, whichever is later.

SEC. 6. Unless specified to the contrary by Presidential directive, statute, or committee charter, the department or agency establishing a committee shall be responsible for providing support services for the committee's activities. Where more than one department or agency establishes a committee, only one of those departments or agencies shall be responsible for support services at any one time.

SEC. 7. In order to strengthen interagency or advisory committee responsibility, a committee shall have dual or rotating chairmanships only when the head of the department or agency establishing the committee determines that such an arrangement is required.

SEC. 8. The Director shall:

(1) establish and maintain oversight of the administrative activities of Presidential advisory committees unless provided to the contrary by the establishing authority;

(2) provide guidance to departments and agencies concerning the management of interagency and advisory committees consistent with the purposes and provisions of this order;

(3) from time to time request such information as he deems necessary to assure proper utilization of committees; and

(4) on or before January 1 of each year, provide to the Congress and thereafter publish in the FEDERAL REGISTER, a list of Presidential advisory, interagency advisory, and industry advisory committees established or used by the executive branch during the preceding fiscal year. Such a list shall contain (A) the name of each committee and the agency to which it reports, (B) the name and business address of the Chairman and the agency or organization he represents, (C) an indication that the committee was established, continued or terminated during the reporting year, and (D) the name, business address and telephone number of a person whose duty it is to make appropriate response to requests for additional information about the committee.

SEC. 9. The head of every department or agency establishing a committee shall:

(1) designate a Committee Management Officer to exercise effective control over the establishment and use of interagency, advisory, and industry advisory committees;

(2) issue directives and provide guidance for the management of the department or agency, interagency advisory, and industry advisory committees consistent with the provisions and purposes of this order and the instructions of the Director;

(3) designate a Government official who shall be responsible for assembling committee records and, under established agency procedures, responding to requests for public information; and

(4) establish a committee management system, under the supervision of the Committee Management Officer, which will provide systematic and effective review and evaluation of the activities and accomplishments of interagency, advisory, and industry advisory committees.

SEC. 10. Advisory committees shall meet under the chairmanship of, or in the presence of, a Government official appointed by the agency establishing the committee who shall have the authority and be required to adjourn any meetings whenever he considers adjournment to be in the public interest.

SEC. 11. Each industrial advisory committee shall be reasonably representative of the group of industries, the single industry, or the geographical, service or product segment thereof to which it relates, taking into account the size and function of business enterprises in the industry or industries, and their location, affiliation, and competitive status, among

other factors. Selection of industry members shall, unless otherwise provided by statute, be limited to individuals actively engaged in operations in the particular industry, industries, or segments concerned, except where the department or agency head makes a written determination that such limitations would interfere with effective committee operation, detailing his reasons therefor.

SEC. 12. Advisory committees shall not:

(1) receive, compile, or discuss data or reports showing the current or projected commercial operations of identified business enterprises, unless the department or agency head determines it necessary for the effective functioning of the committee, or

(2) hold any meetings except at the call of, or with the advance approval of, a Government official and with an agenda approved by such official, unless the head of the agency determines it is in the public interest to permit such meetings.

SEC. 13. (a) In order to provide for public knowledge of and accessibility to advisory and industry advisory committees, department and agency heads shall make adequate provision for participation by the public in the activities of such committees. In carrying out this obligation, and except as provided in subsection (d) of this section, departments and agencies shall:

(1) require that all meetings of such committees be open to public observation, and

(2) apprise, by publication in the FEDERAL REGISTER or as appropriate by publication in local media, any interested individual or group of the purposes, membership and activities of advisory and industrial advisory committees, including dates, places, and agendas of open meetings.

(b) Any interested person may attend open meetings of advisory and industrial advisory committees. However, the department or agency head may establish reasonable limitations as to numbers of persons who may attend and the nature and extent of their participation, if any, in such meetings.

(c) Advice or recommendations of the committee shall be given only with respect to matters covered in the record of the committee's proceedings. Records shall be kept of all committee proceedings, including:

(1) the identification of committee members present and members of the public who participate at meetings and the interests or affiliations they represent;

(2) the written information made available for consideration by the committee;

(3) a description of matters discussed; and

(4) recommendations made and reasons therefor.

(d) The preceding provisions of this section shall apply to all advisory and industry advisory committees except to the extent that a determination is made in writing by the department or agency head that

committee activities are matters which fall within policies analogous to those recognized in Section 552(b) of Title 5 of the United States Code, and the public interest requires such activities to be withheld from disclosure. When such a determination is made, the department or agency head shall detail his reasons therefor. In the event a department or agency head makes such a determination, provision shall be made for the committee to issue a report, at least annually, setting forth a summary of its activities and such other matters as would be informative to the public and would be consistent with policies analogous to those recognized in Section 552(b) of Title 5 of the United States Code.

(e) The availability to the public of records of such committees shall be determined pursuant to section 552 of Title 5 of the United States Code and other applicable law.

SEC. 14. The requirements of this order shall not apply to any advisory committee composed wholly of representatives of State or local agencies or charitable, religious, educational, civic, social welfare, or other similar nonprofit organizations.

SEC. 15. To the extent this order is inconsistent with or in conflict with any statutory provision, the provisions of the order shall not apply.

SEC. 16. This order supersedes Executive Order No. 11007, as well as all provisions of prior Executive orders to the extent that they are in conflict with the provisions of this order.

Richard Nixon

THE WHITE HOUSE,
June 5, 1972.

[FR Doc.72-8652 Filed 6-5-72;2:37 pm]

Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 213—EXCEPTED SERVICE

Department of Health, Education, and Welfare

Section 213.3116 is amended to show that the numerical limitation in the Schedule A authority covering Chaplain Resident positions at St. Elizabeths Hospital is removed and that the reference to pay stipends to student-employees is now 5 U.S.C. sections 5351 and 5352.

Effective on publication in the FEDERAL REGISTER (6–7–72), subparagraph (9) of paragraph (a) of § 213.3116 is amended as set out below.

§ 213.3116 **Department of Health, Education, and Welfare.**

(a) *National Center for Mental Health Service, Training and Research.* * * *

(9) Positions of Chaplain Residents: *Provided,* That employment under this authority shall not exceed 39 months for any individual. This authority shall be applied only to positions whose compensation is fixed in accordance with the provisions of 5 U.S.C. sections 5351 and 5352.

* * * * *

(5 U.S.C. sections 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.72–8548 Filed 6–6–72;8:47 am]

PART 213—EXCEPTED SERVICE

Department of Justice

Section 213.3310 is amended to show that one position of Director, Office for Drug Abuse Law Enforcement is excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (6–7–72), paragraph (t) is added to § 213.3310 as set out below.

§ 213.3310 **Department of Justice.**

* * * * *

(t) *Office for Drug Abuse Law Enforcement.* (1) One Director.

(5 U.S.C. sections 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.72–8549 Filed 6–6–72;8:47 am]

PART 213—EXCEPTED SERVICE

General Services Administration

Section 213.3337 is amended to show that one additional position of Confidential Assistant to the Commissioner, Property Management and Disposal Service, is excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (6–7–72), subparagraph (2) of paragraph (f) is amended under § 213.3337 as set out below.

§ 213.3337 **General Services Administration.**

* * * * *

(f) *Property Management and Disposal Service.* * * *

(2) Seven Confidential Assistants to the Commissioner.

* * * * *

(5 U.S.C. sections 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.72–8547 Filed 6–6–72;8:47 am]

Title 7—AGRICULTURE

Chapter I—Agricultural Marketing Service (Standards, Inspection, Marketing Practices), Department of Agriculture

PART 51—FRESH FRUITS, VEGETABLES, AND OTHER PRODUCTS (INSPECTION, CERTIFICATION, AND STANDARDS)

Subpart—Regulations [1]

EXPIRATION AND RENEWAL OF LICENSE

The Agricultural Marketing Act of 1946 authorizes official inspection and certification of fresh fruits and vegetables and other products.[2] Such inspection and certification is voluntary and is made available only upon request of financially interested parties and upon payment of a fee to cover the cost of the service.

Statement of considerations leading to amendment of regulations. Persons who are employed by a cooperative Federal-State inspection agency and possess adequate qualifications may be licensed as inspectors of products covered under the regulations of this subpart. The current regulations require that such licenses shall expire on June 30 of each year following the date of issuance. However, this date falls in the middle of the busy season for most Federal-State inspection programs. This amendment changes the expiration date to December 31 of each year in which it is issued, thus providing a more convenient time of the year for renewal of expired licenses.

Pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087 et seq., as amended; 7 U.S.C. 1621 et seq.), § 51.36 *Expiration and renewal of license* of the Subpart—Regulations governing inspection, certification, and standards for fresh fruits, vegetables, and other products, is hereby amended to read as follows:

§ 51.36 **Expiration and renewal of license.**

An inspector's license issued pursuant to the regulations in this subpart shall expire on December 31 of each year in which it is issued. The license of an inspector may be renewed by the issuance of a new license and the renewal shall subject the inspector to the terms and conditions of the regulations of this subpart.

(Secs. 203, 205, 60 Stat. 1087, as amended, 1090 as amended; 7 U.S.C. 1622, 1624)

Dated June 1, 1972, to become effective at 12:01 a.m., July 1, 1972.

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

[FR Doc.72–8587 Filed 6–6–72;8:50 am]

Chapter III—Animal and Plant Health Inspection Service, Department of Agriculture

PART 301—DOMESTIC QUARANTINE NOTICES

Subpart—Pink Bollworm

REGULATED AREAS

Pursuant to the provisions of sections 8 and 9 of the Plant Quarantine Act of August 20, 1912, as amended, and section 106 of the Federal Plant Pest Act (7 U.S.C. 161, 162, 150ee), and § 301.52–2 of the Pink Bollworm Quarantine regulations, 7 CFR 301.52–2, as amended, a supplemental regulation designating regulated areas, 7 CFR 301.52–2a, is hereby amended to read as follows:

§ 301.52–2a **Regulated areas; suppressive and generally infested areas.**

The civil divisions and parts of civil divisions described below are designated as pink bollworm regulated areas within the meaning of the provisions of this subpart; and such regulated areas are hereby divided into generally infested

---

[1] None of the requirements in the regulations of this subpart shall excuse failure to comply with any Federal, State, county, or municipal laws applicable to products covered in the regulations of this subpart.

[2] Among such other products are the following: Raw nuts, Christmas trees and evergreens, flowers and flower bulbs, and onion sets.

areas or suppressive areas as indicated below.

ARIZONA

(1) *Generally infested area.* Entire State.
(2) *Suppressive area.* None.

ARKANSAS

(1) *Generally infested area.* None.
(2) *Suppressive area.*
Jefferson County. That portion of the county lying east of the Arkansas River and north of U.S. Highway 79.
Lafayette County. The entire county.
Lonoke County. That portion of the county lying south of Interstate 40.

CALIFORNIA

(1) *Generally infested area.*
Imperial County. The entire county.
Inyo County. That portion of the county lying east of the east boundary of Range 4 East, SBBM.
Los Angeles County. That portion of the county lying east of the east boundary of Range 15 West and north of the north boundary of Township 4 North, SBBM.
Riverside County. The entire county.
San Bernardino County. That portion of the county lying east of the east boundary of Range 4 East, SBBM.
San Diego County. The entire county.
(2) *Suppressive area.*
Fresno County. The entire county.
Kern County. The entire county.
Kings County. The entire county.
Madera County. The entire county.
Merced County. The entire county.
San Benito County. The entire county.
Tulare County. The entire county.

LOUISIANA

(1) *Generally infested area.* None.
(2) *Suppressive area.*
Rapides Parish. The entire parish.

NEVADA

(1) *Generally infested area.*
Clark County. The entire county.
Nye County. The entire county.
(2) *Suppressive area.* None.

NEW MEXICO

(1) *Generally infested area.* Entire State.
(2) *Suppressive area.* None.

OKLAHOMA

(1) *Generally infested area.* Entire State.
(2) *Suppressive area.* None.

TEXAS

(1) *Generally infested area.* Entire State.
(2) *Suppressive area.* None.

(Secs. 8 and 9, 37 Stat. 318 sec. 106, 71 Stat. 33; 7 U.S.C. 161, 162, 150ee; 29 F.R. 16210, as amended; 7 CFR 301.52–2)

This revision shall become effective upon publication in the FEDERAL REGISTER (6–7–72) when it shall supersede 7 CFR 301.52–2a effective March 2, 1971.

The Deputy Administrator of the Plant Protection and Quarantine Programs has determined that infestations of the pink bollworm exist or are likely to exist in the civil divisions or parts of civil divisions listed above, or that it is necessary to regulate such localities because of their proximity to infestations or their inseparability for quarantine enforcement purposes from infested localities.

The Deputy Administrator has further determined that each of the quarantined States, wherein only portions of the State have been designated as regulated areas, is enforcing a quarantine or regulation with restrictions on intrastate movement of the regulated articles substantially the same as the restrictions on the interstate movement of such articles imposed by the quarantine and regulations in this subpart, and that designation of less than the entire State as a regulated area will otherwise be adequate to prevent the interstate spread of the pink bollworm. Therefore, such civil divisions and parts of civil divisions listed above are designated as pink bollworm regulated areas.

The purpose of this revision is to delete from the regulated areas the following previously regulated counties or parishes: Cleburne, Conway, Faulkner, Little River, and Miller Counties in Arkansas, and Avoyelles, Caddo, De Soto, Grant, Natchitoches, and Red River Parishes in Louisiana. This amendment adds to the list of regulated areas the following previously nonregulated counties or parishes: Jefferson, Lafayette, and Lonoke Counties in Arkansas, and Fresno, Kings, Madera, Merced, San Benito, and Tulare Counties in California.

Inasmuch as this revision imposes restrictions necessary to prevent the spread of the pink bollworm and relieves restrictions presently imposed, it should be made effective promptly to accomplish its purpose in the public interest. Accordingly, it is found upon good cause, under the administrative procedure provisions of 5 U.S.C. 553, that notice and other public procedure with respect to this revision are impracticable and contrary to the public interest, and good cause is found for making it effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 30th day of May 1972.

LEO G. K. IVERSON,
Acting Deputy Administrator, Plant Protection and Quarantine Programs.

[FR Doc.72–8585 Filed 6–6–72;8:46 am]

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

[Lemon Reg. 535, Amdt. 1]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910; 36 F.R. 9061), regulating the handling of lemons grown in California and Arizona, effective under the applicable povisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation or handling or such lemons, as hereinafter provided, will tend to effectuate the declared policy of the act.

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

(b) *Order, as amended.* The provision in paragraph (b) (1) of § 910.835 (Lemon Regulation 535, 37 F.R. 10715) during the period May 28, 1972, through June 3, 1972, is hereby amended to read as follows:

§ 910.835 **Lemon Regulation 535.**

* * * * * * *

(b) *Order.* (1) * * * 300,000 cartons.

* * * * * * *

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

Dated: June 1, 1972.

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

[FR Doc.72–8534 Filed 6–6–72;8:46 am]

[Avocado Order 5, Amdt. 9; Avocado Reg. 6, Amdt. 4]

PART 915—AVOCADOS GROWN IN SOUTH FLORIDA

Limitations on Handling

On May 10, 1972, notice of proposed rule making was published in the FEDERAL REGISTER (37 F.R. 9401), regarding proposals, which would limit the handling of avocados grown in Florida by amending the container requirements of § 915.305 *Avocado Order 5* (36 F.R. 22668) and the pack requirements of § 915.306 *Avocado Regulation 6* (36 F.R. 22668). The amendments were recommended by the Avocado Administrative Committee, established pursuant to the amended marketing agreement and Order No. 915, as amended (7 CFR Part 915; 36 F.R. 14126), regulating the handling of avocados grown in south Florida. This program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). No exception to said notice was filed.

After consideration of all relevant matters presented, including the proposals set forth in the aforesaid notice, the recommendations and information submitted by the Avocado Administrative Committee, and other available information, it is hereby found and determined that the amendments, as hereinafter set forth, are in accordance with

the provisions of the said amended marketing agreement and order and will tend to effectuate the declared policy of the act.

The recommendations of the Avocado Administrative Committee reflect its appraisal of the avocado crop and current and prospective market conditions. Shipments of avocados are expected to begin on or about June 12, 1972. The committee has considered and recommended the amendments of the container and pack requirements and the grade, sizes, and maturity standards, including shipping periods, for the various varieties of avocados, so as to prevent the handling of immature or other undesirable fruit. Such recommendations are designed to recognize the differences in consumer demand within and outside the production area and to provide consumers with the quality fruit desired, consistent with the overall quality of the crop, while increasing returns to growers pursuant to the declared policy of the act.

It is hereby further found that good cause exists for not postponing the effective date of these amendments until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) in that (1) notice of proposed rule making concerning the amendments, with an effective date of June 12, 1972, was published in the FEDERAL REGISTER (37 F.R. 9401), the aforesaid notice allowed interested persons 20 days in which to submit written data, views, or arguments for consideration in connection with the proposed amendments, and no objection to the amendments or such effective date was received; (2) the recommendations and supporting information for regulation during the period specified herein were submitted to the Department after an open meeting of the Avocado Administrative Committee on April 12, 1972, which was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; (3) the provisions of the amendments, including the effective time hereof, are identical with the aforesaid recommendations of the committee; (4) information concerning such provisions and effective time has been disseminated among handlers of such avocados; (5) compliance with the amendments will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof; (6) shipments of the current crop of such avocados are expected to begin on or about the effective date hereof, and the amendments should be applicable, insofar as is practicable, to all shipments of such avocados in order to effectuate the declared policy of the act.

1. The provisions of paragraph (a) (1) preceding subdivision (i) thereof of § 915.305 (Avocado Order 5; 36 F.R. 22668) are amended to read as follows:

§ 915.305 Avocado Order 5.

(a) *Order.* (1) On and after June 12, 1972, no handler shall handle between the production area and any point outside thereof any variety of avocados in containers having a capacity of more than 4 pounds of avocados, unless such avocados are handled in containers meeting the following specifications and conform to all other applicable requirements of this section:

* * * * *

2. The provisions of paragraph (a) (2) preceding subdivision (i) thereof of § 915.306 (Avocado Regulation 6; 36 F.R. 22668) are amended to read as follows:

§ 915.306 Avocado Regulation 6.

(a) *Order.* (1) * * *

(2) On and after June 12, 1972, no handler shall handle any container of avocados between the production area and any point outside thereof, unless the avocados in such container meet the requirements of standard pack and one of the pack specifications established in subparagraph (1) of this paragraph, and each container in each lot is marked or stamped to show the U.S. grade applicable to such lot: *Provided,* That in lieu of such marking requirement, any handler may affix to the container a label, brand or trademark, registered with the Avocado Administrative Committee in accordance with the following, which appropriately identifies the grade of such avocados:

* * * * *

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

Dated June 2, 1972, to become effective June 12, 1972.

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

[FR Doc.72-8590 Filed 6-6-72;8:45 am]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Animal and Plant Health Inspection Service, Department of Agriculture

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS (INCLUDING POULTRY) AND ANIMAL PRODUCTS

[Docket No. 72-524]

PART 76—HOG CHOLERA AND OTHER COMMUNICABLE SWINE DISEASES

Areas Quarantined

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

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

(e) * * *

(1) *Texas.* That portion of the State of Texas comprised of all of Cameron, Hidalgo, Jim Wells, Moore, Nueces, Starr, Webb, and Willacy Counties.

(Secs. 4–7, 23 Stat. 32, as amended; secs. 1 and 2, 32 Stat. 791–792, as amended; secs. 1–4, 33 Stat. 1264, 1265, as amended; sec. 1, 75 Stat. 481; secs. 3 and 11, 76 Stat. 130, 132; 21 U.S.C. 111–113, 114g, 115, 117, 120, 121, 123–126, 134b, 134f; 29 F.R. 16210, as amended; 37 F.R. 6327, 6505)

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

The amendment excludes all of Fayette, Gonzales, and Lavaca Counties in Texas from the areas quarantined because of hog cholera. Therefore, the restrictions pertaining to the interstate movement of swine and swine products from or through quarantined areas contained in 9 CFR Part 76, as amended, do not apply to the excluded areas, but will continue to apply to the quarantined areas described in § 76.2(e). Further, the restrictions pertaining to the interstate movement of swine and swine products from nonquarantined areas contained in said Part 76 apply to the excluded areas.

Insofar as the amendment relieves restrictions presently imposed but no longer deemed necessary to prevent the spread of hog cholera, it should be made effective promptly in order to be of maximum benefit to affected persons. It does not appear that public participation in this rule making proceeding would make additional relevant information available to this Department.

Accordingly, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the amendment are impracticable and unnecessary, and good cause is found for making it effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 2d day of June 1972.

KENNETH M. MCENROE,
Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc.72-8586 Filed 6-6-72;8:47 am]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket No. 11171]

PART 39—AIRWORTHINESS DIRECTIVES

Mitsubishi Model MU-2B Airplanes; Correction

Amendment 39-1438, published in the FEDERAL REGISTER on April 25, 1972 (37 F.R. 8061), which amended Amendment 39-1238, AD 71-14-1, of Part 39 of the

Federal Aviation Regulations, is corrected by inserting the words, "airworthiness directive," in place of the word, "section," in paragraphs (f) and (h).

Issued in Washington, D.C., on May 31, 1972.

CLARENCE R. MELUGIN, Jr.,
Acting Director,
Flight Standards Service.

[FR Doc.72-8526 Filed 6-6-72;8:45 am]

[Airspace Docket No. 72-SW-34]

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

Alteration of Control Zone

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Alexandria, La. (England AFB), control zone.

The military mission at England Air Force Base, Alexandria, La., has required the full-time support of its related aviation facilities and military services such as weather observing/reporting, approach control, and the airport traffic control tower.

Military authorities have determined that operations at England AFB, Alexandria, La., will be reduced to 16 hours daily beginning on July 1, 1972. This 16-hour period is tentatively proposed as 0700–2300 local time except holidays. The military airport traffic control tower services will be provided during this 16-hour period but not during the remainder of this period, i.e., 2300–0700.

The England approach control services will be unchanged and will be provided on a 24-hour basis. The military weather observing/reporting service is scheduled to be reduced to a 16-hour period, i.e., 0700–2300 local time daily.

One of the requirements for the designation or continuation of a control zone is that there be a federally certificated weather observer available to provide all hourly and special weather observations at the primary airport, i.e., England AFB. Since weather reporting will no longer be available on a full-time basis, it is necessary that the control zone designation be changed from full time to part time and the airspace description be amended accordingly.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., July 1, 1972, as hereinafter set forth.

In § 71.171 (37 F.R. 2056), the Alexandria, La. (England AFB), control zone is amended by adding, "This control zone will be effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airman's Information Manual."

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

Issued in Fort Worth, Tex., on May 26, 1972.

R. V. REYNOLDS,
Acting Director, Southwest Region.

[FR Doc.72-8528 Filed 6-6-72;8:46 am]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. Y]

PART 225—BANK HOLDING COMPANIES

Nonbanking Activities of Bank Holding Companies

Part 225 of Title 12 is amended as follows:

§ 225.123 [Revoked]

1. Section 225.123(e) is revoked.

2. Section 225.127 is added to read as follows:

§ 225.127 Investment in corporations or projects designed primarily to promote community welfare.

(a) Under § 225.4(a)(7) of Regulation Y, a bank holding company may, in accordance with the provisions of § 225.4(b), engage in "making equity and debt investments in corporations or projects designed primarily to promote community welfare, such as the economic rehabilitation and development of low-income areas." The Board included that activity among those the Board has determined to be so closely related to banking or managing or controlling banks as be a proper incident thereto, in order to permit bank holding companies to fulfill their civic responsibilities. As indicated hereinafter in this interpretation, the Board intends § 225.4(a)(7) to enable bank holding companies to take an active role in the quest for solutions to the Nation's social problems. Although the interpretation primarily focuses on low- and moderate-income housing, it is not intended to limit projects under § 225.4(a)(7) to that area. Other investments primarily designed to promote community welfare are considered permissable, but have not been defined in order to provide bank holding companies flexibility in approaching community problems. For example, bank holding companies may utilize this flexibility to provide new and creative approaches to the promotion of employment opportunities for low-income persons. Bank holding companies possess a unique combination of financial and managerial resources making them particularly suited for a meaningful and substantial role in remedying our social ills. Section 225.4(a)(7) is intended to provide an opportunity for them to assume such a role.

(b) Under the authority of § 225.4(a)(7), a bank holding company may invest in community development corporations established pursuant to Federal or State law. A bank holding company may also participate in other civic projects, such as a municipal parking facility sponsored by a local civic organization as a means to promote greater public use of the community's facilities.

(c) Within the category of permissible investments under § 225.4(a)(7) are investments in projects to construct or rehabilitate multi-family low- or moderate-income housing with respect to which a mortgage is insured under sections 221(d)(3), 221(d)(4), or 236 of the National Housing Act (12 U.S.C. 1701) and investments in projects to construct or rehabilitate low- or moderate-income housing which is financed or assisted by direct loan, tax abatement, or insurance under provisions of State or to that area. Other investments primarily designed to promote community welfare are considered permissible, but have not been defined in order to provide bank holding companies flexibility in approaching community problems. For example, bank holding companies may utilize this flexibility to provide new and creative approaches to the promotion of employment opportunities for low-income persons. Bank holding companies possess a unique combination of financial and managerial resources making them particularly suited for a meaningful and substantial role in remedying our social ills. Section 225.4(a)(7) is intended to provide an opportunity for them to assume such a role.

(b) Under the authority of § 225.4(a)(7), a bank holding company may invest in community development corporations established pursuant to Federal or State law. A bank holding company may also participate in other civic projects, such as a municipal parking facility sponsored by a local civic organization as a means to promote greater public use of the community's facilities.

(c) Within the category of permissible investments under § 225.4(a)(7) are investments in projects to construct or rehabilitate multifamily low- or moderate-income housing with respect to which a mortgage is insured under section 221(d)(3), 221(d)(4), or 236 of the National Housing Act (12 U.S.C. 1701) and investments in projects to construct or rehabilitate low- or moderate-income housing which is financed or assisted by direct loan, tax abatement, or insurance under provisions of State or local law, similar to the aforementioned Federal programs, provided that, with respect to all such projects the owner is, by statute, regulation, or regulatory authority, limited as to the rate of return on his investment in the project, as to rentals or occupancy charges for units in the project, and in such other respects as would be a "limited dividend corporation" (as defined by the Secretary of Housing and Urban Development).

(d) Investments in other projects that may be considered to be designed primarily to promote community welfare include but are not limited to: (1) Projects for the construction or rehabilitation of housing for the benefit of persons of low- or moderate-income, (2) projects for the construction or rehabilitation of ancillary local commercial facilities necessary to provide goods or services principally to persons residing in low- or moderate-income housing, and (3) projects designed explicitly to create improved job opportunities for low- or moderate-income groups (for example, minority equity investments, on a temporary basis, in small or medium-sized locally-controlled businesses in low-income urban or other economically depressed areas). In the case of de novo projects, the copy of the notice with respect to such other projects which is to be furnished to Reserve Banks in accordance with the provisions of § 225.4(b)(1) should be accompanied by a memorandum which demonstrates that such projects meet the objectives of § 225.4(a)(7).

(e) Investments in corporations or projects organized to build or rehabilitate high-income housing, or commercial, office, or industrial facilities that are not designed explicitly to create improved job opportunities for low-income persons shall be presumed not to be designed primarily to promote community welfare, unless there is substantial evidence to the contrary, even though to some extent the investment may benefit the community.

(Interprets and applies 12 U.S.C. 1843(c)(8))

By order of the Board of Governors, May 30, 1972.

[SEAL] MICHAEL A. GREENSPAN,
Assistant Secretary.

[FR Doc.72-8517 Filed 6-6-72;8:50 am]

Chapter VII—National Credit Union Administration

PART 741—REQUIREMENTS FOR INSURANCE

Certified Statements and Premiums

On April 5, 1972, notice of proposed rule making regarding certified statements and premiums for insurance was published in the FEDERAL REGISTER, Volume 37, page 6873. After consideration of all such relevant matter as was presented by interested persons, the regulation as so proposed is hereby adopted subject to the following changes:

1. The words "Insurance Premium Statements" shall be substituted for "Insurance Fee Statements" throughout § 741.5.

Effective date. This regulation is effective June 19, 1972.

HERMAN NICKERSON, Jr.,
Administrator.

MAY 31, 1972.

§ 741.5 **Insurance Premium Statements.**

(a) On or before January 31 of each insurance (calendar) year, each federally insured credit union which became insured prior to the beginning of that year shall file with the Administrator a certified statement showing the total amount of the member accounts in the credit union at the close of the preceding insurance (calendar) year and the amount of the premium charge for insurance due to the fund for that year, as computed under title II, section 202(c)(1) of the Federal Credit Union Act. The certified statements required to be filed with the Administrator pursuant to this section shall be in such form and shall set forth such supporting information as the Administrator shall require. The Insurance Premium Statements, Form NCUA–1308, has been designated as the authorized statement required in this section. Copies of Form NCUA–1308 can be obtained from the National Credit Union Administration office in Washington, D.C., or any regional National Credit Union Administration office.

(b) Each credit union which was in existence prior to October 19, 1970, and which becomes federally insured after January 1 of any insurance (calendar) year shall file with the Administrator a certified statement to provide supporting information similar to that outlined in paragraph (a) of this section and the amount of the premium charge for insurance due to the fund for that year, as computed under title II, section 202(c)(2) of the Federal Credit Union Act, no later than 60 days after the date on which the credit union receives the Certificate of Insurance issued to it under section 201 of the Federal Credit Union Act. Insurance Premium Statements, Form NCUA–1307, has been designated as the authorized statement required in this section. Copies of Form NCUA–1307 can be obtained from the National Credit Union Administration office in Washington, D.C., or any regional National Credit Union Administration office.

(c) Each credit union which is chartered after October 19, 1970, and which becomes federally insured in the insurance (calendar) year in which it is chartered shall file with the Administrator a certified statement to provide supporting information similar to that outlined in paragraph (a) of this section and the amount of the premium charge for insurance due to the fund for that year, as computed under title II, section 202(c)(3) of the Federal Credit Union Act, no later than January 31 of the insurance (calendar) year following the year in which the credit union was chartered. The Insurance Premium Statements, Form NCUA–1309, has been designated as the authorized statement required in this section. Copies of Form NCUA–1309 can be obtained from the National Credit Union Administration office in Washington, D.C., or from any National Credit Union Administration regional office.

(d) Each such statement shall be certified by the president of the credit union, or by any officer of the credit union designated by its board of directors, that to the best of his knowledge and belief the statement is true, correct, and complete.

[FR Doc.72-8521 Filed 6-6-72;8:46 am]

Title 28—JUDICIAL ADMINISTRATION

Chapter I—Department of Justice

[Order 484–72]

PART 0—ORGANIZATION OF THE DEPARTMENT OF JUSTICE

Subpart J—Civil Rights Division

DELEGATION OF AUTHORITY TO DESIGNATE ATTORNEYS TO PRESENT EVIDENCE TO GRAND JURIES

This order delegates to the Assistant Attorney General in charge of the Civil Rights Division the Attorney General's authority under 28 U.S.C. 515(a) to designate attorneys to present evidence to grand juries in civil rights cases.

By virtue of the authority vested in me by 28 U.S.C. 509, 510 and 5 U.S.C. 301, § 0.50(a) of Subpart J of Part 0 of Chapter I of Title 28, Code of Federal Regulations, is amended by revising the first sentence to read as follows:

§ 0.50 **General functions.**

* * * * *

(a) Enforcement of all Federal statutes affecting civil rights, including those pertaining to elections and voting, public accommodations, public facilities, school desegregation, employment, and housing, and authorization of litigation in such enforcement, including criminal prosecutions and civil actions and proceedings on behalf of the Government, and designation of attorneys to present evidence to grand juries; and appellate proceedings in all such cases. * * *

* * * * *

Dated: May 31, 1972.

RICHARD G. KLEINDIENST,
Acting Attorney General.

[FR Doc.72-8570 Filed 6-6-72;8:49 am]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

PART 1—GENERAL PROVISIONS

CFR Correction

In § 1.2(c) appearing on page 8 of Title 19, revised as of January 1, 1972, "Little Rock-North Little Rock, Ark." appears as a District in Region V. Since Little Rock-North Little Rock, Ark., is not a district within Region V but a port of entry in the "New Orleans, La., District," Region V is corrected by removing from the third column headed "Name and headquarters" the entry "Little Rock-North Little Rock, Ark." and removing from the fourth column headed "Areas" the corresponding entry "All the area within the boundaries of Pulaski and Saline Counties, Ark."

[T.D. 72-153]

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

Free Withdrawal of Supplies and Equipment for Aircraft

In accordance with section 309(d), Tariff Act of 1930, as amended (19 U.S.C. 1309(d)), the Department of Commerce has found and under date of April 25, 1972, has advised the Treasury Department that Poland allows privileges to aircraft registered in the United States and engaged in foreign trade substantially reciprocal to those provided for in sections 309 and 317 of the Tariff Act of 1930, as amended (19 U.S.C. 1309, 1317). The same privileges are therefore hereby extended to aircraft registered in Poland and engaged in foreign trade effective as of the date of such notification.

Accordingly, paragraph (f) of § 10.59, customs regulations, is amended by the insertion of Poland in appropriate alphabetical order and the number of this Treasury decision in the opposite column headed "Treasury Decision(s)" in the list of nations in that paragraph.

(Secs. 309, 317, 624, 46 Stat. 690, as amended, 696, as amended, 759; 19 U.S.C. 1309, 1317, 1624)

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

Approved: May 25, 1972.

EUGENE T. ROSSIDES,
Assistant Secretary of the Treasury.

[FR Doc.72-8578 Filed 6-6-72;8:50 am]

Title 29—LABOR

Chapter XVII—Occupational Safety and Health Administration, Department of Labor

PART 1910—OCCUPATIONAL SAFETY AND HEALTH STANDARDS

Standard for Exposure to Asbestos Dust

On December 7, 1971, an emergency temporary standard concerning exposure to asbestos fibers was published in the FEDERAL REGISTER (36 F.R. 23207). In accordance with section 6(c)(3) of the Williams-Steiger Occupaional Safety and Health Act of 1970, a notice of proposed rulemaking regarding a permanent standard for exposure to asbestos fibers was published in the FEDERAL REGISTER on January 12, 1972 (37 F.R. 466). The notice invited interested persons to submit both orally and in writing, data, views, and arguments concerning the proposal.

On or about January 24, 1972, the Advisory Committee on Asbestos Dust was established and requested to make written recommendations with regard to the proposed standard on asbestos. On or about February 1, 1972, the Department of Health, Education, and Welfare transmitted to the Secretary of Labor a criteria document containing Recommendations for an Occupational Exposure Standard for Asbestos by the National Institute for Occupational Safety and Health (NIOSH). Public notice was given of the receipt of the recommendations and their availability for inspection and copying. On or about February 25, 1972, the Advisory Committee on Asbestos Dust submitted its written recommendations to the Assistant Secretary of Labor for Occupational Safety and Health.

Pursuant to the notice of rule making, a hearing was held on March 14 through 17, 1972, for the purpose of receiving oral data, views, and arguments concerning the proposed standard. On or about March 31, 1972, the presiding hearing examiner certified to the Assistant Secretary of Labor for Occupational Safety and Health the record of the proceeding. The record includes prehearing written comments, a transcript of the oral presentations made at the hearing, and numerous exhibits received during the course of the hearing or within the period allowed after the close of the hearing.

The proposed standard dealt with (1) permissible concentrations of asbestos fibers; (2) methods of compliance; (3) warning signs; (4) monitoring; (5) medical examinations; and (6) recordkeeping. Each of these major proposals elicited comments, arguments, objections, and counterproposals. They all have been examined and considered.

1. *Acceptable concentrations of asbestos dust.* The proposed standard would limit occupational exposure to 8-hour time-weighted average (TWA) airborne concentrations of asbestos dust not exceeding five fibers longer than five micrometers per milliliter. Concentrations above five fibers but not to exceed 10 fibers (ceiling concentration) would be permitted up to 15 minutes in an hour, but for not more than 5 hours in any one 8-hour day.

NIOSH in effect has recommended that the five-fiber TWA and 10-fiber peak concentrations be permitted only for 2 years; thereafter, TWA concentrations should be not more than 2 fibers per cubic centimeter ($cm.^3$) of air, and peak concentrations should not exceed 10 fibers/$cm.^3$, with no time restriction. Numerous objections and counterproposals have been made, with regard to both the limits of asbestos fiber concentrations and the time periods to comply with them. Some, for example, have recommended return to a 12-fiber standard of an earlier day; i.e., a level adopted under the Walsh-Healey Public Contracts Act in 1969. Others have recommended a two-fiber standard to become effective in 6 months, then a one-fiber standard for 2 years, and finally a zero-fiber standard after 3 years. These recommendations give a fair indication of the wide spread of the counterproposals.

No one has disputed that exposure to asbestos of high enough intensity and long enough duration is causally related to asbestosis and cancers. The dispute is as to the determination of a specific level below which exposure is safe. Various studies attempting to establish quantitative relations between specific levels of exposure to asbestos fibers and the appearance of adverse biological manifestations, such as asbestosis, lung cancers, and mesothelioma, have given rise to controversy as to the validity of the measuring techniques used and the reliability of the relations attempted to be established. Because of the long lapse of time between onset of exposure and biological manifestations, we have now evidence of the consequences of exposure, but we do not have, in general, accurate measures of the levels of exposure occurring 20 or 30 years ago, which have given rise to these consequences. There are also controversies concerning the relative toxicity of the various kinds of asbestos, and varying hazards in different workplaces.

It is fair to say that the controversy has centered in the area between a two-fiber TWA concentration and five-fiber TWA concentration, with variations on the time needed for compliance. Many employers support a five-fiber TWA. Most medical opinion is divided between a two-fiber standard and a five-fiber standard.

In view of the undisputed grave consequences from exposure to asbestos fibers, it is essential that the exposure be regulated now, on the basis of the best evidence available now, even though it may not be as good as scientifically desirable. An asbestos standard can be reevaluated in the light of the results of ongoing studies, and future studies, but cannot wait for them. Lives of employees are at stake.

It is concluded that there should be one minimum standard of exposure to asbestos applicable to all workplaces exposed to any kind, or mixture of kinds, of asbestos. Reasons of practical administration preclude a variety of standards for different kinds of asbestos and of workplaces. Also, while the evidence tends to show that crocidolite, for instance, is more harmful than chrysotile, the evidence is not sufficient to establish separate standards for varieties of asbestos.

Because there must be one standard governing exposure to all varieties of asbestos, and in workplaces apparently more hazardous than others; because some present employees with regular exposure to asbestos have probably already accumulated great doses of asbestos fibers, due to higher levels of exposure in the past; because it appears that levels of exposure which may be safe with regard to asbestosis are not safe with regard to mesothelioma; because the statute requires the protection of every employee, even of one who may have regular exposure to asbestos during a working life which may reach, or even exceed, 40 years; and because of several other considerations which have been urged and are reflected in the record of the proceeding, the conflict in the medical evidence is resolved in favor of the health of employees. As of July 1, 1976, TWA concentrations of asbestos fibers longer than 5 micrometers will not be allowed to exceed two fibers/cc., with a ceiling value of 10 fibers/cc. The current TWA concentrations of five fibers, and

ceiling concentrations of 10 fibers/cc, will be permitted until July 1, 1976, during what will be a transitional period deemed necessary to allow employers to make the needed changes for coming into compliance with the more stringent standard.

The record shows that the many work operations subject to the single asbestos standard (textile, manufacturing, industrial, and marine installation, etc.) will meet varying degrees of difficulty in complying with the standard. In some plants, extensive redesign and relocation of equipment may be needed. It appears, however, the delay in the effective date of the two-fiber standard will provide all employers a reasonable time to comply. At the same time, so long as the ceiling limit is complied with, no harm is reasonably expected to result from exposures during the transitional period.

2. *Methods of compliance.* It has been pointed out by many persons, that protection against asbestos fibers is best obtained by controlling the generation of fibers first, and secondly, by controlling the dispersion of released fibers into the ambient air of the workplaces. Therefore, the standard requires feasible technological controls and appropriate work practices as the primary means of compliance. Rotation of employees as a way of meeting the TWA concentration requirement is allowed only in stated exceptional circumstances, because, as a general rule, it would be difficult to implement. Personal protective equipment, such as respirators, cannot be relied upon because, among other reasons, they may be so uncomfortable as to be burdensome, except for short periods of time. Therefore, it is expected that respirators and shift rotation will be used during the period necessary to install engineering controls and to train employees in sound work practices, but, after technological compliance has been achieved, their use must be limited to special work situations and emergencies. Where both are practicable, shift rotation is required.

3. *Labeling.* The proposed standard stopped short of requiring labeling asbestos and asbestos-containing products. The proposed standard would have required only warning signs at locations where asbestos hazards are present. However, labeling, rather than warning signs, has proved to be a point of controversy. Both NIOSH and the Advisory Committee on Asbestos Dust recommended labels for asbestos products and containers, and these recommendations became very controversial in the course of the proceeding. Many counterproproposals have been made as to the language of the warning as well as to the products to be subject to the labeling requirements. Employers, in general, strongly contend that (1) finished products which effectively entrap asbestos fibers, so that these would not be released in the normal use of the products, should not be required to be labeled; and (2) words such as "danger" and "cancer" are unwarrantedly alarming.

Both contentions have merit, and the standard has been changed accordingly.

4. *Monitoring.* The proposed standard would have required personal monitoring and environmental monitoring. Many issues have been raised concerning the availability and reliability of measuring instruments, frequency of monitoring, and conditions in which monitoring should be required. The adopted standard takes the objections into consideration. It requires periodic monitoring at intervals no longer than 6 months, thus allowing considerable time and discretion, and prescribes the use of the membrane filter method, which is an acceptable method for determination of asbestos fibers.

It has also been recommended that employees or their representatives should have an opportunity to observe the monitoring. The recommendation has been accepted.

5. *Medical examinations.* The proposed standard would only require an appropriate medical examination on a periodic basis. The generality of the proposal has attracted many objections and also many helpful comments. The recommendations of NIOSH and of the Advisory Committee on Asbestos Dust were much more specific with respect to both frequency and type of medical examinations to be required. The comments vary as to the class of employees to be examined and as to the frequency of the examinations.

The adopted standard requires medical examinations both at the beginning and the termination of employments exposed to concentrations of asbestos fibers, and also requires annual medical examinations of every employee exposed to airborne concentrations of asbestos. It has been pointed out that in certain industries, such as construction, an employee may work for several employers during the same year. Accordingly, the standard does not require either preemployment, or termination, or periodic examinaton of any employee who has been examined in accordance with the standard within the past year.

One question which has been raised goes to whether the employer or the employee should be allowed to choose the examining physician. The standard gives the option to the employer. Since some employers already have a medical examination program in operation, and, also, have medical departments with some expertise in the diagnosis of abestos-related diseases, it seems more reasonable to permit them to utilize the present programs and expertise, than to permit an employee to choose a private general practitioner.

6. *Records.* The standard, as proposed and as adopted, requires maintenance of records of monitoring and of medical examinations. Most of the controversy in this area has revolved around the question whether an employer should be allowed to have access to the results of the required medical examinations. The apprehension of those who have argued against employer access is based on the expectation that some employers will use the medical examinations as a means of screening employment applicants, and worse, as grounds for discharging current employees, who show signs of being affected by exposure to asbestos. Since the purpose of the medical examinations is to monitor the health of employees exposed to the hazards of abestos, employees cannot in reason be granted the privilege of refusing to disclose to their employers results of occupational exposure. It does not make sense to require employers to provide medical examinations if they cannot know and use the results of the examinations. For these reasons the standard provides that employers may have a restricted access to some medical information.

On the other hand, there is no intention to allow employers to abuse medical information obtained pursuant to the Act, to the detriment of employees. Therefore, the administration of the medical records requirement will be closely watched, and, in cases of abuse, appropriate action will be considered.

The issues discussed above are believed to be the major ones. Numerous other issues have been raised in the rulemaking proceedings. Some have been referred to incidentally. Many recommendations, for instance, about work practices, are so obviously meritorious that their adoption needs no exposition here. Other recommendations and many objections have not been adopted for a variety of reasons which should be manifest. Several, for instance, have recommended the use of respirators only pursuant to a variance, or in cases of emergency and occasional short-term exposures. The recommendation with respect to variances undoubtedly has many merits, but is considered administratively impractical.

Accordingly, after consideration of the whole record of the proceeding, and pursuant to sections 6 (b) and (c) and 8(c) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1593, 1596, 1599; 29 U.S.C. 655, 657), 29 CFR 1910.4, and to Secretary of Labor's Order No. 12–71 (36 F.R. 8754), Part 1910 of Title 29 of the Code of Federal Regulations is amended as set forth below.

(1) Section 1910.93 is amended by revising Table G–3 to read as follows:

§ 1910.93 Air contaminants.

* * * * *

TABLE G-3—MINERAL DUSTS

Substance	Mppcf	Mg/M³
Silica:		
Crystalline:		
Quartz (respirable)	250 [f]	10mg/M³ [m]
	%SiO_2+5	%SiO_2+2
Quartz (total dust)		30mg/M³
		%SiO_2+2
Cristobalite: Use ½ the value calculated from the count or mass formulae for quartz.		
Tridymite: Use ½ the value calculated from the formulae for quartz.		
Amorphous, including natural diatomaceous earth	20	80mg/M³
		%SiO_2
Silicates (less than 1% crystalline silica):		
Mica	20	
Soapstone	20	
Talc	20	
Portland cement	50	
Graphite (natural)	15	
Coal dust (respirable fraction less than 5% SiO_2)		2.4mg/M³ or
For more than 5% SiO_2		10mg/M³
		%SiO_2+2
Inert or Nuisance Dust:		
Respirable fraction	15	5mg/M³
Total dust	50	15mg/M³

NOTE: Conversion factors—
mppcf×35.3=million particles per cubic meter
=particles per c.c.

[f] Millions of particles per cubic foot of air, based on impinger samples counted by light-field technics.

[l] The percentage of crystalline silica in the formula is the amount determined from air-borne samples, except in those instances in which other methods have been shown to be applicable.

[l] As determined by the membrane filter method at 430 × phase contrast magnification.

[m] Both concentration and percent quartz for the application of this limit are to be determined from the fraction passing a size-selector with the following characteristics:

Aerodynamic diameter (unit density sphere)	Percent passing selector
2	90
2.5	75
3.5	50
5.0	25
10	0

The measurements under this note refer to the use of an AEC instrument. If the respirable fraction of coal dust is determined with a MRE the figure corresponding to that of 2.4 Mg/M³ in the table for coal dust is 4.5 Mg/M³.

2. A new § 1910.93a is added to Part 1910, reading as follows:

§ 1910.93a Asbestos.

(a) *Definitions.* For the purpose of this section, (1) "Asbestos" includes chrysotile, amosite, crocidolite, tremolite, anthophyllite, and actinolite.

(2) "Asbestos fibers" means asbestos fibers longer than 5 micrometers.

(b) *Permissible exposure to airborne concentrations of asbestos fibers*—(1) *Standard effective July 7, 1972.* The 8-hour time-weighted average airborne concentrations of asbestos fibers to which any employee may be exposed shall not exceed five fibers, longer than 5 micrometers, per cubic centimeter of air, as determined by the method prescribed in paragraph (e) of this section.

(2) *Standard effective July 1, 1976.* The 8-hour time-weighted average airborne concentrations of asbestos fibers to which any employee may be exposed shall not exceed two fibers, longer than 5 micrometers, per cubic centimeter of air, as determined by the method prescribed in paragraph (e) of this section.

(3) *Ceiling concentration.* No employee shall be exposed at any time to airborne cencentrations of asbestos fibers in excess of 10 fibers, longer than 5 micrometers, per cubic centimeter of air, as determined by the method prescribed in paragraph (e) of this section.

(c) *Methods of compliance*—(1) *Engineering methods.* (i) *Engineering controls.* Engineering controls, such as, but not limited to, isolation, enclosure, exhaust ventilation, and dust collection, shall be used to meet the exposure limits prescribed in paragraph (b) of this section.

(ii) *Local exhaust ventilation.* (a) Local exhaust ventilation and dust collection systems shall be designed, constructed, installed, and maintained in accordance with the American National Standard Fundamentals Governing the Design and Operation of Local Exhaust Systems, ANSI Z9.2–1971, which is incorporated by reference herein.

(b) See § 1910.6 concerning the availability of ANSI Z9.2–1971, and the maintenance of a historic file in connection therewith. The address of the American National Standards Institute is given in § 1910.100.

(iii) *Particular tools.* All hand-operated and power-operated tools which may produce or release asbestos fibers in excess of the exposure limits prescribed in paragraph (b) of this section, such as, but not limited to, saws, scorers, abrasive wheels, and drills, shall be provided with local exhaust ventilation systems in accordance with subdivision (ii) of this subparagraph.

(2) *Work practices*—(i) *Wet methods.* Insofar as practicable, asbestos shall be handled, mixed, applied, removed, cut, scored, or otherwise worked in a wet state sufficient to prevent the emission of airborne fibers in excess of the exposure limits prescribed in paragraph (b) of this section, unless the usefulness of the product would be diminished thereby.

(ii) *Particular products and operations.* No asbestos cement, mortar, coating, grout, plaster, or similar material containing asbestos shall be removed from bags, cartons, or other containers in which they are shipped, without being either wetted, or enclosed, or ventilated so as to prevent effectively the release of airborne asbestos fibers in excess of the limits prescribed in paragraph (b) of this section.

(iii) *Spraying, demolition, or removal.* Employees engaged in the spraying of asbestos, the removal, or demolition of pipes, structures, or equipment covered or insulated with asbestos, and in the removal or demolition of asbestos insulation or coverings shall be provided with respiratory equipment in accordance with paragraph (d)(2)(iii) of this section and with special clothing in accordance with paragraph (d)(3) of this section.

(d) *Personal protective equipment*—(1) Compliance with the exposure limits prescribed by paragraph (b) of this section may not be achieved by the use of respirators or shift rotation of employees, except:

(i) During the time period necessary to install the engineering controls and to institute the work practices required by paragraph (c) of this section;

(ii) In work situations in which the methods prescribed in paragraph (c) of this section are either technically not feasible or feasible to an extent insufficient to reduce the airborne concentrations of asbestos fibers below the limits prescribed by paragraph (b) of this section; or

(iii) In emergencies.

(iv) Where both respirators and personnel rotation are allowed by subdivisions (i), (ii), or (iii) of this subparagraph, and both are practicable, personnel rotation shall be preferred and used.

(2) Where a respirator is permitted by subparagraph (1) of this paragraph, it shall be selected from among those approved by the Bureau of Mines, Department of the Interior, or the National Institute for Occupational Safety and Health, Department of Health, Education, and Welfare, under the provisions of 30 CFR Part 11 (37 F.R. 6244, Mar. 25, 1972), and shall be used in accordance with subdivisions (i), (ii), (iii), and (iv) of this subparagraph.

(i) *Air purifying respirators.* A reusable or single use air purifying respirator, or a respirator described in subdivision (ii) or (iii) of this subparagraph, shall be used to reduce the concentrations of airborne asbestos fibers in the respirator below the exposure limits prescribed in paragraph (b) of this section, when the ceiling or the 8-hour time-weighted average airborne concentrations of asbestos fibers are reasonably expected to exceed no more than 10 times those limits.

(ii) *Powered air purifying respirators.* A full facepiece powered air purifying respirator, or a powered air purifying respirator, or a respirator described in subdivision (iii) of this subparagraph, shall be used to reduce the concentrations of airborne asbestos fibers in the respirator below the exposure limits prescribed in paragraph (b) of this section, when the ceiling or the 8-hour time-weighted average concentrations of asbestos fibers are reasonably expected to exceed 10 times, but not 100 times, those limits.

(iii) *Type "C" supplied-air respirators, continuous flow or pressure-demand class.* A type "C" continuous flow or pressure-demand, supplied-air respirator shall be used to reduce the concentrations of airborne asbestos fibers in the respirator below the exposure limits prescribed in paragraph (b) of this section, when the ceiling or the 8-hour time-weighted average airborne concentrations of asbestos fibers are reasonably expected to exceed 100 times those limits.

(iv) *Establishment of a respirator program.* (a) The employer shall establish a respirator program in accordance with

the requirements of the American National Standards Practices for Respiratory Protection, ANSI Z88.2–1969, which is incorporated by reference herein.

b. See § 1910.6 concerning the availability of ANSI Z88.2–1969 and the maintenance of an historic file in connection therewith. The address of the American National Standards Institute is given in § 1910.100.

(c) No employee shall be assigned to tasks requiring the use of respirators if, based upon his most recent examination, an examining physician determines that the employee will be unable to function normally wearing a respirator, or that the safety or health of the employee or other employees will be impaired by his use of a respirator. Such employee shall be rotated to another job or given the opportunity to transfer to a different position whose duties he is able to perform with the same employer, in the same geographical area and with the same seniority, status, and rate of pay he had just prior to such transfer, if such a different position is available.

(3) Special clothing: The employer shall provide, and require the use of, special clothing, such as coveralls or similar whole body clothing, head coverings, gloves, and foot coverings for any employee exposed to airborne concentrations of asbestos fibers, which exceed the ceiling level prescribed in paragraph (b) of this section.

(4) Change rooms: (i) At any fixed place of employment exposed to airborne concentrations of asbestos fibers in excess of the exposure limits prescribed in paragraph (b) of this section, the employer shall provide change rooms for employees working regularly at the place.

(ii) Clothes lockers: The employer shall provide two separate lockers or containers for each employee, so separated or isolated as to prevent contamination of the employee's street clothes from his work clothes.

(iii) Laundering: (*a*) Laundering of asbestos contaminated clothing shall be done so as to prevent the release of airborne asbestos fibers in excess of the exposure limits prescribed in paragraph (b) of this section.

(*b*) Any employer who gives asbestos-contaminated clothing to another person for laundering shall inform such person of the requirement in (*a*) of this subdivision to effectively prevent the release of airborne asbestos fibers in excess of the exposure limits prescribed in paragraph (b) of this section.

(c) Contaminated clothing shall be transported in sealed impermeable bags, or other closed, impermeable containers, and labeled in accordance with paragraph (g) of this section.

(e) *Method of measurement.* All determinations of airborne concentrations of asbestos fibers shall be made by the membrane filter method at 400–450 × (magnification) (4 millimeter objective) with phase contrast illumination.

(f) *Monitoring*—(1) *Initial determinations.* Within 6 months of the publication of this section, every employer shall cause every place of employment where asbestos fibers are released to be monitored in such a way as to determine whether every employee's exposure to asbestos fibers is below the limits prescribed in paragraph (b) of this section. If the limits are exceeded, the employer shall immediately undertake a compliance program in accordance with paragraph (c) of this section.

(2) *Personal monitoring*—(i) Samples shall be collected from within the breathing zone of the employees, on membrane filters of 0.8 micrometer porossity mounted in an open-face filter holder. Samples shall be taken for the determination of the 8-hour time-weighted average airborne concentrations and of the ceiling concentrations of asbestos fibers.

(ii) Sampling frequency and patterns. After the initial determinations required by subparagraph (1) of this paragraph, samples shall be of such frequency and pattern as to represent with reasonable accuracy the levels of exposure of employees. In no case shall the sampling be done at intervals greater than 6 months for employees whose exposure to asbestos may reasonably be foreseen to exceed the limits prescribed by paragraph (b) of this section.

(3) *Environmental monitoring*—(i) samples shall be collected from areas of a work environment which are representative of the airborne concentrations of asbestos fibers which may reach the breathing zone of employees. Samples shall be collected on a membrane filter of 0.8 micrometer porosity mounted in an open-face filter holder. Samples shall be taken for the determination of the 8-hour time-weighted average airborne concentrations and of the ceiling concentrations of asbestos fibers.

(ii) *Sampling frequency and patterns.* After the initial determinations required by subparagraph (1) of this paragraph, samples shall be of such frequency and pattern as to represent with reasonable accuracy the levels of exposure of the employees. In no case shall sampling be at intervals greater than 6 months for employees whose exposures to asbestos may reasonably be foreseen to exceed the exposure limits prescribed in paragraph (b) of this section.

(4) *Employee observation of monitoring.* Affected employees, or their representatives, shall be given a reasonable opportunity to observe any monitoring required by this paragraph and shall have access to the records thereof.

(g) *Caution signs and labels.* (1) *Caution signs.* (i) *Posting.* Caution signs shall be provided and displayed at each location where airborne concentrations of asbestos fibers may be in excess of the exposure limits prescribed in paragraph (b) of this section. Signs shall be posted at such a distance from such a location so that an employee may read the signs and take necessary protective steps before entering the area marked by the signs. Signs shall be posted at all approaches to areas containing excessive concentrations of airborne asbestos fibers.

(ii) *Sign specifications.* The warning signs required by subdivision (i) of this subparagraph shall conform to the requirements of 20" x 14" vertical format signs specified in § 1910.145(d)(4), and to this subdivision. The signs shall display the following legend in the lower panel, with letter sizes and styles of a visibility at least equal to that specified in this subdivision.

Legend	*Notation*
Asbestos	1" Sans Serif, Gothic or Block.
Dust Hazard	¾" Sans Serif, Gothic or Block.
Avoid Breathing Dust	¼" Gothic.
Wear Assigned Protective Equipment.	¼" Gothic.
Do Not Remain In Area Unless Your Work Requires It.	¼" Gothic.
Breathing Asbestos Dust May Be Hazardous To Your Health.	14 point Gothic.

Spacing between lines shall be at least equal to the height of the upper of any two lines.

(2) *Caution labels*—(i) *Labeling.* Caution labels shall be affixed to all raw materials, mixtures, scrap, waste, debris, and other products containing asbestos fibers, or to their containers, except that no label is required where asbestos fibers have been modified by a bonding agent, coating, binder, or other material so that during any reasonably foreseeable use, handling, storage, disposal, processing, or transportation, no airborne concentrations of asbestos fibers in excess of the exposure limits prescribed in paragraph (b) of this section will be released.

(ii) *Label specifications.* The caution labels required by subdivision (i) of this subparagraph shall be printed in letters of sufficient size and contrast as to be readily visible and legible. The label shall state:

CAUTION

Contains Asbestos Fibers
Avoid Creating Dust
Breathing Asbestos Dust May Cause Serious Bodily Harm

(h) *Housekeeping*—(1) *Cleaning.* All external surfaces in any place of employment shall be maintained free of accumulations of asbestos fibers if, with their dispersion, there would be an excessive concentration.

(2) *Waste disposal.* Asbestos waste, scrap, debris, bags, containers, equipment, and asbestos-contaminated clothing, consigned for disposal, which may produce in any reasonably foreseeable use, handling, storage, processing, disposal, or transportation airborne concentrations of asbestos fibers in excess of the exposure limits prescribed in paragraph (b) of this section shall be collected and disposed of in sealed impermeable bags, or other closed, impermeable containers.

(i) *Recordkeeping*—(1) *Exposure records.* Every employer shall maintain records of any personal or environmental monitoring required by this section. Records shall be maintained for a period of at least 3 years and shall be made available upon request to the Assistant Secretary of Labor for Occupational Safety and Health, the Director of the National

Institute for Occupational Safety and Health, and to authorized representatives of either.

(2) *Employee access.* Every employee and former employee shall have reasonable access to any record required to be maintained by subparagraph (1) of this paragraph, which indicates the employee's own exposure to asbestos fibers.

(3) *Employee notification.* Any employee found to have been exposed at any time to airborne concentrations of asbestos fibers in excess of the limits prescribed in paragraph (b) of this section shall be notified in writing of the exposure as soon as practicable but not later than 5 days of the finding. The employee shall also be timely notified of the corrective action being taken.

(j) *Medical examinations*—(1) *General.* The employer shall provide or make available at his cost, medical examinations relative to exposure to asbestos required by this paragraph.

(2) *Preplacement.* The employer shall provide or make available to each of his employees, within 30 calendar days following his first employment in an occupation exposed to airborne concentrations of asbestos fibers, a comprehensive medical examination, which shall include, as a minimum, a chest roentgenogram (posterior-anterior 14 x 17 inches), a history to elicit symptomatology of respiratory disease, and pulmonary function tests to include forced vital capacity (FVC) and forced expiratory volume at 1 second ($FEV_{1.0}$).

(3) *Annual examinations.* On or before January 31, 1973, and at least annually thereafter, every employer shall provide, or make available, comprehensive medical examinations to each of his employees engaged in occupations exposed to airborne concentrations of asbestos fibers. Such annual examination shall include, as a minimum, a chest roentgenogram (posterior-anterior 14 x 17 inches), a history to elicit symptomatology of respiratory disease, and pulmonary function tests to include forced vital capacity (FVC) and forced expiratory volume at 1 second ($FEV_{1.0}$).

(4) *Termination of employment.* The employer shall provide, or make available, within 30 calendar days before or after the termination of employment of any employee engaged in an occupation exposed to airborne concentrations of asbestos fibers, a comprehensive medical examination which shall include, as a minimum, a chest roentgenogram (posterior-anterior 14 x 17 inches), a history to elicit symptomatology of respiratory disease, and pulmonary function tests to include forced vital capacity (FVC) and forced expiratory volume at 1 second ($FEV_{1.0}$).

(5) *Recent examinations.* No medical examination is required of any employee, if adequate records show that the employee has been examined in accordance with this paragraph within the past 1-year period.

(6) *Medical records*—(i) *Maintenance.* Employers of employees examined pursuant to this paragraph shall cause to be maintained complete and accurate records of all such medical examinations. Records shall be retained by employers for at least 20 years.

(ii) *Access.* The contents of the records of the medical examinations required by this paragraph shall be made available, for inspection and copying, to the Assistant Secretary of Labor for Occupational Safety and Health, the Director of NIOSH, to authorized physicians and medical consultants of either of them, and, upon the request of an employee or former employee, to his physician. Any physician who conducts a medical examination required by this paragraph shall furnish to the employer of the examined employee all the information specifically required by this paragraph, and any other medical information related to occupational exposure to asbestos fibers.

3. A new § 1910.19 is added to Subpart B of Part 1910, reading as follows:

§ 1910.19 Asbestos dust.

Section 1910.93a shall apply to the exposure of every employee to asbestos dust in every employment and place of employment covered by § 1910.12, § 1910.13, § 1910.14, § 1910.15, or § 1910.16, in lieu of any different standard on exposure to asbestos dust which would otherwise be applicable by virtue of any of those sections.

Effective date. Paragraph (b)(2) of § 1910.93a shall become effective July 1, 1976. All other provisions of §§ 1919.93a, 1910.93, and 1910.19 shall become effective July 7, 1972. The current emergency temporary standard remains in effect until July 7, 1972.

(Secs. 6, 8, 84 Stat. 1593, 1598; 29 U.S.C. 655, 657; 29 CFR 1910.4; Secretary of Labor's Order No. 12-71, 36 F.R. 8754)

Signed at Washington, D.C., this 2d day of June 1972.

G. C. GUENTHER,
Assistant Secretary of Labor.

[FR Doc.72-8574 Filed 6-6-72;8:48 am]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 9—Atomic Energy Commission

PART 9-1—GENERAL

Subpart 9-1.1—Procurement Regulations

MISCELLANEOUS AMENDMENTS

The changes made in AECPR Subpart 9-1.1, Procurement Regulations, have been made in order to establish the AECPR Temporary Regulations, which are a part of the AEC Procurement Regulations and the Federal Procurement Regulations System. The AECPR Temporary Regulations implement and supplement the FPR Temporary Regulations. They also contain policies and procedures initiated by the AEC which are to be effective for a period of 6 months or less. The AEC Procurement Instruction section has been revised accordingly. Minor editorial changes have also been made.

1. Section 9-1.101 *Scope of subpart,* is revised to read as follows:

§ 9-1.101 Scope of subpart.

This subpart describes the Atomic Energy Commission Procurement Regulations and the AECPR Temporary Regulations. It also describes exclusions from the AECPR as contained in the AEC Procurement Instructions.

2. Section 9-1.102 *Establishment of AEC Procurement Regulations,* is revised to read as follows:

§ 9-1.102 Establishment of the AEC Procurement Regulations and the AECPR Temporary Regulations.

§ 9-1.102-1 AEC Procurement Regulations.

(a) The AEC Procurement Regulations (AECPR) are hereby established.

(b) These regulations implement and supplement the Federal Procurement Regulations (FPR) and are a part of the Federal Procurement Regulations System.

(c) The effective date of FPR issuances throughout AEC will be the date indicated in the respective issuances unless otherwise provided in the AEC Procurement Regulations.

(d) The effective date of AECPR issuances throughout AEC will be the date indicated in the respective issuances.

§ 9-1.102-2 AECPR Temporary Regulations.

(a) The AECPR Temporary Regulations are hereby established.

(b) These regulations implement and supplement the Federal Procurement Regulations Temporary Regulations. They also contain policies and procedures initiated by the AEC which are expected to be effective for a period of 6 months or less.

(c) The effective date of the FPR Temporary Regulations issuances throughout AEC will be the date indicated in the respective issuances unless otherwise provided in the AECPR Temporary Regulations.

(d) The effective date of the AECPR Temporary Regulations issuances throughout AEC will be the date indicated in the respective issuances.

(e) The AECPR Temporary Regulations are a part of the AEC Procurement Regulations and the Federal Procurement Regulations System. All references to the AEC Procurement Regulations or AECPR in §§ 9-1.103 through 9-1.109 of this subpart shall be deemed to include the AECPR temporary regulations.

3. Section 9-1.103 *Authority,* is revised to read as follows:

§ 9-1.103 Authority.

The AEC Procurement Regulations are prescribed by the General Manager, Assistant General Manager for Administration, or the Director, Division of Contracts of the AEC, pursuant to the authority of the Atomic Energy Act of 1954, and the Federal Property and Administrative Services Act of 1949.

4. Section 9–1.108 *Exclusions*, is revised to read as follows:

§ 9–1.108 Exclusions.

Certain policies and procedures which come within the scope of this chapter nevertheless may be excluded from AEC PR. These exclusions are contained in the AEC Procurement Instructions (AEC PI) and include the following categories:

(a) Classified subject matter.

(b) Subject matter which is "Official Use Only" or is of a purely internal nature.

(c) Instructional material that explains fore fully and in discursive fashion matters covered in FPR's and AECPR's.

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

Effective date. These amendments are effective upon publication in the FEDERAL REGISTER (6–7–72).

Dated at Germantown, Md., this 31st day of May 1972.

For the U.S. Atomic Energy Commission.

JOSEPH L. SMITH,
Director, Division of Contracts.

[FR Doc.72–8566 Filed 6–6–72;8:49 am]

Chapter 101—Federal Property Management Regulations

SUBCHAPTER D—PUBLIC BUILDINGS AND SPACE

CONSIDERATION OF SOCIOECONOMIC IMPACT WHEN SELECTING LOCATIONS FOR FEDERAL BUILDINGS

A proposal was published in the FEDERAL REGISTER, November 3, 1971, 36 F.R. 21059 to amend 41 CFR 101–17—Construction and Alteration of Public Building 41 CFR 101–18—Acquisition of Real Property, and 41 CFR 101–20—Assignment and Utilization of Space, to establish agency policy for applying socioeconomic considerations to selecting locations for Federal buildings. The regulations have been revised as set forth below and are effective upon publication in the FEDERAL REGISTER.

Comments were received from the Department of Agriculture, the Department of Health, Education, and Welfare, the U.S. Commission on Civil Rights, the Department of Housing and Urban Development, and 12 other non-Federal organizations. Many comments related to the necessity for procedures to be issued by the Department of Housing and Urban Development and those comments, as well as all others received by GSA, were referred to that Department for appropriate action. The HUD procedures were developed and are also published.

There were a number of comments to the effect that GSA should not be permitted to select a site which HUD has reported inadequate with respect to the accessibility of the location to low and moderate income housing on a nondiscriminatory basis. This criticism must be rejected, since by statute and Executive order, GSA has the authority and responsibility for making final location determinations with respect to the construction of Federal buildings and the acquisition of leased space, and must take into account factors other than those which are the subject of the Memorandum of Understanding.

Comments were received recommending that transportation considerations be included, and these considerations are now contained in the HUD and GSA procedures.

Several of the comments suggested that the procedures provide for more assurance that an Affirmative Action Plan will be carried out. The provisions relating to the Affirmative Action Plan have been revised to provide that all agreements that constitute the Plan will be signed not only by the appropriate representatives of HUD, GSA, and the Federal agency involved, but also by community bodies and agencies and other interests whose cooperation and/or participation will be necessary to fulfill the requirements of the Plan.

Several other comments criticized the regulations for failing to require that there be nondiscrimination in the sale and rental of housing in addition to the requirement for an adequate supply of low and moderate income housing on a nondiscriminatory basis. Such requirement is now contained in the regulations and procedures.

There were many comments indicating the need for more detailed working procedures; these comments were made before the GSA and HUD proposed procedures had been published for comment. The new regulations and HUD and GSA procedures now published in this issue of the FEDERAL REGISTER provide for this additional detail.

This amendment provides for: (1) Inclusion of new legislative and Executive order citations to the authorities being implemented in Parts 101–17, 101–18, and 101–20; (2) revision of the policy statements in §§ 101–17.102, 101–18.102, and 101–20.002 to include considerations required by the cited Acts and orders in the planning for new public buildings, in the acquisition of space by lease, and in the assignment and utilization of space; (3) implementation of these policies in providing buildings and space for Federal agencies in accordance with existing authority in a manner designed to exert a positive economic and social influence on the development or redevelopment of the areas in which such facilities will be located; and (4) minor editorial corrections.

PART 101–17—CONSTRUCTION AND ALTERATION OF PUBLIC BUILDINGS

The table of contents for Part 101–17 is amended by adding the following new entries:

Sec.

Subparts 101–17.8—101–17.47 [Reserved]

Subpart 101–17.48—Exhibits

Section 101–17.001 is revised to read as follows:

§ 101–17.001 Authority.

This Part 101–17 implements the applicable provisions of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended; the Public Buildings Act of 1959 (40 U.S.C. 601–615); Public Law 90–480, approved August 12, 1968, 82 Stat. 718 (42 U.S.C. 4151–4156); the Clean Air Act (42 U.S.C. 1857–1858); the Federal Water Pollution Control Act (33 U.S.C. 1151–1175); the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4201–4244; 40 U.S.C. 531–535); the Agricultural Act of 1970, 84 Stat. 1358; Executive Order 11507 of February 4, 1970 (35 F.R. 2573); Executive Order 11508 of February 10, 1970 (35 F.R. 2855); Executive Order 11512 of February 27, 1970 (35 F.R. 3979); and title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601).

Subpart 101–17.1—General

1. Section 101–17.102 is revised to read as follows:

§ 101–17.102 Basic policy.

(a) In the process of developing building projects, the following policies will be observed:

(1) Material consideration will be given to the efficient performance of the missions and programs of the executive agencies and the nature and function of the facilities involved with due regard for the convenience of the public served and the maintenance and improvement of safe and healthful working conditions for employees;

(2) Consideration will be given in the delineation of areas and the selection of sites for the development of Federal facilities to the need for development and redevelopment of areas and the development of new communities and the impact a selection will have on improving social and economic conditions in the area. In determining these conditions, the Administrator of General Services will consult with and receive advice from the Secretary of Housing and Urban Development, the Secretary of Health, Education, and Welfare, the Secretary of Commerce, and others, as appropriate;

(3) Maximum use will be made of existing Government-owned permanent

buildings which are adequate or economically adaptable to the space needs of executive agencies;

(4) Suitable privately owned space will be acquired only when satisfactory Government-owned space is not available and only at rental charges which are consistent with prevailing rates in the community for comparable faciilties;

(5) Space planning and assignments will take into account the objective of consolidating agencies and constituent parts thereof in common or adjacent space for the purpose of improving management and administration;

(6) Availability of low and moderate income housing for employees without discrimination because of race, color, religion, or national origin; nondiscrimination in the sale and rental of housing; adequate access from other areas of the urban center; and adequacy of parking will be considered; and

(7) Proposed developments will be, to the greatest extent practicable, consistent with State, regional, and local plans and programs; and Governors, local elected officials, and regional comprehensive planning agencies will be consulted in the planning of such developments.

(b) In accordance with the provisions of section 901(b) of the Agricultural Act of 1970 (84 Stat. 1358), insofar as practicable, new offices and other facilities will be located in areas or communities of low population density in preference to areas or communities of high population density, due consideration being given to the provisions of section 7(a) of the Public Buildings Act of 1959 (40 U.S.C. 606(a)), and Executive Order 11512 of February 27, 1970 (35 F.R. 3979).

(c) GSA will plan the construction and alteration of Federal facilities at a rate that will reduce the total amount of rental space, provide for Federal operations to be housed in Government-owned space, and replace Government-owned facilities becoming obsolete with modern functional structures that meet present-day requirements for efficient and economical operation.

(d) GSA will provide technical services and guidance to other Federal agencies in the formulation and development of their programs for construction and alteration of special facilities.

(e) Excess properties transferred to GSA will be renovated and altered whenever practical to meet Government space needs.

(f) In selecting sites for public buildings, consideration will also be given to:

(1) Maximum utilization of Government-owned land (including excess land) whenever it is adequate, economically adaptable to requirements and properly located, where such use is consistent with the provisions of Executive Order 11508 of February 10, 1970, and Subpart 101–47.8;

(2) A site adjacent to or in the proximity of an existing Federal building which is well located and is to be retained for long-term occupancy; and

(3) Suitable sites in established civic or redevelopment centers which are well planned and properly financed with development initiated and insured.

(g) The design of new buildings shall provide requisite and adequate facilities in an architectural style and form which is distinguished and reflects the dignity, enterprise, vigor, and stability of the U.S. Government. Major emphasis shall be placed on designs that embody the finest contemporary American architectural thought. Specific attention shall be paid to the possibilities of incorporating into such designs qualities which reflect the regional architectural traditions of the part of the Nation in which the buildings will be located.

(h) In the alteration of existing buildings, GSA will maintain architectural integrity and compatibility with existing structures.

(i) In the design of new public buildings, and to the extent feasible in the alteration of existing public buildings, GSA will (1) insure that such buildings and attendant facilities will be accessible to and usable by the physically handicapped (42 U.S.C. 4151–4156) and (2) utilize, to the maximum extent, modern methods and techniques for the control of air and water pollution (Clean Air Act 42 U.S.C. 1857–1858; Federal Water Pollution Control Act, 33 U.S.C. 1151–1175).

(j) In the siting and locating of buildings on selected sites, GSA representatives will work directly with local officials in seeking to conform as closely as possible to local zoning regulations.

(k) In the design of new public buildings and alterations to public buildings, locally approved and/or nationally recognized building and performance codes, standards, and specifications will be followed as minimum requirements.

(l) Parking for Government-owned, visitors', and employees' vehicles will be provided in the planning of public buildings with due regard to the needs of the Federal agencies to be housed in each building, local zoning and parking regulations, availability of public transportation, and availability of planned and existing public and privately owned parking facilities in the locality.

(m) Fine arts, as appropriate, will be incorporated in the design of selected new public buildings. Fine arts, including painting, sculpture, and artistic work in other mediums, will reflect the national cultural heritage and emphasize

2. Section 101–17.104 is added as follows:

§ 101–17.104 Application of socioeconomic considerations.

The purpose of this section is to provide an effective systematic arrangement to insure the availability of low and moderate income housing for Federal employees without discrimination because of race, color, religion, or national origin and to influence the improvement in social and economic conditions in the area of Federal buildings.

§ 101–17.104–1 Location of buildings.

(a) GSA, in all its determinations with respect to the location of federally constructed buildings and the acquisition of leased buildings, will consider to the maximum possible extent the availability of low and moderate income housing for employees without discrimination because of race, color, religion, or national origin and will affirmatively further the purposes of title VIII of the Civil Rights Act of 1968.

(b) Final decisions of the Administrator of General Services will be based on the determination that such decisions will improve the management and administration of governmental activities and services and will foster the programs and policies of the Federal Government.

§ 101–17.104–2 Agreement with Secretary of Housing and Urban Development.

(a) The Administrator of General Services has entered into an agreement with the Secretary of Housing and Urban Development to utilize the Department of Housing and Urban Development (HUD) to investigate, determine, and report to GSA findings on the availability of low and moderate income housing on a nondiscriminatory basis with respect to proposed locations for a federally constructed building or major lease action having a significant socioeconomic impact on a community.

(b) HUD shall advise GSA and other Federal agencies with respect to actions which would increase the availability of low and moderate income housing on a nondiscriminatory basis, after a site has been selected for a federally constructed building or a lease executed for space and shall assist in increasing the availability of such housing through its own programs.

(c) The text of the HUD–GSA agreement is located at § 101–17.4801.

§ 101–17.104–3 Consultation with HUD.

(a) In the initial selection of a city or delineation of a general area for location of public buildings or leased buildings, GSA will provide the earliest possible notice to HUD of information with respect to such decisions. Regional offices of HUD, as identified by the Secretary of Housing and Urban Development, and local planning and housing authorities will be consulted concerning the present and planned availability of low and moderate income housing on a non discriminatory basis in the area where the project is to be located during the project development investigation.

(b) Regional office representatives of HUD, as designated by the Secretary of Housing and Urban Development, will participate in site investigations for the purpose of providing a report to GSA on the availability of low and moderate income housing on a nondiscriminatory basis in the area of the investigation.

(c) The HUD Regional Administrator will transmit to the Regional Director, PBS, his evaluation of the sites being considered. In any case in which a proposed site is deemed inadequate on one or more grounds; i.e., supply of low and moderate income housing on a nondiscriminatory basis, nondiscrimination in the sale and rental of housing on the basis of race, color, religion, or national origin, or

availability of transportation from housing to site, the HUD Regional Administrator shall include an outline of corrective actions which, in his judgment, will be required to overcome the inadequacies noted.

(d) The actions described in § 101–17.104–3(d) are subject to the provisions of the HUD/GSA Memorandum of Understanding:

(1) All project development investigations.

(2) Site selections for public buildings (or leased space in buildings to be erected by the lessor) in which 100 or more low- or moderate-income employees are excepted to be employed in the new building.

(3) GSA requests HUD review in actions of special importance not covered by (2).

(e) The Regional Director, PBS, shall promptly notify the HUD Regional Administrator after reaching a decision on the sites to be recommended for a facility and their priority. In the event any of the preferred sites are identified by HUD as inadequate on one or more of the grounds set forth in (c), the HUD Regional Administrator shall so advise the Assistant Secretary for Equal Opportunity. The Assistant Secretary will notify the Commissioner, Public Buildings Service, GSA, of HUD's concerns within 5 workdays after notification by the HUD Regional Administrator and agree on the time required to properly present HUD's view.

(f) GSA will provide a written explanation when, after headquarters' review, a location is selected which HUD reported inadequate with respect to one or more of the grounds set forth in (c), in accordance with the HUD-GSA Memorandum of Understanding.

§ 101–17.104–4 Affirmative action plan.

(a) Prior to the announcement of a site selected contrary to the recommendation of HUD, the involved Federal agency, GSA, HUD, and the community in which the proposed site is located will utilize the items indicated in the report of the HUD Regional Administrator as a basis for developing a written Affirmative Action Plan. The Affirmative Action Plan will insure that an adequate supply of low- and moderate-income housing will be available on a nondiscriminatory basis, and that there is adequate transportation from housing to the site, before the building or space is to be occupied or within a period of 6 months thereafter. Such a plan will also contain appropriate provisions designed affirmatively to further nondiscrimination in the sale and rental of housing on the basis of race, color, religion, or national origin. The Affirmative Action Plan will be prepared in accordance with section 9(g) of the HUD-GSA Memorandum of Understanding, and will include, but not be limited to, the following points:

(1) The corrective actions specified by HUD under § 101–17.104–3(c).

(2) Assurance of the relocating agency that, when the old and new facilities are within the same metropolitan area, transportation will be provided for their low- and moderate-income employees between the old facility or other suitable location and the new facility at the beginning and end of the scheduled workday until sufficient new housing is built accessible to the new facility, as provided in the affirmative action plan.

(3) All agreements which constitute an affirmative action plan will be set forth in writing and will be signed by the appropriate representatives of HUD, GSA, the Federal agency involved, community bodies and agencies, and other interests whose cooperation and/or participation will be necessary to fulfill the requirements of the plan.

(b) The contents of the affirmative action plan will be made public after the site selection decision has been made by GSA.

(c) The HUD Regional Administrator shall be responsible for monitoring compliance with the written affirmative action plan. In the event of noncompliance HUD and GSA shall undertake appropriate action to secure compliance. The plan should provide for commitments from the community involved to initiate and carry out all feasible efforts to obtain a sufficient quantity of low- and moderate-income housing available to the agency's personnel on a nondiscriminatory basis with adequate access to the location of the building or space. It should include commitments by the local officials having the authority to remove obstacles to the provision of such housing, when such obstacles exist, and to take effective steps to insure its provision. The plan should also set forth the steps proposed by the agency to develop and implement a counseling and referral service to seek out and assist its personnel to obtain such housing. As part of any plan, during as well as after its development, HUD will give priority consideration to applications for assistance under its housing programs for the housing proposed to be provided in accordance with the plan.

§ 101–17.104–5 Agency compliance.

(a) Agencies shall cooperate with the Administrator of General Services and provide such information as may be necessary to effectively comply with these regulations and to cooperate with the Secretary of Housing and Urban Development to affirmatively further the purposes of title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601).

(b) As a minimum, agencies shall determine the number of positions by grade and an estimate of the number of employees whose jobs are being moved. Further details, such as family income and size, minority status, present home location, and status as head-of-household, may also be required depending upon the type, scope, and circumstances of the relocation. GSA will inform agencies concerning specific situations.

(c) Federal agencies who will relocate shall provide counseling and referral service to assist their personnel in obtaining housing. GSA and HUD will cooperate in this effort.

Subparts 101–17.8—101–17.47 [Reserved]

Subpart 101–17.48 is added as follows:

Subpart 101–17.48—Exhibits

§ 101–17.4800 Scope of subpart.

This Subpart 101–17.48 illustrates information referred to in the text of Part 101–17 but not suitable for inclusion elsewhere in that part.

§ 101–17.4801 Memorandum of understanding between the Department of Housing and Urban Development and the General Services Administration concerning low and moderate income housing.

MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE GENERAL SERVICES ADMINISTRATION CONCERNING LOW- AND MODERATE-INCOME HOUSING

Purpose. The purpose of the memorandum of understanding is to provide an effective, systematic arrangement under which the Federal Government, acting through HUD and GSA, will fulfill its responsibilities under law, and, as a major employer, in accordance with the concepts of good management, to assure for its employees the availability of low- and moderate-income housing without discrimination because of race, color, religion, or national origin, and to consider the need for development and redevelopment of areas and the development of new communities and the impact on improving social and economic conditions in the area, whenever Federal Government facilities locate or relocate at new sites, and to use its resources and authority to aid in the achievement of these objectives.

1. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601) states, in section 801, that "It is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States." Section 808(a) places the authority and responsibility for administering the Act in the Secretary of Housing and Urban Development. Section 808(d) requires all executive departments and agencies to administer their programs and activities relating to housing and urban development in a manner affirmatively to further the purposes of title VIII (fair housing) and to cooperate with the Secretary to further such purposes. Section 808(e)(5) provides that the Secretary of HUD shall administer the programs and activities relating to housing and urban development in a manner affirmatively to further the policies of title VIII.

2. Section 2 of the Housing Act of 1949 (42 U.S.C. 1441) declares the national policy of * * * "the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family * * *." This goal was reaffirmed in the Housing and Urban Development Act of 1968 (sections 2 and 1601; 12 U.S.C. 1701t and 42 U.S.C. 1441a).

3. By virtue of the Public Buildings Act of 1959, as amended; the Federal Property and Administrative Services Act of 1949, as amended; and Reorganization Plan No. 18 of 1950, the Administrator of General Services is given certain authority and responsibility in connection with planning, developing, and constructing Government-owned public buildings for housing Federal agencies, and for acquiring leased space for Federal agency use.

4. Executive Order No. 11512, February 27, 1970, sets forth the policies by which the Administrator of General Services and the heads of executive agencies will be guided in the

acquisition of both federally owned and leased office buildings and space.

5. While Executive Order No. 11512 provides that material consideration will be given to the efficient performance of the missions and programs of the executive agencies and the nature and functions of the facilities involved, there are six other guidelines set forth, including:

The need for development and redevelopment of areas and the development of new communities, and the impact a selection will have on improving social and economic conditions in the area; and

The availability of adequate low- and moderate-income housing, adequate access from other areas of the urban center, and adequacy of parking.

6. General Services Administration (GSA) recognizes its responsibility, in all its determinations with respect to the construction of Federal buildings and the acquisition of leased space, to consider to the maximum possible extent the availability of low- and moderate-income housing without discrimination because of race, color, religion, or national origin, in accordance with its duty affirmatively to further the purposes of title VIII of the Civil Rights Act of 1968 and with the authorities referred to in paragraph 2 above, and the guidelines referred to in paragraph 5 above, and consistent with the authorities cited in paragraphs 3 and 4 above. In connection with the foregoing statement, it is recognized that all the guidelines must be considered in each case, with the ultimate decision to be made by the Administrator of General Services upon his determination that such decision will improve the management and administration of governmental activities and services, and will foster the programs and policies of the Federal Government.

7. In addition to its fair housing responsibilities, the responsibilities of HUD include assisting in the development of the Nation's housing supply through programs of mortgage insurance, home ownership and rental housing assistance, rent supplements, below market interest rates, and low-rent public housing. Additional HUD program responsibilities which relate or impinge upon housing and community development include comprehensive planning assistance, metropolitan area planning coordination, new communities, relocation, urban renewal, model cities, rehabilitation loans and grants, neighborhood facilities grants, water and sewer grants, open space, public facilities loans, Operation BREAKTHROUGH, code enforcement, workable programs, and others.

8. In view of its responsibilities described in paragraphs 1 and 7 above, HUD possesses the necessary expertise to investigate, determine, and report to GSA on the availability of low and moderate income housing on a nondiscriminatory basis and to make findings as to such availability with respect to proposed locations for a federally-constructed building or leased space which would be consistent with such reports. HUD also possesses the necessary expertise to advise GSA and other Federal agencies with respect to actions which would increase the availability of low and moderate income housing on a nondiscriminatory basis, once a site has been selected for a federally-constructed building or a lease executed for space, as well as to assist in increasing the availability of such housing through its own programs such as those described in paragraph 7 above.

9. HUD and GSA agree that:

(a) GSA will pursue the achievement of low and moderate income housing objectives and fair housing objectives, in accordance with its responsibilities recognized in paragraph 6 above, in all determinations, tentative and final, with respect to the location of both federally constructed buildings and leased buildings and space, and will make all reasonable efforts to make this policy known to all persons, organizations, agencies and others concerned with federally-owned and leased buildings and space in a manner which will aid in achieving such objectives.

(b) In view of the importance to the achievement of the objectives of this memorandum of agreement of the initial selection of a city or delineation of a general area for location of public buildings or leased space, GSA will provide the earliest possible notice to HUD of information with respect to such decisions so that HUD can carry out its responsibilities under this memorandum of agreement as effectively as possible.

(c) Government-owned Public Buildings Projects:

(1) In the planning for each new public buildings project under the Public Buildings Act of 1959, during the survey preliminary to the preparation and submission of a project development report, representatives of the regional office of GSA in which the project is proposed will consult with, and receive advice from, the regional office of HUD, and local planning and housing authorities concerning the present and planned availability of low and moderate income housing on a nondiscriminatory basis in the area where the project is to be located. Such advice will constitute the principal basis for GSA's consideration of the availability of such housing in accordance with paragraphs 6 and 9(a). A copy of the prospectus for each project which is authorized by the Committees on Public Works of the Congress in accordance with the requirements of section 7(a) of the Public Buildings Act of 1959, will be provided to HUD.

(2) When a site investigation for an authorized public buildings project is conducted by regional representatives of GSA to identify a site on which the public building will be constructed, a representative from the regional office of HUD will participate in the site investigation for the purposes of providing a report on the availability of low and moderate income housing on a nondiscriminatory basis in the area of the investigation. Such report will constitute the principal basis for GSA's consideration of the availability of such housing in accordance with paragraphs 6 and 9(a).

(d) Major lease actions having a significant socioeconomic impact on a community: At the time GSA and the agencies who will occupy the space have tentatively delineated the general area in which the leased space must be located in order that the agencies may effectively perform their missions and programs, the regional representative of HUD will be consulted by the regional representative of GSA who is responsible for the leasing action to obtain advice from HUD concerning the availability of low and moderate income housing on a nondiscriminatory basis to the delineated area. Such advice will constitute the principal basis for GSA's consideration of the availability of such housing in accordance with paragraphs 6 and 9(a). Copies of lease-construction prospectuses approved by the Committees on Public Works of the Congress in conformity with the provisions of the Independent Offices and Department of Housing and Urban Development appropriation acts, will be provided to HUD.

(e) GSA and HUD will each issue internal operating procedures to implement this memorandum of understanding within a reasonable time after its execution. These procedures shall recognize the right of HUD, in the event of a disagreement between HUD and GSA representatives at the area or regional level, to bring such disagreement to the attention of GSA officials at headquarters in sufficient time to assure full consideration of HUD's views, prior to the making of a determination by GSA.

(f) In the event a decision is made by GSA as to the location of a federally constructed building or leased space, and HUD has made findings, expressed in the advice given or a report made to GSA, that the availability to such location of low and moderate income housing on a nondiscriminatory basis is inadequate, the GSA shall provide the DHUD with a written explanation why the location was selected.

(g) Whenever the advice or report provided by HUD in accordance with paragraph 9(c)(1), 9(c)(2), or 9(d) with respect to an area or site indicates that the supply of low- and moderate-income housing on a nondiscriminatory basis is inadequate to meet the needs of the personnel of the agency involved, GSA and HUD will develop an affirmative action plan designed to insure that an adequate supply of such housing will be available before the building or space is to be occupied or within a period of 6 months thereafter. The plan should provide for commitments from the community involved to initiate and carry out all feasible efforts to obtain a sufficient quantity of low- and moderate-income housing available to the agency's personnel on a nondiscriminatory basis with adequate access to the location of the building or space. It should include commitments by the local officials having the authority to remove obstacles to the provision of such housing, when such obstacles exist, and to take effective steps to assure its provision. The plan should also set forth the steps proposed by the agency to develop and implement a counseling and referral service to seek out and assist its personnel to obtain such housing. As part of any plan during, as well as after its development, HUD agrees to give priority consideration to applications for assistance under its housing programs for the housing proposed to be provided in accordance with the plan.

10. This memorandum will be reviewed at the end of 1 year, and modified to incorporate any provision necessary to improve its effectiveness in light of actual experience.

Dated: June 11, 1971.

ROBERT L. KUNZIG,
Administrator, General Services Administration.

Dated: June 12, 1971.

GEORGE ROMNEY,
Secretary, Department of Housing and Urban Development.

PART 101–18—ACQUISITION OF REAL PROPERTY

The table of contents for Part 101–18 is amended by adding the following new entry:

Sec.
101–18.109 Application of socioeconomic considerations.

Subpart 101–18.1—Acquisition by Lease

1. Section 101–18.101 is revised to read as follows:

§ 101–18.101 Authorities of subpart.

This Subpart 101–18.1 implements section 210(h)(1) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(h)(1)); the Act of August 27, 1935 (40 U.S.C. 304c), Reorganization Plan No. 18 of 1950 (40 U.S.C. 490

note); the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4201–4244; 40 U.S.C. 531–535); the Agricultural Act of 1970, 84 Stat. 1358; Executive Order 11512 of February 27, 1970 (35 F.R. 3979); and title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601).

2. Section 101–18.102 is revised to read as follows:

§ 101–18.102 Basic policy.

(a) GSA will lease space in privately owned buildings and land only when needs cannot be satisfactorily met in Government-owned or presently leased space, and when the construction or alteration of a Federal building or the purchase of a privately owned building is not warranted because requirements in the community are insufficient or are indefinite in scope or duration, or completion of a new building within a reasonable time cannot be insured.

(b) Acquisition of space by lease will be on the basis most favorable to the Government, with due consideration to maintenance and operational efficiency, and only at charges consistent with prevailing scales in the community for comparable facilities.

(c) Acquisition of space by lease will be by negotiation except where all the factors are present which will permit true competition and where the formal sealed bid method is required by law. In negotiating, competition will be obtained to the maximum extent practical among suitable available locations meeting minimum Government requirements.

(d) When considering acquisition or when acquiring space by lease, and subject to the provisions of § 101–18.109:

(1) Material consideration shall be given to the efficient performance of the missions and programs of the executive agencies and the nature and function of the facilities involved with due regard for the convenience of the public served and the maintenance and improvement of safe and healthful working conditions for employees;

(2) Consideration shall be given in the selection of sites for Federal facilities to the need for development and redevelopment of areas and the development of new communities and the impact a selection will have on improving social and economic conditions in the area. In determining these conditions, the Administrator of General Services will consult with and receive advice from the Secretary of Housing and Urban Development, the Secretary of Health, Education, and Welfare, the Secretary of Commerce, and others, as appropriate;

(3) Maximum use shall be made of existing Government-owned permanent buildings which are adequate or economically adaptable to the space needs of executive agencies;

(4) Suitable privately owned space shall be acquired only when satisfactory Government-owned space is not available;

(5) Space planning and assignments shall take into account the objective of consolidating agencies and constituent parts thereof in common or adjacent space for the purpose of improving management and administration; and

(6) The availability of adequate low- and moderate-income housing on a nondiscriminatory basis, nondiscrimination in the sale and rental of housing, adequate access from other areas of the urban center, and adequacy of parking shall be considered.

(e) Lease-construction projects required to be authorized in accordance with or in the manner provided by the provisions of the Public Buildings Act of 1959 will be, to the greatest extent practicable, consistent with State, regional, and local plans, programs, and local zoning regulations; and Governors, local elected officials, and regional comprehensive planning agencies will be consulted in the planning of the proposed development of such Federal facilities.

(f) Insofar as practicable, leased space for new offices and other facilities will be located in areas or communities of low population density, due consideration being given to the provisions of Executive Order 11512 of February 27, 1970 (35 F.R. 2979).

3. Section 101–18.104(e)(3) is revised to read as follows:

§ 101–18.104 Acquisition by other agencies.

* * * * *

(e) * * *

(3) The space is acquired by the U.S. Postal Service for postal purposes.

4. Section 101–18.106–1 is amended to read as follows:

§ 101–18.106–1 List of special purpose space.

* * * * *

(d) [Reserved]

* * * * *

(f) Department of Housing and Urban Development: Space used for residential and related purposes.

* * * * *

(j) Department of the Treasury:

(1) [Reserved]

* * * * *

(l) Department of the Interior:

(1) Space in buildings and land incidental thereto used by field crews of the Bureau of Reclamation, Bureau of Land Management, and the Geological Survey for periods of less than 1 year in remote areas where no other Government agencies are quartered; and

(2) Garage space held under service contract used by the Geological Survey and the Bureau of Land Management.

* * * * *

(p) Department of Transportation:

(1) U.S. Coast Guard: Plots of land and pier sites, including closed storage space required in combination with piers and docking and mooring facilities; space for the oceanic unit at Woods Hole, Mass.; and space for port security activities;

(2) Federal Aviation Administration: All space located at airports, the Aeronautical Center at Oklahoma City, Okla., air route traffic control centers, garage space held under service contracts, and land.

5. Section 101–18.107(c) is revised to read as follows:

§ 101–18.107 Limitations on the use of delegated authority.

* * * * *

(c) Agencies having a need for other than temporary parking accommodations in the urban centers listed in § 101–18.104, for Government-owned motor vehicles not regularly housed by GSA, shall ascertain the availability of Government owned or controlled parking from GSA in accordance with the procedures outlined in § 101–20.102–6 prior to instituting procurement action to acquire parking facilities or services.

6. Section 101–18.109 is added as follows:

§ 101–18.109 Application of socioeconomic considerations.

(a) In acquiring space by lease, locations will be avoided which will work a hardship on employees because (1) there is a lack of adequate housing for low- and middle-income employees on a nondiscriminatory basis within reasonable proximity and (2) the location is not readily accessible from other areas of the urban center.

(b) Consideration of low- and moderate-income housing on a nondiscriminatory basis for employees and the need for development and redevelopment of areas for socioeconomic improvement will apply to the acquisition of space by lease where:

(1) 100 or more low or moderate income employees are expected to be employed in the space to be leased; and

(2) The lease involves residential relocation of a majority of the existing low and moderate income work force, or a significant increase in their transportation or parking costs, or travel time to the new location will exceed 45 minutes or a 20 percent increase if travel time to the present facility already exceeds an average of 45 minutes; or

(3) GSA requests HUD review in lease actions of special importance not covered by (1) and (2).

(c) The Department of Housing and Urban Development is responsible for providing information concerning the availability of low and moderate income housing on a nondiscriminatory basis in areas where Federal facilities are planned to be located.

(d) The Department of Housing and Urban Development will be consulted concerning the availability, on a nondiscriminatory basis, of low and moderate income housing for those Federal employees who will work in the project area.

(e) Other socioeconomic considerations described in § 101–17.104 are also applicable to acquisition by lease.

PART 101–20—ASSIGNMENT AND UTILIZATION OF SPACE

The table of contents for Part 101–20 is amended by the addition of the following new entries:

Sec.
101-20.102-6 Procurement of parking for Government-owned vehicles.
101-20.104 Application of socioeconomic considerations.

1. Section 101-20.001 is revised to read as follows:

§ 101-20.001 Authority.

This part implements the applicable provisions of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended; the Act of July 1, 1898 (40 U.S.C. 285); the Act of August 27, 1935 (40 U.S.C. 304c); the Public Buildings Act of 1959 (40 U.S.C. 601 et seq.); Reorganization Plan No. 18 of 1950 (40 U.S.C. 490 note); and Executive Order 11512 of February 27, 1970 (35 F.R. 3979).

2. Section 101-20.002 is revised to read as follows:

§ 101-20.002 Basic policy.

GSA and other Federal agencies shall be guided by the following policies for the assignment, reassignment, and utilization of office buildings and space.

(a) Material consideration shall be given to the efficient performance of the missions and programs of the executive agencies and the nature and function of the facilities involved with due regard for the convenience of the public served and the maintenance and improvement of safe and healthful working conditions for employees.

(b) Maximum use shall be made of existing Government-owned permanent buildings which are adequate or economically adaptable to the space needs of executive agencies.

(c) Suitable privately owned space shall be acquired only when satisfactory Government-owned space is not avaliable.

(d) Space planning and assignments shall take into account the objective of consolidating agencies and constituent parts thereof in common or adjacent space to improve management and administration.

(e) The availability of adequate low and moderate income housing on a nondiscriminatory basis for employees, nondiscrimination in the sale and rental of housing, accessibility from other areas of the urban center, and adequacy of parking facilities shall be considered.

(f) Whenever a space assignment requires the acquisition of space, the policies established in § 101-17.102 or § 101-18.102 shall apply to the acquisition.

Subpart 101-20.1—Assignment of Space

1. Section 101-20.102(b) is revised to read as follows:

§ 101-20.102 Requests for space.

* * * * *

(b) Heads of executive agencies shall:

(1) Cooperate with and assist the Administrator of General Services in carrying out his responsibilities with respect to buildings and space;

(2) Give the Administrator of General Services early notice of new or changing space requirements;

(3) Economize in their requirements for space; and

(4) Review continuously their needs for space in and near the District of Columbia, taking into account the feasibility of decentralizing services or activities which can be carried on elsewhere without excessive costs or significant loss of efficiency.

2. Section 101-20.102-6 is added as follows:

§ 101-20.102-6 Procurement of parking for Government-owned vehicles.

Agencies having a need for other than temporary parking accommodations in the urban centers listed in § 101-18.104, for Government-owned motor vehicles not regularly housed by GSA, shall, prior to initiating procurement action for parking accommodations, make their needs for such facilities known to the appropriate GSA regional office. The request, which may be in the form provided for in § 101-20.102-1 (Standard Form 81, Request for Space), will be reviewed by GSA to determine the availability of Government-owned or -controlled space. The agency will be notified promptly should no such space be available. This notification will become a part of the file supporting the subsequent procurement.

3. Section 101-20.103-1(b) is revised to read as follows:

§ 101-20.103-1 Assignment by GSA.

* * * * *

(b) GSA may, in accordance with policies and directives prescribed by the President, including Executive Order 11512 of February 27, 1970 (35 F.R. 3979), under sec. 205(a) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(a)), and after consultation with the agencies affected, assign and reassign space of any executive agencies after determining that such assignments or reassignment is advantageous to the Government in terms of economy, efficiency, or national security.

4. Section 101-20.104 is added as follows:

§ 101-20.104 Application of socioeconomic considerations.

(a) Agencies shall cooperate with GSA in coordinating proposed programs and plans for buildings and space in a manner designed to exert a positive economic and social influence on the development or redevelopment of the areas in which such facilities will be located.

(b) Whenever actions are proposed to accomplish the reassignment or utilization of space through the relocation of an existing major work force but do not involve the acquisition of buildings or leased space, the impact on low and moderate income and minority employees shall be considered where:

(1) 100 or more low- and moderate-income employees are expected to be employed in the new space; and

(2) The relocation involves residential relocation of a majority of the existing low and moderate income work force, or a significant increase in their transportation or parking costs or travel time to the new location will exceed 45 minutes or a 20 percent increase if travel time to the present facility already exceeds an average of 45 minutes.

(c) The Department of Housing and Urban Development will be consulted concerning the availability on a nondiscriminatory basis of low and moderate income housing to the project area for those Federal employees who will work in the space to be assigned or reassigned when the action meets the criteria in (b), above.

(d) When, after consultation, it is determined that (1) there is a lack of low- and moderate-income housing on a nondiscriminatory basis within reasonable proximity and (2) the location is not readily accessible from other areas of the urban center, an affirmative action plan shall be developed as described in § 101-17.104-4 with agency participation as described in § 101-17.104-5.

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

Effective date. This regulation is effective upon publication in the FEDERAL REGISTER (6-7-72).

Dated: June 2, 1972.

HAROLD S. TRIMMER, JR.,
Acting Administrator of General Services.

[FR Doc.72-8535 Filed 6-6-72;8:50 am]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 18944; FCC 72-448]

PART 81—STATIONS ON LAND IN THE MARITIME SERVICES AND ALASKA—PUBLIC FIXED

Technical Standards for Computation of Service Area for Public Coast III-B Stations

Report and order. In the matter of Amendment of Part 81 of the Commission's rules to provide technical standards for the computation of service area for Public Coast III-B stations, Docket No. 18944.

1. A notice of proposed rule making in the above-captioned matter was released on August 28, 1970, and was published in the FEDERAL REGISTER on September 4, 1970 (35 F.R. 14096). An Errata was released on September 9, 1970, and was published in the FEDERAL REGISTER on September 15, 1970 (35 F.R. 14462). By its order released October 9, 1970, and published in the FEDERAL REGISTER on October 14, 1970 (35 F.R. 16092), the Commission granted on extension of time in which to file comments. The dates for filing comments and replies have passed.

2. Comments were filed by: American Telephone and Telegraph Co. (A.T. & T.), Central Committee on Communications Facilities of the American Petroleum Institute (API), G.T. & E. Service

Corp. (G.T. & E.), R. A. Gartman (Gartman), Marvin L. Miller (Miller), Mobile Marine Radio, Inc. (Mobile), Daryal A. Myse (Myse), North Pacific Marine Radio Council Inc. (NPMRC), Public Utilities Commission of the State of California (CPUC), and Southern California Marine Radio Council (SCMRC). Reply comments were filed by A. W. Brothers (Brothers).

GENERAL

3. The adoption of standards for the orderly administration of VHF public coast stations is supported by A.T. & T., G.T. & E., API, Miller, Myse and NPMRC. While the comments of Mobile, CPUC and Brothers are directed to specific technical aspects of the Commission's proposals, they do not express or imply opposition to adoption of standards. The filing by Gartman and by SCMRC was limited to a request for extension of time in which to file comments. They did not, however, file comments responsive to the Commission's proposals.

4. API expresses the view that the FCC should encourage the development of a VHF public coast network which will give continuous coverage along all coastal and inland waterways. In the view of the Commission, there is substantial merit to API's suggestion and there should therefore be provisions for coverage of low density as well as high density boating areas. Possibly this could be achieved by requiring VHF public coast stations to provide an interlocking service, so that a boat traveling along a coast or waterway would have access to one or more VHF public coast stations. This approach would necessitate careful selection of sites for coast stations and, most likely, the addition of one or more remotely located transmitter/receiver installations and the capability to operate all such combinations of stations from a common control point. The licensee would be authorized to serve the high density area of his selection but he would also be required to serve adjacent low density areas. There are, of course, a number of problems associated with this approach. While resolution of the method for providing VHF public coast coverage of low density boating areas is of primary significance to development of an adequate VHF public coast service, it is not germane to the instant proceeding.

5. Mobile comments that no consideration has been given to vessels moving in rivers, etc., where the vessel or coast station may be obscured due to intervening hills, trees, or manmade canyons such as the gulf intracoastal waterways. While the situation to which Mobile refers is alleviated by the inclusion of provision for the calculation of shadow loss, as set forth below, we know of no quick and accurate solution to calculation of available signal level along a winding river. We would expect the shadow loss calculation to provide reasonably accurate results where intervening hills, trees, or manmade canyons obscure the line of sight path between coast station transmitting antenna and ship station receiving antenna. On a winding river the vessel may pass from an unobscured path (between transmit and receive antenna), to a partially obscured path, to a totally obscured path. Where the path is not obscured, the signal level should be adequate; where the path is partially obscured, the signal level may be marginal; and where the path is totally obscured, the signal level will probably be less than adequate. The vessel may encounter this situation at most or all bends in the river. Thus, for the propagation data to provide accurate results, it will be necessary for the user to survey the actual topographical conditions and to prepare profile graphs to reflect these conditions. Having done this, the shadow loss graph can then be employed to determine attenuation. Under these conditions, the plotted contour would pass from one to the other side of the river, depending upon attenuation encountered. If all of the factors which are applicable in the case of a winding river are taken into consideration, we believe that the procedures set forth below will provide adequate results.

6. NPMRC expresses the view that to achieve a good system design for a series of coast stations there is a need for a coordinated approach by current and prospective owners, including consultation with user groups. We can agree with NPMRC that under certain conditions such an approach would be useful, for example, in the case where there is only one applicant. Where there are multiple applicants, however, such an approach could result in more confusion than benefit. On the other hand, the practices and procedures set forth in Part 1 of the rules provide an established mechanism by which the interested public can inject its views and opinions into a proceeding involving an application for a public coast station. We feel that Part 1 fills the public need and that its use should be continued pending development and adoption of a more clearly defined alternative.

7. CPUC suggests that the service area of a public coast station be established as "* * * that area within which all vessels reasonably equipped can both receive and be received on a reliable basis * * *" There are a number of problems with defining service area in this manner: (a) It presumes three categories of installations, that is, installations poorer than "reasonably equipped," and installations which are better than "reasonably equipped"; and (b) it presumes that there would also be an area outside of which all vessels "reasonably equipped" cannot both receive and be received reliably. The dividing line between these two areas would be located closer to the transmitting station for a vessel with a poor installation, or further away from that station for a vessel with an excellent installation. Thus, in locating this dividing line we must decide upon, and describe technically, the limits of the poorest installation falling within the category of "reasonably equipped." We cannot, for example, choose the best of the installations falling within "reasonably equipped," because then the poorest installation within that category would not both receive and be received. If we accept the concept of "reasonably equipped," a series of complications are injected when we consider those vessels with installations which are better than "reasonably equipped." With this approach it is necessary at some point to describe in technical language the lower and upper limits of ship installations falling within "reasonably equipped," however, even though we do this, we have not resolved the matter of criteria for specifying the separation of two coast stations using a common channel. We feel this is an unnecessarily complex approach and, therefore, it is not being adopted. This in no way deters a public coast station from providing, or continuing to provide, service area coverage information to customers as CPUC suggests.

REGARDING USE OF APPENDIX F

8. The Commission proposed in the notice of proposed rule making that the procedures and criteria set forth in appendix F to the Report of Special Committee No. 19 (SC–19), Radio Technical Commission for Marine Services (RTCM), be employed in determining the area in which satisfactory service can be obtained. Approximately one-half of the comments (G.T. & E., Miller, Mobile, Myse, and NPMRC) indicate dissatisfaction in one way or another with procedures included in the RTCM report. The majority (Miller, Mobile, Myse and NPMRC) indicate that appendix F should be updated. G.T. & E. recommends that the scale showing elevation of coast station antennas be extended from 1,000 to 10,000 feet. As suggested, we have informally inquired into the matter of updating Appendix F of the RTCM report with the Institute of Telecommunication Sciences (Office of Telecommunications, Department of Commerce) and find this is not feasible. In view of the dissatisfaction, we are not, therefore, adopting appendix F of the RTCM report.

9. A wide variety of articles and papers have been prepared over the years on the subject of propagation at very high frequencies, however, we know of none which have been universally accepted for use in all areas of the country. Nonetheless, it is necessary that propagation data be included in the rules to provide means for the uniform computation of coast station coverage. While we readily concur that the propagation data should be as accurate as possible, we doubt that 100 percent endorsement can be obtained for any particular method. As between (a) a high degree of accuracy of the propagation data, and (b) inclusion in the rules of a method for uniformity in computation, we are of the view that the latter is more germane to this proceeding and, therefore, is the more important.

10. Accordingly, the VHF propagation data set forth in the attached appendix is adopted for computation of service and interference contours and the evaluation of interference. The curve set forth below (§ 81.808 curve 1) is a composite curve for use over seawater, fresh water, or land and is derived, in broad

terms, from use of CCIR [1] for distances far beyond line of sight and from use of Bullington [2] for distances well within line of sight. Empirical adjustments are necessary to blend the two references at distances in the vicinity of grazing. The composite curve is drawn to fall midway between CCIR and Bullington at grazing distance and somewhat beyond, and to approach Bullington more closely as distances are shortened. Beyond distances for which curves of the two references cross each other, CCIR is used directly. The closely similar path losses shown for land and sea at 160 MHz are averaged for use in constructing the composite curve. Antenna elevations up to 4,800 feet have been included to meet the substance of G.T. & E.'s request.

SHIP STATION ANTENNA GAIN

11. The Commission proposed that the ship station antenna be assumed to be a half-wave dipole. The majority of commentators did not comment on this proposed criteria. Miller expresses the view that the assumption of a half-wave dipole was unrealistic, that small boats usually have an antenna of 3 dB gain. Similarly, Myse expresses the view that a 3 dB antenna should be used instead of the proposed half-wave dipole. It is readily apparent that there is no totally correct value which can be selected. Miller and Myse are correct as concerns many boats, however, there are other boats which have an antenna with a gain which is higher or lower than 3 dB. As between the assumed values of a half-wave dipole and a 3 dB gain ships antenna, we believe a half-wave antenna to be on the safe side, particularly for boats which do not have a 3 dB gain antenna. Accordingly, the Commission is adopting the half-wave dipole as the standard for computing coast station coverage.

SHIP STATION ANTENNA HEIGHT

12. The Commission proposed that the ship station antenna height be assumed to be 30 feet. The majority of commentators did not comment on this proposed criteria. Miller expresses the view that 30 feet is unrealsitc, that 10 to 15 feet is usual on small boats. Myse comments that most vessels have an antenna of less than 30 feet. CPUC comments that most boats will have antennas at 15 feet. CPUC points out that at 15 feet there will be a 3 dB reduction as compared to 30 feet. As with the ship station antenna gain, there is no totally correct value which can be selected. The Commission can readily agree with Miller, Myse and CPUC that many vessels will have antennas which are in the area of 10 to 15 feet above water. At the same time, we point out that there will be commercial vessels with antennas at the 50–60-foot level, and that the system provided will be required to serve both recreational and commercial vessels. Actually, the arbitrary value of 30 feet is a compromise between the two extremes of 1 and 60 feet. Accordingly, for the purpose of computing coast station coverage, the Commission is adopting the assumed ship station antenna height at 30 feet.

SHIP STATION TRANSMISSION LINE LOSS

13. The Commission proposed that a loss of 2 dB be assumed for the ship station transmission line. The majority of commentators did not comment on this proposed criteria. A.T. & T. suggests that a loss of 0 dB be assumed. Miller comments that a loss of 2 dB was excessive and that a value of 1 dB was more than sufficient. Myse comments that a loss of 2 dB was excessive and that a value of 1 dB was more than sufficient. Myse comments that a loss of 2 dB was grossly excessive. NPMRC suggests that the proposed antenna system standards be unchanged. In view of these comments, and in order to simplify the computation, the Commission is adopting the assumption, for the purpose of computing coast station coverage, that the ship station transmission line loss is 0 dB.

PROTECTION RATIO OF DESIRED TO UNDESIRED SIGNALS

14. The Commission proposed that a value of 6 dB be employed as the protection ratio of desired to undesired signals for cochannel assignments. A.T. & T., G.T. & E. and CPUC recommend that a value of 12 dB be employed. Myse appears to prefer a value of 21 dB, with an additional allowance for a time fading factor. NPMRC recommended a value of 14 dB. The Northwest Instrument Co. (NIC), a member of NPMRC, forwarded a voice tape which had been prepared in NIC laboratory to demonstrate, in the case of cochannel usage, the degree of adverse effect which various specified levels of undesired signal had upon a desired signal. A.T. & T. expresses the opinion that until such time as it is feasible to use calculation procedures which in themselves provide adequate recognition of time variations, the inclusion of a nominal allowance of 6 dB for this variable is desirable. The addition of this 6 dB to the proposed protection ratio of 6 dB provides a protection ratio of 12 dB. Myse comments appear to be directed to calculation procedures which, as mentioned by A.T. & T., in themselves give full recognition to time variations. At this stage, the Commission is not convinced that the additional complication would be substantially beneficial. On the other hand, adoption of a value of 12 dB satisfies the recommendation of A.T. & T., G.T. & E., CPUC and, substantially, of NPMRC. Accordingly, as set forth below, the Commission is adopting the protection ratio of desired to undesired signals of 12 dB.

SHADOW LOSS

15. The Commission proposals did not include provision for the calculation of attenuation of signals due to intervening land masses (shadow loss). A.T. & T., G.T. & E. and, indirectly CPUC points out that in mountainous terrain shielding by intervening terrain can cause substantial attenuation of desired signals and recommend that provision be included in the rules for calculation of shadow loss. Accordingly, as set forth below, provision has been included in the rules for the calculation of shadow loss.

MIXED LAND-SEA PATHS

16. The Commission proposals did not include provision for the calculation of attenuation over mixed land-sea paths. Miller, Mobile, and Myse recommend that appropriate provision be included in the rules for the calculation of attenuation under these conditions. In view of these commentators, inclusion of such provisions would provide a uniform procedure which could be employed by all applicants, would enable more accurate calculations to be made and, thereby, would more closely reflect actual service area experience. As set forth in paragraph 10 above, the propagation data included in § 81.808 below is for use over both land and sea paths. Further, where additional attenuation is experienced due to terrain, § 81.810 below includes provision for computing shadow loss. Lastly, we believe that careful application of the curves and procedures set forth in Subpart R below will provide adequately accurate results for both land and seawater paths and, thus, that no further action is required.

FIELD STRENGTH AT THE SERVICE AREA CONTOUR

17. The Commission proposed that in the absence of an interfering cochannel signal, the requirements for satisfactory reception by a marine shipboard receiver will be construed satisfied if the field strength from the coast station is equal to or greater than +17 dBu. The assumptions regarding reception at the ship station are: receiving antenna is a half-wave dipole; antenna height is 30 feet; the antenna polarization is vertical; and the loss in the transmission line connecting antenna and receiver is 2 dB. Thus, the service area of a VHF III–B coast station is defined as that area within which the median field strength exceeds +17 dBu.

18. The majority of commentators did not comment on this proposed criteria. Comments were submitted by A.T. & T., Myse, NPMRC, and CPUC, which are condensed as follows:

A.T. & T. favors a figure of 4 microvolts across a 50-ohm receiver input where the ship station antenna is a half-wave dipole and the transmission line loss is ignored.

Myse expressed the view that a receiver reception standard of −143 to −149.5 dBW should be adopted, where the ship station antenna has a gain of 3 dB and a transmission line loss of 2 dB is grossly excessive.

NPMRC recommended a value of −125 dBW, where the ship station antenna is a half-wave dipole and the transmission line loss is 2 dB.

[1] International Radio Consultative Committee (CCIR) Recommendation 370–1, New Delhi 1970, Figure 1, for land and sea, in the band 30 to 250 MHz.

[2] "Radio Propagation Fundamentals," K. Bullington, Figures 2, 3, 5, and 6, Bell System Technical Journal, May 1957. Antenna Engineering Handbook, Chapter 33, McGraw-Hill 1961.

CPUC comments that the proposed standard of −132 dBW is less reliable than the +37 dBu set forth in Part 21.

19. It is appropriate, first, to dispose of Myse statement that "* * * it is apparent that the proposed receiver reception standard of −132 dBW has no basic factual or technical support under modern conditions; and that such standard should more nearly reflect actual modern conditions and experience * * *" The figure of −132 dBW is derived as follows:

$$Pa = -204 + S/N + F + 10 \log_{10} BW + Lr$$

where,

Pa = Power required.
S/N = Signal (speech) to noise for commercial grade services (12 dB).
F = Noise figure of the receiver (4 dB).
$10 \log_{10} BW$ = 10 $\log_{10}$ of receiver bandwidth in c.p.s. (25 kHz = 44 dB).
Lr = Transmission line loss (2 dB).

thus,

$$Pa = -142 \text{ dBW}.$$

While we do not have definitive technical reports which aid in fixing the level of local noise aboard large commercial vessels, informal reports indicate this level is very low. In the absence of noise measurement data on these vessels, an arbitrary allowance of 10 dB is made, thus,

$$Pa = -142 + 10 = -132 \text{ dBW}.$$

20. Paragraph 19, above, explains fully the basis for the Commission's proposed standard of −132 dBW. While opinions may vary as to whether the receiver noise figure (4dB), signal to noise level (12 dB), or local noise (10 db), should be the value shown, or a higher or lower value, we doubt that disagreement will be expressed to use of these elements in computing receiver power required. Insofar as we can determine, the standard proposed by the Commission is in accord with the current state of practical technology. We have carefully examined, without success, Myse comments in search of clarification as to the meaning of the phrase "modern conditions." We note Myse's view that a value between −143 and −149.5 dBW should be adopted. Further, Myse appears to concur to the use of a local (manmade) noise factor of 11.5 dB. Application of this factor to the values of −143 and −149.5 dBW produces values of −131.5 dBW and −138.0 dBW, respectively, which bracket the standard proposed by the Commission.

21. NPMRC discusses in comparative detail each of the elements of their recommendation that a power level of −125 dBW be adopted. From study of this detail, we conclude that NPMRC comments are directed more to the objective of defining the limits of an area within which satisfactory service will be obtained, rather than to the objective of determining the geographic separation to be provided between two public coast stations operating on a common channel. On the other hand, A.T. & T. limits its comments to a statement of favor for a power level of 4 microvolts across a 50-ohm receiver input. CPUC is correct, of course, in their comment that the proposed standard of −132 dBW provides a reliability which will be less than the value of +37 dBu set forth in Part 21. It is also correct that the level of interference between coast stations sharing a common channel will be less with the value of −132 dBW than with the value of +37 dBu. CPUC did not suggest that the proposed standard be the same as that of Part 21 and we are aware of no technical or operational reason why they should be the same.

22. In determining the signal level to be used to draw the contour which defines the service area of a VHF III–B public coast station, we have made a number of assumptions. We assume that a commercial vessel with low local noise, a relatively high antenna, and a receiver with a sensitivity of 0.5 microvolt (50 ohms) or better, when positioned on that contour, will be able to receive a desired coast station through the signal of an undesired coast station operating on the same channel. We recognize that there will be marine VHF receivers which do not provide a sensitivity of this level, vessels with antennas which are at substantially lower heights, and vessels which have a higher level of local noise. It is the view of the Commission, however, that it is not necessary to attempt through regulations to provide a better grade of installation aboard these vessels. Brothers, in his comments, describes this situation as we see it, that is "* * * The public will be quick to learn what it can and cannot expect with average, superior, and bad installations and power of radios. Those who go far will spend the money for powerful sets, and gain antennas. Those who do not go far, will perhaps be content with smaller, less powerful radios and worse antennas." In the same vein, we believe those vessels which need longer distance VHF communication will take steps to reduce local noise to a practical minimum. While there will be vessels with moderate to poor installations, it does not follow that such vessels should be used as the standard on which to base the limiting service contour and we are not, therefore, doing so.

23. Looking in the return direction, from the ship to coast station, the ship station will provide at the VHF public coast station a signal which is substantially lower than the coast station signal at the ship station. Bearing in mind that this is a two-way communication system, the VHF public coast station must give particular attention to its receiving installation in order to provide a balance between receive and transmit coverage capability. In that regard, the coast station location should be selected to minimize local noise, the sensitivity of the receiver(s) employed should exceed that assumed for ship stations, and in the direction of proposed area coverage the gain of the receiving antenna should not be less and, preferably, should be greater than that of the transmitting antenna.

24. The value of field strength to be used at the service area contour is dependent upon the sensitivity of the marine VHF receiver. Particular attention has been given to growth which we anticipate will occur in the next few years in use of maritime service VHF. If the growth is one-tenth of that anticipated, the majority of VHF equipments are yet to be installed aboard vessels. Thus, as concerns VHF reception, we are as concerned with the situation which will exist in the next few years as we are with the present situation, which may involve older and possibly less sensitive marine VHF receivers. We have examined available manufacturers sales brochures as a means of determining the level of sensitivities now being provided in marine VHF receivers. The brochures examined cover a broad assortment of receivers ranging from inexpensive to the best obtainable. The listed sensitivities of these receivers, in general, is substantially below 1 microvolt (as measured by EIA specification RS–204). While RS–204 specifies a minimum sensitivity of 1.5 microvolts at 160 MHz, we believe that new receivers, where they do not already do so, could provide a sensitivity of 0.5 microvolt, or below, without undue hardship or penalty to manufacturers. We are not, therefore, giving particular weight to earlier models of receivers which may provide a lesser sensitivity.

25. The decision set forth in paragraph 13, above, requires a change in the proposed power required (paragraph 19 above) at the service area contour. With regard to the assumed receiver noise figure (4 dB) included in the equation in paragraph 19 above, our inquiry indicates that a new design marine VHF receiver now available on the market provides a noise figure of 6 dB. Since we know of no currently available receiver having a noise figure of 4 dB, we are concerned that that value (4 dB) may be unnecessarily stringent. While the value of 6 dB may be less than readily obtainable, we believe that that value is satisfactory for the purpose here involved and should replace the value of 4 dB appearing in paragraph 19 above. Accordingly, taking into consideration the deletion of the transmission line loss (2 dB) and the replacement value for receiver noise figure (6 dB), the equation of paragraph 19 is reworked as follows:

$$Pa = -204 + 12 + 6 + 44 + 0 = -142 \text{ dBW}.$$

Including +10 dB for local noise.

$$Pa = -142 + 10 = -132 \text{ dBW}.$$

On the basis of the foregoing, it is the view of the Commission that the service area contour should be drawn at a field strength of +17 dBu, and that value is hereby adopted.

Computation of Average Antenna Heights

26. The Commission proposed a procedure for computing average antenna height and for the use of that information in drawing the service area contour. While comments were submitted by A.T. & T., G.T. & E., Miller, Mobile, and Myse, we also received a large number of telephone calls seeking clarification of the proposed procedure. A.T. & T. and G.T. & E. point out correctly, that the heights of terrain should be averaged for each radial and not for all radials. Mobile and most of the telephone calls comment

that the method of applying the determined average elevation to computation of coast station coverage is not spelled out. Miller comments that most Class III–B public coast stations are located where terrain does not interfere with transmission to marine areas; that, where terrain is not a factor, profile graphs should not be required; and only those radials which pertain to marine areas should be plotted. Myse expresses the view that there is no need to determine average terrain elevation except in unusual circumstances and, in most cases, there is no need to determine service contour by eight radials. Further, that only those radials in the direction of water areas or cochannel stations are relevant, that even these are excessive as concerns increased accuracy, and that use of average terrain should be confined to appropriate cochannel cases.

27. We agree with Miller and Myse that radials which do not pertain to a marine area should not be required. However, in the case mentioned by Miller and Myse where the location of the coast station is such that terrain is not a factor, we believe no substantial complication is introduced by the proposed requirement for determination of average antenna height. Where terrain is not a factor, as we envisage it, the coast station would be within 2 miles of the water area to be served, there would be no intervening terrain or manmade structure(s) to shield the area to be served, or to require an adjustment between actual and effective height of the antenna. In such a case, the proposed procedure would require a minimum of additional filing by the applicant, that is, the applicant would be required to plot radials, to compute the field strength, and to draw the service area contour. With regard to the submission of a map showing the service area contour and supporting data, as a part of application(s) for a public coast station where terrain is not a factor, it is the view of the Commission that this is properly the responsibility of the applicant, since some of the information is not otherwise available to the Commission and other parts are essential to the processing of that application. Further, as concerns applications where terrain is a factor, it is the view of the Commission, also, that the applicant should submit with his application the plot of radials, calculation of average height, computation of field strength and service area contour, together with supporting data. Further, in order that the same type of information will be available for all VHF public coast stations, we intend to require, at the time of termination of this docket, that licensees of VHF public coast stations, authorized prior to termination of the proceeding in this docket, submit within a period of 1 year service area contour data computed in accordance with the standards and procedures adopted in this docket.

28. A.T. & T. submitted with their comments a complete rewrite of Attachment A to the appendix to the notice of proposed rule making in the instant proceeding and strongly suggested it be used in lieu of the proposed Attachment A. There are substantial advantages to A.T. & T.'s suggestion, that is: The text is clear and concise and answers Mobile's comment and many of the telephone calls received; it satisfies Miller and Myse's comment that radials in nonmarine areas not be required; it provides for averaging each radial, in contrast to averaging all radials, as commented by A.T. & T. and G.T. & E.; it provides means for inclusion of shadow losses; and the suggested text has withstood the intense scrutiny of public hearing in Dockets 18652–18663. The Commission is, therefore, adopting the procedure suggested by A.T. & T., with certain amendments, as set forth in the attached appendix.

PROTECTION OF SERVICE AREA

29. G.T. & E. and Miller comment in regard to deficiencies of existing § 81.303 and suggest that section be amended to include standards for degree of overlap coverage considered desirable, in order to protect facility investment by owners until the facilities are profitable. G.T. & E. suggests that a clarification of § 81.303, for a case other than co-channel, could be made by including a statement as follows:

> Duplication of service coverage may not exceed a 20 percent overlap of computed coverage area determined by the service area contours, unless the station duplicated by new facilities is exceeding a 50 percent busy-hour.

The Commission agrees with G.T. & E. and Miller that § 81.303 is inadequate and should be amended. Intent to amend this section was not included in the notice of proposed rule making in the instant proceeding and, therefore, did not receive consideration by all interested persons. In order that all such persons may comment, we have included this matter in a notice of proposed rule making in Docket No. 19360, released December 10, 1971, and published in the FEDERAL REGISTER on December 16, 1971 (36 F.R. 23933).

30. *Accordingly, it is ordered,* That pursuant to the authority contained in section 303 (d), (f), (h), and (r) of the Communications Act in 1934, as amended, Part 81 of the Commission's rules are amended effective July 6, 1972, as set forth below.

31. *It is further ordered,* That the proceeding in Docket No. 18944 is terminated.

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

Adopted: May 24, 1972.

Released: May 31, 1972.

FEDERAL COMMUNICATIONS COMMISSION,[a]

[SEAL] BEN F. WAPLE,
Secretary.

Part 81, Stations on Land in the Maritime Services and Alaska-Public Fixed Stations, is amended as follows:

1. In § 81.8, a new paragraph is added alphabetically to read as follows:

§ 81.8 Technical definitions.

* * * * *

dBu. Decibels referred to 1 microvolt per meter. In this case, field intensity expressed in terms of decibels above a reference level (O dB) of 1 microvolt per meter.

2. A new § 81.49 is added to read as follows:

§ 81.49 Supplemental information for public coast stations.

Each application for a new public coast station operating on frequencies in the band 156–162 MHz shall include as supplementary information a chart showing the service area contour computed in accordance with Subpart R of this part.

3. In Part 81, a new Subpart R is added to read as follows:

Subpart R—Standards for Computing VHF Coverage

Sec.
81.801 Preface.
81.802 Signal strength requirements at the service area contour.
81.803 Applicability.
81.804 Topographical data.
81.805 Average terrain elevation.
81.806 Effective antenna height.
81.807 Effective radiated power.
81.808 Propagation curve.
81.809 [Reserve]
81.810 Shadow loss.
81.813 Conversion graphs.

AUTHORITY: The provisions of this Subpart R issued under secs. 4, 303, 48 Stat., as amended, 1066, 1082; 47 U.S.C. 154, 303.

Subpart R—Standards for Computing VHF Coverage

§ 81.801 Preface.

The procedures and standards set forth in this subpart specify a figure for receiver terminal requirements in terms of power, and give a basis for relating the power available at the receiver terminals to transmitter power and antenna height and gain.

§ 81.802 Signal strength requirements at the service area contour.

(a) In the absence of an interfering signal on the same frequency, the requirements for satisfactory reception by a marine VHF shipboard receiver will be construed satisfied if the field strength from the coast station, calculated in accordance with the procedures and criteria described herein is equal to or greater than +17 dBu.

(b) For the purposes of this subpart, the following values of field strength and power at the receiver input are to be considered equivalent:

(1) −132 dBW (decibels referred to 1 watt).

(2) 1.8 microvolts across 50 ohms.

(3) +17 dBu (decibels referred to 1 microvolt per meter).

(4) 7 microvolts per meter.

(c) The service area contour shall be determined by a smooth curve joining the +17 dBu points calculated for each required radial from the antenna site.

[a] Commissioner Johnson concurring in the result.

§ 81.803 Applicability.

Where required by other subparts of this Part 81, applications for use of maritime services frequencies in the bands between 156 and 162 MHz shall include a chart showing the computed service area contour of the proposed station. The service area contour shall be computed in accordance with the procedures set forth in this subpart.

§ 81.804 Topographical data.

In the preparation of the profile graphs and in determining the location and height above sea level of the antenna site, the elevations or contour intervals shall be taken from U.S. Geographical Survey topographic quadrangle maps, or, if not published, U.S. Army Corps of Engineers maps or Tennessee Valley Authority maps, whichever is the latest, for all areas for which such maps are available. If such maps are not published for the area in question, the next best topographic information should be used. Topographic data may sometimes be obtained from State and municipal agencies. Data from sectional aeronautical charts (including bench marks) or railroad depot elevations and highway elevations from roadmaps may be used where no better information is available. In cases where limited topographic data is available, use may be made of an altimeter in a car driven along roads extending generally radially from the transmitter site. The maps used must include the principal area to be served. If it appears necessary, additional data may be requested. U.S. Geological Survey topographic quadrangle maps may be obtained from the Department of Interior, Geological Survey, Washington, D.C. 20242. Sectional aeronautical charts are available from the Department of Commerce, Coast and Geodetic Survey, Washington, D.C. 20230.

§ 81.805 Average terrain elevation.

(a) (1) Using U.S. Geological Survey topographic quadrangle maps (or, where not available, the alternative maps as provided by § 81.804) draw radials from the antenna site for each 45° of azimuth starting with true north, except that any such radial which extends entirely over land from the antenna site to the point of +17 dBu field strength shall not be drawn.

(2) If, by reason of average terrain elevation or terrain obstructing the radio path, or both, it appears that the distance from the antenna site to the point of +17 dBu field strength between any of the 45° radials would be less than the distances calculated along these radials, one additional radial between such adjacent radials shall be plotted and calculations made in each such case in accordance with the methods described in this section. Each such additional radial shall be that radial along which it appears by inspection that transmission loss would be greatest.

(3) Radials in addition to those specified in this section may be plotted and calculations made therefrom at the discretion of the applicant.

(b) For each radial drawn in accordance with paragraph (a) of this section, prepare a terrain profile graph showing terrain elevations along the radial from the antenna site to a point 10 miles therefrom in the following manner:

(1) Plot contour intervals of from 40 to 100 feet and, where data permits, plot at least 50 points of elevation uniformly spaced. In very rugged terrain, where use of contour intervals of 100 feet would result in several points in a short distance, contour intervals of 200 or 400 feet may be used for such distances. Where the terrain is gently sloping use the smallest contour interval indicated on the map.

(2) Plot distances from the antenna site along the radial in statute miles as the abscissa and terrain elevations in feet above mean sea level as the ordinate of the profile graph which shall be prepared on rectangular coordinate paper.

(c) Obtain the average terrain elevation by averaging the elevations along the abscissa of the profile graph from 2 miles to 10 miles from the antenna site.

(d) Determine the effective antenna height for each radial by subtracting average terrain elevation from the actual elevation of the center of the radiating system above mean sea level.

§ 81.806 Effective antenna height.

The effective height of the antenna is the vertical distance between the center of the radiating system above the mean sea level and the average terrain elevation. (§ 81.805)

§ 81.807 Effective radiated power.

In computing the service area contour only effective radiated power shall be used. The effective radiated power employed in this computation shall be derived from the output power of the transmitter, loss in the transmission line connecting transmitter and antenna system, and the gain (relative to a half-wave dipole) of the antenna system in a given horizontal direction.

§ 81.808 Propagation curve.

The propagation curve, § 81.808 curve 1, shall be used in computing the service area contour. The curve provides data for field strengths, in dBu for an effective radiated power of 1 kW, for sea water, fresh water or land (smooth earth), transmitting antenna heights of 4,800, 4,300, 1,600, 800, 400, 200, and 100 feet, based on a receiving antenna height of 30 feet, for the frequency band 156–162 MHz. The procedure for use of this curve is set forth in this section.

(a) Calculate the effective radiated power of the coast station P_x in dB referred to 1 kW (dBk), as follows:

$$P_x = P_t + G - L$$

where,

P_t = Transmitter output power in dB referred to 1 kw.,

G = Antenna gain in dB referred to a standard half-wave dipole, in the direction of each plotted radial, and

L = Line losses between the transmitter and the antenna, in dB.

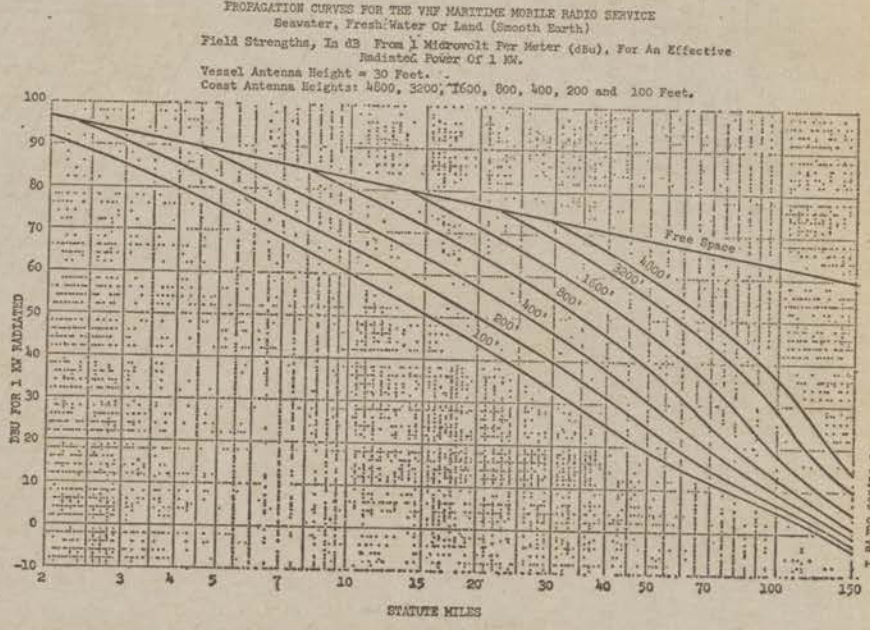
NOTE: To determine field strengths, where the distance is known, for effective radiated powers other than 1 kw. (0 dBk): Enter the graph from the "statute miles" scale at the known distance, read up to intersection with the curve for the antenna height, read left to the "dBu for 1 kw. radiated" scale and note the field strength (F_o). The value of the field strength in dBu will be $F = F_o + P_x$, where F_o is the above value and P_x is the effective radiated power as calculated above.

NOTE: To determine distance, where the field strength is specified, for effective radiated powers other than 1kw. (0 dBk): The value of the field strength will be $F = F_o + P_x$, in dBu, where F_o is the specified value of field strength and P_x is the effective radiated power as calculated above. Enter the graph from the "dBu for 1 kw. radiated" scale at the corrected value of F, read right to intersection with the antenna height, read down to "statute miles" scale.

(b) Determine the antenna height. For antenna heights between the heights for which this § 81.808 Curve 1 is drawn, use linear (dB versus miles) interpolation; assume linear height-gain for antennas higher than 4,800 feet.

(c) For receiver antenna heights lower than 30 feet, it shall be assumed that the field strength is the same as for 30 feet.

(d) It shall be assumed that propagation over fresh water, or over land is the same as that over sea water.



§ 81.809 [Reserved]

§ 81.810 Shadow loss.

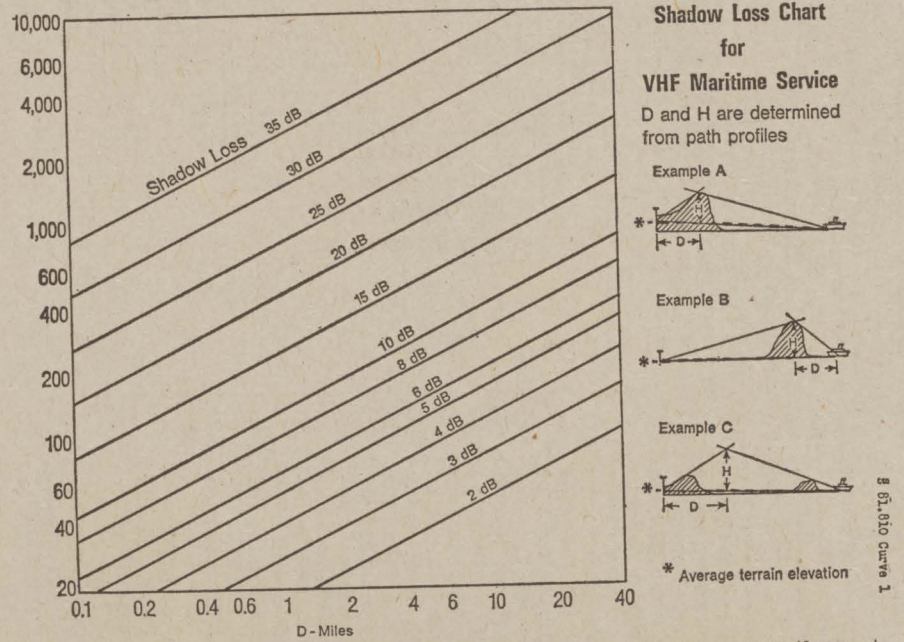
Where a hill obstructs the transmission path, the computed received signal shall be adjusted to include shadow loss. Attenuation due to shadowing shall be taken from this § 81.810 Curve 1, in accordance with the following procedure.

(a) Following construction of profile graphs and determination of average terrain elevation for each radial, inspect each profile graph to determine if a hill(s) obstructs the imaginary line of sight (dashed line on illustrative profiles of this § 81.810 Curve 1) from the average terrain elevation at the coast station site to the water level at the ship location. If average terrain elevation exceeds the actual ground elevation at the antenna site, the latter elevation shall be used as the average terrain elevation.

(b) If a hill obstructs the imaginary line of sight, determine its height (H) above the imaginary line and its distance (D) from either the coast or ship station, whichever is nearer, as illustrated by examples "A" and "B" on this § 81.810 Curve 1.

(c) Read the shadow loss from this § 81.810 Curve 1 and subtract that loss from the computed received signal.

(d) Where more than one hill obstructs the transmission path, determine the height and position of a single equivalent hill, as illustrated by example "C" on this § 81.810 Curve 1. Read the indicated shadow loss from this § 81.810 Curve 1 for this equivalent hill.



§ 81.811 Ratio of desired to undesired signal strengths.

Where use of the same frequency is involved by a proposed station and one or more existing stations, or by two or more proposed stations, the geographic separation provided between those stations shall be such that, within the service area of a station, the ratio of desired to undesired signal strengths, computed in accordance with this subpart is at least 12 dB.

§ 81.812 Method of computing coverage.

The steps set forth below provide an orderly approach in applying the standards and associated procedures contained in this subpart.

(a) Use a required field strength contour of +17 dBu. Determine antenna height above actual terrain.

(b) Using topographic data (§ 81.804) and the procedures of § 81.805, prepare for each radial: A terrain profile graph, determine the average terrain elevation, and effective antenna height (§ 81.805) above mean sea level.

(c) Determine the effective radiated power (§ 81.807). Using the effective antenna height and effective radiated power in conjunction with the propagation data (§ 81.808), determine for each radial the distance from the antenna site to the point of +17 dBu field strength.

(d) On the profile graph draw a straight line from the average terrain elevation at the antenna site to the point of +17 dBu field strength. Plot on the profile graph the profile of all terrain more than 10 miles from the antenna site where any part of such profile lies above the straight line.

(1) Determine if a hill(s) obstructs the transmission path and if so, compute the shadow loss in accordance with § 81.810.

(2) Where a shadow loss adjustment is required, a series of trial calculations may be required to determine the distance from the antenna site to the point of +17 dBu field strength.

(e) Plot on a suitable map each point of +17 dBu field strength for all radials and draw a +17 dBu field strength contour by connecting the adjacent points by a smooth curve or curves.

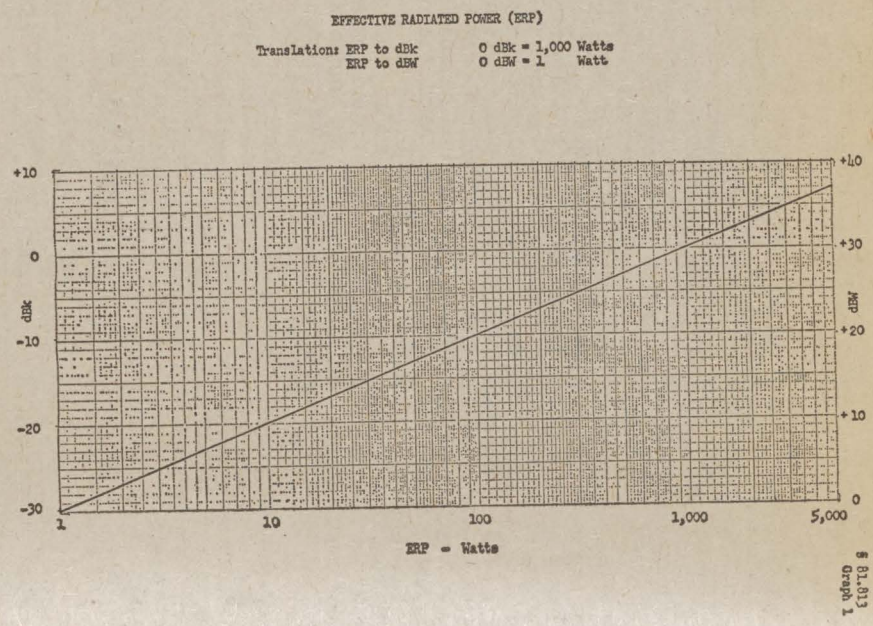
§ 81.813 Conversion graphs.

The following graphs should be employed where conversion from one to the other of the indicated types of units is required.

(a) *Graph 1.* Effective radiated power (watts) to dBk and to dBW, or the reciprocal.

(b) *Graph 2.* Received power in dB below 1 watt (dBW) to microvolts across 50 ohms, or the reciprocal.

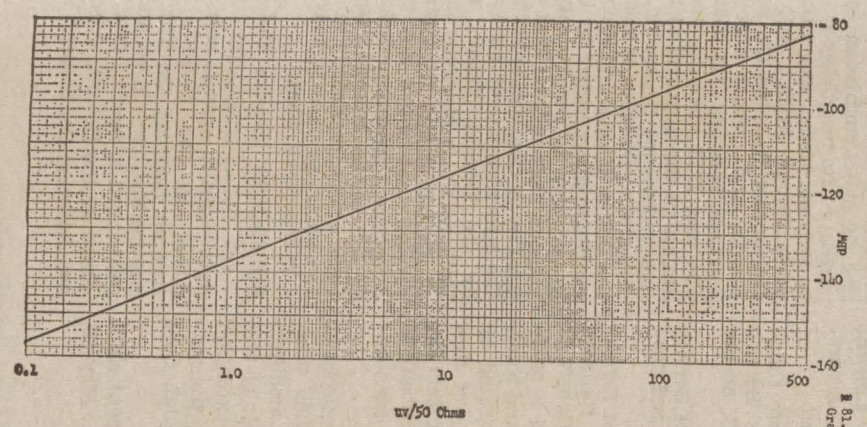
(c) *Graph 3.* Field intensity in dB from 1 microvolt per meter (dBu) to dBW, or the reciprocal.



RECEIVED POWER

Translations dBW to uv/50 Ohms
uv/50 Ohms to dBW

0 dBW = 1 Watt

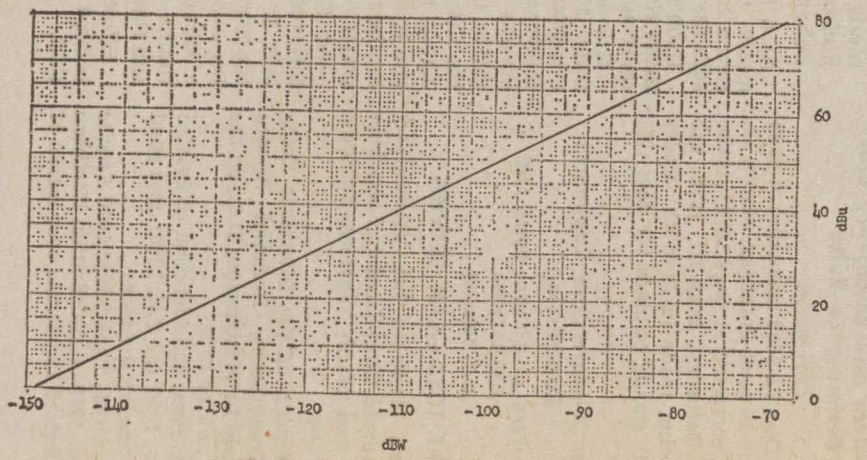


FIELD INTENSITY VS RECEIVED POWER

For Half-Wave Dipole

Received Power in uv/50 Ohms

0 dBW = 1 Watt
0 dBu = 1 microvolt/meter



[FR Doc.72-8406 Filed 6-6-72;8:45 am]

[Docket No. 18932; FCC 72-400]

PART 91—INDUSTRIAL RADIO SERVICES

Allocation and Assignment of Frequencies

Correction

In F.R. Doc. 72-7568 appearing at page 9997 in the issue of Thursday, May 18, 1972, the following changes should be made:

1. The table under § 91.504(a) should read as set forth below:

SPECIAL INDUSTRIAL RADIO SERVICE FREQUENCY TABLE

Frequency or band	Class of station(s)	General reference	Limitations
* * *	* * *	* * *	* * *
72.44	Mobile	72 MHz mobile	32, 33
72.46	Operational fixed	72 MHz fixed	3
72.48	Mobile	72 MHz mobile	32, 33
72.50	Operational fixed	72 MHz fixed	3
72.52	Mobile	72 MHz mobile	32, 33
72.54	Operational fixed	72 MHz fixed	3
72.56	Mobile	72 MHz mobile	32, 33
72.58	Operational fixed	72 MHz fixed	3
72.60	Mobile	72 MHz mobile	32, 33
72.62	Operational fixed	72 MHz fixed	3
* * *	* * *	* * *	* * *
75.42	Operational fixed	75 MHz fixed	3
75.44	Mobile	75 MHz mobile	32, 33
75.46	Operational fixed	75 MHz fixed	3
75.48	Mobile	75 MHz mobile	32, 33
75.50	Operational fixed	75 MHz fixed	3
75.52	Mobile	75 MHz mobile	32, 33
75.54	Operational fixed	75 MHz fixed	3
75.56	Mobile	75 MHz mobile	32, 33
75.58	Operational fixed	75 MHz fixed	3
75.60	Mobile	75 MHz mobile	32, 33
75.62	Operational fixed	75 MHz fixed	3
* * *	* * *	* * *	* * *

2. The table under § 91.730(a) should read as set forth below:

MANUFACTURERS RADIO SERVICE FREQUENCY TABLE

Frequency	Class of station(s)	Limitations
* * *	* * *	* * *
72.44	Mobile	8, 21
72.48	do	8, 21
72.52	do	8, 21
72.56	do	8, 21
72.60	do	8, 21
75.44	do	8, 21
75.48	do	8, 21
75.52	do	8, 21
75.56	do	8, 21
75.60	do	8, 21
* * *	* * *	* * *

Chapter II—Office of Telecommunications Policy

PART 201—ORGANIZATION AND RESPONSIBILITIES

Interagency Committees

Effective upon publication (6-7-72), §§ 201.5 and 201.6 of the rules and regulations of this Office are renumbered §§ 201.6 and 201.7 respectively, and there is added a new § 201.5 to read as follows:

§ 201.5 **Interagency Committees.**

The Director of the Office of Telecommunications Policy is ex officio Chairman

of the Council for Government Communications Policy and Planning, composed of policy level representatives of each Federal department and independent agency which has significant responsibilities in the communications field. The purpose of the Council is to help insure that the development, procurement and use of communications facilities, systems, and services by the Federal Government are coordinated, responsive to national policies and needs, and efficient in the use of financial resources, manpower, and spectrum.

Dated: May 30, 1972.

CHARLES C. JOYCE, Jr.,
Assistant Director.

Approved: May 31, 1972.

CLAY T. WHITEHEAD,
Director, Office of Telecommunications Policy.

[FR Doc.72-8543 Filed 6-6-72;8:47 am]

Title 49—TRANSPORTATION

Chapter III—Federal Highway Administration, Department of Transportation

SUBCHAPTER B—MOTOR CARRIER SAFETY REGULATIONS

[Docket No. MC-8; Notice 72-3]

PART 393—PARTS AND ACCESSORIES NECESSARY FOR SAFE OPERATION

Brake System and Emergency Brake Performance Rules

Correction

In F.R. Doc. 72-3658 appearing at page 5250 in the issue of Saturday, March 11, 1972, and corrected at page 10727 in the issue for Saturday, May 27, 1972, the change being made in item (3) under § 393.52(d) should be made for item (2).

Chapter X—Interstate Commerce Commission

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

[S.O. 1090-A]

PART 1033—CAR SERVICE

Burlington Northern Inc. Authorized To Operate Over Tracks of the Chicago and North Western Railway Company

At a session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 25th day of May 1972.

Upon further consideration of Service Order No. 1090 (37 F.R. 3354) and good cause appearing therefor:

It is ordered, That § 1033.1090 *Service Order No. 1090-A* (Burlington Northern Inc. authorized to operate over tracks of the Chicago and North Western Railway Company) be, and it is hereby, vacated and set aside.

(Secs. 1, 12, 15, and 17(2), 24 Stat. 379, 383, 384, as amended; 49 U.S.C. 1, 12, 15, and 17 (2). Interprets or applies secs. 1(10-17), 15 (4), and 17(2), 40 Stat. 101, as amended, 54 Stat. 911; 49 U.S.C. 1(10-17), 15(4), and 17(2).)

It is further ordered, That this order shall become effective at 11:59 p.m., May 31, 1972; that copies of this order shall be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and car hire agreement under the terms of that agreement, and upon the American Short Line Railroad Association; and that notice of this order shall be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D.C., and by filing it with the Director, Office of the Federal Register.

By the Commission, Railroad Service Board.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-8604 Filed 6-6-72;8:47 am]

[S.O. 1094; Amdt. 1]

PART 1033—CAR SERVICE

Lehigh Valley Railroad Company, John F. Nash and Robert C. Haldeman, Trustees, Authorized To Operate Over Tracks of Lehigh Coal and Navigation Company (Formerly Operated by the Central Railroad Company of New Jersey, Robert D. Timpany, Trustee)

At a session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 30th day of May 1972.

Upon further consideration of Service Order No. 1094 (37 F.R. 9028), and good cause appearing therefor:

It is ordered, That § 1033.1094 *Service Order No. 1094* Lehigh Valley Railroad Company, John F. Nash and Robert C. Haldeman, Trustees, authorized to operate over tracks of Lehigh Coal and Navigation Company (formerly operated by the Central Railroad Company of New Jersey, Robert D. Timpany, Trustee) be, and it is hereby, amended by substituting the following paragraph (e) for paragraph (e) thereof:

(e) *Expiration date.* The provisions of this order shall expire at 11:59 p.m., July 3, 1972, unless otherwise modified, changed, or suspended by order of this Commission, provided that any extension of this order shall be subject to the continued concurrence of the Lehigh Coal and Navigation Co.

Effective date. This amendment shall become effective at 11:59 p.m., May 30, 1972.

(Secs. 1, 12, 15, and 17(2), 24 Stat. 379, 383, 384, as amended; 49 U.S.C. 1, 12, 15, and 17(2). Interprets or applies secs. 1(10-17), 15(4), and 17(2), 40 Stat. 101, as amended, 54 Stat. 911; 49 U.S.C. 1(10-17), 15(4), and 17(2))

It is further ordered, That copies of this amendment shall be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and car hire agreement under the terms of that agreement, and upon the American Short Line Railroad Association; and that notice of this order be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D.C., and by filing it with the Director, Office of the Federal Register.

By the Commission, Railroad Service Board.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-8606 Filed 6-6-72;8:47 am]

[S.O. 1099]

PART 1033—CAR SERVICE

Delray Connecting Railroad Company Authorized To Operate Over Tracks Abandoned by the Detroit, Toledo, and Ironton Railroad Co.

At a session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 30th day of May 1972.

It appearing, that the Detroit, Toledo, and Ironton Railroad Co. (DTI), in Finance Docket No. 26532, was authorized by the Commission to abandon a portion of its line between milepost 0.00 in Detroit, Mich., and milepost 1.69 in River Rouge, Mich.; that the Delray Connecting Railroad Co. has agreed to acquire and operate a portion of this trackage, between DTI chaining station 0.00 and DTI chaining station 81+08, subject to the approval of the Commission in Finance Docket No. 27103; that immediate operation of this trackage by the Delray Connecting Railroad Co. will enable shippers served by this trackage to continue to receive railroad service without interruption; that operation by the Delray Connecting Railroad Co. over the aforementioned tracks abandoned by the Detroit, Toledo, and Ironton Railroad Co. is necessary in the interest of the public and the commerce of the people; that notice and public procedure herein are impractical and contrary to the public interest; and that good cause exists for making this order effective upon less than 30 days' notice.

It is ordered, That:

§ 1033.1099 Service Order No. 1099.

(a) *Delray Connecting Railroad Co. authorized to operate over tracks abandoned by the Detroit, Toledo, and Ironton Railroad Co.* The Delray Connecting Railroad Co. be, and it is hereby, authorized to operate over tracks abandoned by the Detroit, Toledo, and Ironton Railroad Co. between DTI chaining

station 0.00 in Detroit, Mich., and DTI chaining station 81+08 in River Rouge, Mich., a distance of approximately 1.54 miles.

(b) *Application.* The provisions of this order shall apply to intrastate, interstate, and foreign traffic.

(c) *Rules and regulations suspended.* The operation of all rules and regulations, insofar as they conflict with the provisions of this order, is hereby suspended.

(d) *Effective date.* This order shall become effective at 11:59 p.m., June 1, 1972.

(e) *Expiration date.* The provisions of this order shall expire at 11:59 p.m., December 31, 1972, unless otherwise modified, changed, or suspended by order of this Commission.

(Secs. 1, 12, 15 and 17(2) 24 Stat. 379, 383, 384, as amended; 49 U.S.C. 1, 12, 15 and 17(2). Interprets or applies Secs. 1(10–17), 15(4), and 17(2), 40 Stat. 101, as amended, 54 Stat. 911; 49 U.S.C. 1(10–17), 15(4), and 17(2))

It is further ordered, That copies of this order shall be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and car hire agreement under the terms of that agreement, and upon the American Short Line Railroad Association; and that notice of this order shall be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D.C., and by filing it with the Director, Office of the Federal Register.

By the Commission, Railroad Service Board.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-8605 Filed 6-6-72;8:47 am]

Proposed Rule Making

DEPARTMENT OF THE INTERIOR

Bureau of Mines

[30 CFR Part 82]

LEGAL ENTITY

Proposed Notification

Section 107(d) of the Federal Coal Mine Health and Safety Act of 1969 requires each operator of a coal mine to file with the Secretary of the Interior the name and address of such mine, the name and address of the person who controls or operates the mine, and any revisions in such names and addresses. In addition, section 111(b) of the Act requires every operator of a coal mine to provide such information to the Secretary as he may reasonably require from time to time in order to perform his functions under the Act.

In order to enable the Secretary to properly carry out his enforcement functions in the administration of the Act, particularly to enable the Secretary to easily ascertain who is the person chargeable for violations of the mandatory health and safety standards and other provisions of the Act, it is necessary for the Secretary to have information concerning the legal entity of coal mine operators, and the names and addresses of operators and responsible officials thereof.

Therefore, notice is hereby given that in accordance with the provisions of sections 107(d) and 111(b) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 817(d) and 821(b)) and pursuant to the authority vested in the Secretary of the Interior under section 508 of the Act (30 U.S.C. 957), it is proposed to add Part 82, as set forth below, to Subchapter O, Chapter I, of Title 30, Code of Federal Regulations, which shall apply to all coal mines and which shall provide procedures with respect to notification of the legal entity of the operator of coal mines.

Although Part 82 is procedural in nature, it is the policy of the Department of the Interior, whenever practicable, to afford the public an opportunity to participate in the rulemaking process. Accordingly, interested persons may submit written comments, suggestions, or objections to the Director, Bureau of Mines, Washington, D.C. 20240, no later than 30 days following publication of this notice in the FEDERAL REGISTER.

Dated: June 1, 1972.

JOHN B. RIGG,
Deputy Assistant Secretary of the Interior.

Subchapter O, Chapter I of Title 30, Code of Federal Regulations would be amended by adding a new Part 82 as follows:

PART 82—NOTIFICATION OF LEGAL ENTITY

Subpart A—Definitions

Sec.
82.1 Definitions.

Subpart B—Notification of Legal Entity

82.10 Scope.
82.11 Notification by operator.
82.12 Changes; notification by operator.
82.13 Failure to notify.

Subpart C—Operator's Report to the Bureau of Mines

82.20 Legal Entity Report.

AUTHORITY: The provisions of this Part 82 issued under secs. 107(d), 111(b), and 508 of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 817(d), 821(b), 957).

Subpart A—Definitions

§ 82.1 Definitions.

As used in this part:

(a) "Operator" means any owner, lessee, or other person who operates, controls, or supervises a coal mine.

(b) "Person" means any individual, partnership, association, corporation, firm, subsidiary of a corporation, or other organization.

(c) "Coal mine" means an area of land and all structures, facilities, machinery, tools, equipment, shafts, slopes, tunnels, excavations, and other property, real or personal, placed upon, under, or above the surface of such land by any person, used in, or to be used in, or resulting from, the work of extracting in such area bituminous coal, lignite, or anthracite from its natural deposits in the earth by any means or method, and the work of preparing the coal so extracted, and includes custom coal preparation facilities.

Subpart B—Notification of Legal Entity

§ 82.10 Scope.

Section 107(d) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 817(d)), requires each operator of a coal mine to file with the Secretary of the Interior the name and address of such mine, the name and address of the person who controls or operates the mine, and any revisions in such names and addresses. Section 111(b) of the Act (30 U.S.C. 821(b)) requires the operator of a coal mine to provide such information as the Secretary of the Interior may reasonably require from time to time to enable the Secretary to perform his functions under the Act. The regulations in this Subpart B provide for the notification to the Bureau of Mines of the legal entity of the operator of a coal mine and the reporting of all changes in the legal entity of the operator as they occur. The submission of the properly completed legal entity report required under Subpart C of this part will constitute adequate notification of legal entity to the Bureau of Mines.

§ 82.11 Notification by operator.

(a) Not later than 30 days after the effective date of this part, the operator of a coal mine shall, in writing, notify the Coal Mine Health and Safety District Manager of the Bureau of Mines in the district in which the mine is located of the legal entity of the operator in accordance with the applicable provisions of paragraphs (b), (c), (d), or (e) of this section.

(b) If the operator is a sole proprietorship, the operator shall state the full name, address, and trade name, if any, of the proprietorship;

(c) If the operator is a partnership, the operator shall state the full name and address of all partners and the trade name, if any, and address of the partnership;

(d) If the operator is a corporation, the operator shall state: (1) The full name and address of the corporation and the State of incorporation; (2) the full name and address of each officer and director of the corporation; (3) whether such corporation is a domestic or foreign corporation in the State in which the mine is located; (4) the full name and address of the registered or resident agent for service of process pursuant to State law, if any; and, (5) if the corporation is a subsidiary corporation, the operator shall state the full name and address of the parent corporation.

(e) If the operator is any business organization other than a sole proprietorship, partnership, or corporation, the operator shall state the legal entity of the organization, the address of the organization, the name and address of each individual who has an ownership interest in the organization, the name and address of the responsible official of the organization to act as the agent for service of process, and the name and address of the principal organization officials or members.

§ 82.12 Changes; notification by operator.

Within 30 days after the occurrence of any change in the information required by § 82.11, the operator of a coal mine shall, in writing, notify the Coal Mine Health and Safety District Manager of the Bureau of Mines in the district in which the mine is located of such change.

§ 82.13 Failure to notify.

Failure of the operator to notify the Bureau of Mines in writing of the legal entity of the operator or any changes thereof within the time required under this part will be considered to be a violation of section 107(d) of the Act and shall be subject to penalties as provided in section 109 of the Act.

Subpart C—Operator's Report to the Bureau of Mines

§ 82.20 Legal Entity Report.

Each operator of a coal mine shall file notification of the legal entity and every change thereof with the appropriate Coal Mine Health and Safety District Manager of the Bureau of Mines by properly completing, mailing, or otherwise delivering Form _____, "Legal Entity Report" which shall be provided by the Bureau of Mines for this purpose.

[FR Doc.75-8518 Filed 6-6-72;8:46 am]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 930]

CHERRIES GROWN IN CERTAIN STATES

Approval of Expenses and Fixing of Rate of Assessment for 1972–73 Fiscal Period and Carryover of Unexpended Funds

Consideration is being given to the following proposals submitted by the Cherry Administrative Board, established under Order No. 930 (7 CFR Part 930), regulating the handling of cherries grown in Michigan, New York, Wisconsin, Pennsylvania, Ohio, Virginia, West Virginia, and Maryland, 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 Cherry Administrative Board, during the 1972–73 fiscal period, May 1, 1972 through April 30, 1973 will amount to $109,100.

(2) The rate of assessment for such period, payable by each first handler in accordance with § 930.41 be fixed at $1 per ton of cherries.

(3) Unexpended assessment funds in excess of expenses incurred during the fiscal period ended April 30, 1972, shall be carried over as a reserve in accordance with § 930.42(a) of said marketing order.

Terms used in the order shall, when used herein, have the same meaning as is given to the respective term in said order and "ton of cherries" shall mean 2,000 pounds of raw cherries.

All persons who desire to submit written data, views, or arguments in connection with the aforesaid proposals should file the same, in quadruplicate, with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250, not later than the 10th day after the publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Dated: June 2, 1972.

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

[FR Doc.72-8591 Filed 6-6-72;8:46 am]

[7 CFR Part 999]

RAISIN IMPORTS

Proposed Grade and Size Requirements

Notice is hereby given that the Department is giving consideration to amending paragraphs (b) and (e) of § 999.300 (7 CFR 999.300; 37 F.R. 5282) governing the importation of raisins, to permit importation of raisins which do not meet the applicable grade and size requirements set forth in paragraph (b) of § 999.300 for use in the production of alcohol, or syrup for industrial use. In conjunction with such usage, the proposal would provide for certain reporting requirements. The proposed amendment would be pursuant to the requirements of section 8e (7 U.S.C. 608e–1) of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

Consideration will be given to any written data, views, or arguments pertaining to this proposal which are received by the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250, not later than 7 days after publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice should be in quadruplicate and will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

The proposal is to amend § 999.300 as follows:

1. Amend the second sentence of paragraph (b) by changing "No" to "no" and inserting immediately prior thereto "Except as provided in subparagraph (2) of paragraph (e) of this section,".

2. Designate the provisions of current paragraph (e) as subparagraph (1) thereof; and add a new subparagraph (2) to said paragraph reading as follows:

§ 999.300 Regulations governing importation of raisins.

* * * * *

(e) * * *

(2) Any person may import any lot of raisins which does not meet the applicable grade and size requirements of paragraph (b) of this section for use in the production of alcohol, or syrup for industrial use. Prior to such importation, such person shall file with the Bureau of Customs' Regional Commissioner or District Director, as applicable, at the port at which the customs entry is filed an executed "Raisins—Section 8e Entry Declaration" prescribed in subdivision (i) of this subparagraph as "Raisin Form No. 1". Promptly after such filing, such person shall transmit a copy of this form to the Fruit and Vegetable Division. No person may import, sell, or use any raisins which do not meet the applicable grade and size requirements of paragraph (b) of this section other than for use as set forth in this subparagraph. Each person importing raisins which do not meet the applicable grade and size requirement of paragraph (b) of this section for use in the production of alcohol, or syrup for industrial use shall obtain from each purchaser, no later than the time of delivery to such purchaser, and file with the Fruit and Vegetable Division not later than the 5th day of the month following the month in which the raisins were delivered, an executed "Raisins—Section 8e Certification of Processor or Reseller", prescribed in subdivision (ii) of this subparagraph as "Raisin Form No. 2". One copy of this executed form shall be retained by the importer and one copy shall be retained by the purchaser. Each reseller of raisins imported pursuant to this subparagraph should, for his protection, obtain from each purchaser and hold in his files an executed Raisin Form No. 2, covering such sales of such raisins during the calendar year. One copy of this executed form shall be retained by the reseller and one copy shall be retained by the purchaser.

(i) *Raisin Form No. 1.* The following is prescribed as Raisin Form No. 1.

RAISIN FORM NO. 1

Raisins—Section 8e Entry Declaration

I certify to the U.S. Department of Agriculture and the Bureau of Customs that none of the raisins being imported and which are identified below will be used other than in the production of alcohol, or of syrup for industrial use.

1. Name of vessel: _____
2. Country of origin of raisins: _____
3. Date of arrival: _____
4. City of arrival: _____
5. Unloading pier: _____
6. Raisins Entered:

Lot or chop mark	Number of containers	Total net weight (lbs.)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

I agree to obtain from each person to whom any of the raisins listed above are delivered, an executed Raisin Form No. 2 "Raisins Section 8e Certification of Processor or Reseller" and to file the same with the Fruit and Vegetable Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington, D.C. 20250, not later than the fifth day of the month following the month in which the raisins were delivered.

Dated: _____
Name of Firm: _____
Address: _____
Signature: _____
Title: _____

(ii) *Raisin Form No. 2.* The following is prescribed as Raisin Form No. 2.

RAISIN FORM NO. 2

Raisins—Section 8e Certification of Processor or Reseller

I hereby certify to the U.S. Department of Agriculture that I have acquired the raisins covered by this certification; that I will use or sell them for use only in production of alcohol, or syrup for industrial use, as permitted by the Regulation Governing the Importation of Raisins (7 CFR 999.300) and I am (check one or more if applicable):

☐ Producer of Alcohol ☐ Producer of syrup for industrial use ☐ Reseller.

1. Date of purchase: _____
2. Place of purchase: _____
3. Name and address of importer or seller: _____
4. Raisins acquired:

Number of containers	Total net weight (lbs.)

Dated: _____
Name of firm: _____
Address: _____
Signature: _____
Title: _____

Dated: June 2, 1972.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc.72-8592 Filed 6-6-72;8:46 am]

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

[29 CFR Part 1910]

OCCUPATIONAL SAFETY AND HEALTH STANDARDS

Proposed Revocation of Standard Concerning Retiring Rooms for Women

Section 1910.141(f) of Title 29, Code of Federal Regulations, requires at least one retiring room for the use of female employees, or, where fewer than 10 women are employed and a restroom is not furnished, some other equivalent space to be provided and made suitable for the use of female employees. Several objections have been made to this requirement. Some persons see in the requirement a discrimination based on sex. Others contend that the requirement is not reasonably necessary or appropriate to the safety and health of employees.

Accordingly, pursuant to authority in section 6(b) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1593; 29 U.S.C. 655) and in 29 CFR 1910.4, it is proposed to revoke paragraph (f) of 29 CFR 1910.141.

Interested persons are invited to submit, within 30 days after the publication of this notice in the FEDERAL REGISTER, written data, views, and arguments concerning the proposal.

Written comments may be mailed to the Office of Standards, Occupational Safety and Health Administration, 400 First Street, Washington, DC 20210. In addition, any interested person may also file with the Office of Standards, within the same 30-day period after publication of this proposal in the FEDERAL REGISTER, written objections stating the grounds therefor, and request a public hearing thereon. A request for a public hearing must contain a concise summary of the evidence that would be adduced at the requested hearing in support of each objection made.

Signed at Washington, D.C., this 1st day of June 1972.

G. C. GUENTHER,
Assistant Secretary of Labor.

[FR Doc.72-8538 Filed 6-6-72;8:47 am]

[29 CFR Part 1926]

SCAFFOLDS

Proposed Safety and Health Standards for Construction

In accordance with the recommendations of the Advisory Committee on Construction Safety and Health established pursuant to section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327) and pursuant to section 6(b) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1592, 1593; 29 U.S.C. 653, 655), Secretary of Labor's Order No. 12-71 (36 F.R. 8754) and 29 CFR 1911.10 (36 F.R. 17506), it is hereby proposed to amend 29 CFR 1926.451 as set forth below which would have application under the Construction Safety Act by the terms of Part 1926 and under the Williams-Steiger Occupational Safety and Health Act by virtue of 29 CFR 1910.12. The amendments concern pump jack scaffolds, height of catch platforms and guardrails.

Written data, views, and arguments concerning the proposal may be mailed to the Office of Standards, Occupational Safety and Health Administration, Room 305, 400 First Street NW., Washington, DC 20210, within 30 days after the publication of this notice in the FEDERAL REGISTER. The data, views, and arguments will be available for public inspection and copying at the above address. In addition oral and written views, and arguments will be received by Hearing Examiner Rhea M. Burrow at a hearing beginning at 10:30 a.m. on July 26, 1972, in Conference Room B of the Departmental Auditorium between 12th and 14th Streets on Constitution Avenue NW., Washington, DC. Persons desiring to appear at the hearing must file with the Office of Standards a notice of intention to appear, no later than July 17, 1972. The notice must state the name and address of the person to appear, the capacity in which he will appear, and the approximate amount of time required for his presentation. The notice must also include, or be accompanied by, a statement of the position to be taken with regard to each specified proposed amendment, and of the evidence to be adduced in support of the position.

Beginning at 10 a.m. on July 26, 1972, the hearing examiner will hold a brief prehearing conference in order to establish the order and time for the presentation of statements and settle any other matters which may be relevant to the proceeding. Also, at the prehearing conference there will be an exchange of copies of any prepared statements that are intended to be made part of the record. All documents that are intended to be submitted for the record at the hearing should be submitted in duplicate.

The hearing shall be conducted and the decision thereafter shall be made in accordance with the rules of procedure in 29 CFR Part 1911.

Compliance with either the currently effective rules or the rules proposed herein will be deemed to satisfy the obligations of persons subject thereto pending the completion of this rule making proceeding.

Section 1926.451 would be amended by the addition of a new paragraph (y) and changes in paragraphs (a)(4), (a)(20), (b)(15), (c)(13), (d)(10), (e)(10), (g)(5), (h)(15), (i)(11), (j)(9), (m)(6), (o)(7), (q)(4), (r)(5), and (u)(3) and subdivision (x)(6)(iii) to read as follows:

§ 1926.451 Scaffolding.

(a) *General requirements.* * * *

(4) Guardrails and toeboards shall be installed on all open sides and ends of platforms more than 10 feet above the ground or floor, except needle beam scaffolds and floats (see paragraphs (p) and (w) of this section). Scaffolds 4 feet to 10 feet in height, having a minimum horizontal dimension in either direction of less than 45 inches, shall have standard guardrails installed on all open sides and ends of the platform.

* * * * *

(20) The use of shore or lean-to scaffolds is prohibited.

* * * * *

(b) *Wood pole scaffolds.* * * *

(15) Guardrails, made of lumber not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail of 1 x 6 inch lumber (or other material providing equivalent protection), and toeboards, shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section, when required.

* * * * *

(c) *Tube and coupler scaffolds.* * * *

(13) Guardrails, made of lumber not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail of 1 x 6 inch lumber (or other material providing equivalent protection), and toeboard shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor.

Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

(d) *Tubular welded frame scaffolds.* * * *

(10) Guardrails made of lumber, not less than 2 x 4 inches (or other material providing equivalent protection), and approximately 42 inches high, with a midrail of 1 x 6 inch lumber (or other material providing equivalent protection), and toeboards, shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

(e) *Manually propelled mobile scaffolds.* * * *

(10) Guardrails made of lumber, not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail, of 1 x 6 inch lumber (or other material providing equivalent protection), and toeboards, shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

* * * * *

(g) *Outrigger scaffolds.* * * *

(5) Guardrails made of lumber, not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail of 1 x 6 inch lumber (or other material providing equivalent protection), and toeboards, shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

(h) *Mason adjustable multiple-point suspension scaffolds.* * * *

(15) Guardrails made of lumber, not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail, and toeboards, shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

(i) (*Swinging scaffolds*) *two-point suspension.* * * *

(11) Guardrails made of lumber, not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail, and toeboards, shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

(j) *Stone setters' adjustable multiple point suspension scaffolds.* * * *

(9) Guardrails made of lumber, not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail, and toeboards, shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

* * * * *

(m) *Carpenters' bracket scaffolds.* * * *

(6) Guardrails made of lumber, not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail, of 1 x 6 inch lumber (or other material providing equivalent protection), and toeboards, shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

* * * * *

(o) *Horse scaffolds.* * * *

(7) Guardrails made of lumber, not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail, of 1 x 6 inch lumber (or other material providing equivalent protection), and toeboards, shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

* * * * *

(q) *Plasterers', decorators', and large area scaffolds.* * * *

(4) Guardrails made of lumber, not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail of 1 x 6 inch lumber (or other material providing equivalent protection), and toeboards, shall be installed on all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

(r) *Interior hung scaffolds.* * * *

(5) Guardrails made of lumber, not less than 2 x 4 inches (or other material providing equivalent protection), approximately 42 inches high, with a midrail of 1 x 6 inch lumber (or other material providing equivalent protection), and toeboards, shall be installed at all open sides and ends on all scaffolds more than 10 feet above the ground or floor. Toeboards shall be a minimum of 4 inches in height. Wire mesh shall be installed in accordance with paragraph (a)(6) of this section.

* * * * *

(u) *Roofing brackets.* * * *

(3) A catch platform shall be installed below the working area of roofs more than 16 feet from the ground to eaves with a slope greater than 3 inches in 12 inches without a parapet. In width, the platform shall extend 2 feet beyond the protection of the eaves and shall be provided with a guardrail, midrail, and toeboard. This provision shall not apply where employees engaged in work upon such roofs are protected by a safety belt attached to a lifeline.

* * * * *

(x) *Form scaffolds.* * * *

(6) * * *

(iii) Guardrails and toeboards shall be installed on all open sides and ends of platforms and scaffolding over 10 feet above floor or ground. Guardrails shall be made of lumber 2 x 4 inch nominal dimension (or other material providing equivalent protection), approximately 42 inches high, supported at intervals not to exceed 8 feet. Guardrails shall be equipped with midrails constructed of 2 x 4 inch nominal lumber (or other material providing equivalent protection). Toeboards shall be constructed of 1 x 6 inch nominal lumber (or other material providing equivalent protection), and shall extend not less than 4 inches above the scaffold plank.

(y) *Pump jack scaffolds.* (1) Pump jack scaffolds shall:

(i) Be used only as light duty scaffolds;

(ii) Not carry a working load exceeding 25 pounds per square foot; and

(iii) Be capable of bearing four times the maximum load carried.

(2) Pump jack brackets, braces, and accessories shall be fabricated from metal plates and angles. Each pump jack bracket shall have two positive gripping mechanisms to prevent any failure or slippage.

(3) The platform bracket shall be fully decked and the planking secured. Planking, or equivalent, shall conform with paragraph (a) of this section.

(4) Poles used for pump jacks shall not be spaced more than 7 feet center to center and shall not exceed 30 feet in height. Poles shall be secured to the work wall by rigid triangular bracing, or equivalent, at the bottom, top, and other points as necessary, to provide a maximum vertical spacing of not more than 10 feet between braces. For the pump jack bracket to pass bracing already installed, an extra brace shall be used approximately 4 feet above the one to be passed until the original brace is reinstalled.

(5) All poles shall bear on mud sills or other adequate firm foundations.

(6) When poles are constructed of two continuous lengths, they shall be 2 x 4 inch kiln-dried straight-grained fir, or equivalent, spiked together with the seam parallel to the bracket, and with 10d common nails, 12 inches center to center, staggered uniformly from opposite outside edges.

(7) If two by fours are spliced to make up the pole, the splices shall be so constructed as to develop the full strength of the member.

(8) A ladder, in accordance with § 1926.450, shall be provided for access to the platform during use.

(9) Not more than two persons shall be permitted at one time upon a pump jack scaffold between any two supports.

(10) Pump jacks scaffolds shall be provided with standard guardrails, but no guardrail is required when safety belts with lifelines are attached and provided for employees.

(11) When a work bench is used at an approximate height of 42 inches, the top guardrail may be eliminated, if the work bench is fully decked, the planking secured, and is capable of withstanding 200 pounds pressure in any direction.

(12) Employees shall not be permitted to use a work bench as a scaffold platform.

(Sec. 6, 84 Stat. 1593; 29 U.S.C. 655; sec. 107, 76 Stat. 357; 40 U.S.C. 333)

Signed at Washington, D.C., this 31st day of May 1972.

GEORGE C. GUENTHER,
Assistant Secretary of Labor.

[FR Doc.72-8579 Filed 6-6-72;8:48 am]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[33 CFR Part 92]

[CGD 72-96 PH]

ST. MARYS RIVER, MICH.

Proposed Anchorage and Navigation Regulations

The Coast Guard is considering amending the speed limits for the St. Marys River in Part 92 of Title 33 of the Code of Federal Regulations.

During the 1971 and 1972 shipping seasons it has been necessary to establish temporary speed limits to reduce damage to the coastal region. During these periods small boats and piers along the river have been damaged, acreage bordering the river has been destroyed by erosion, and unprotected structures have been undermined. The Coast Guard has found that excessive water action during these periods constitutes a hazard to persons and property along the shore and to small boats while underway. Some of the damage and the hazard result from the action of waves generated by passing vessels.

For the past 2 years, numerous complaints have been received by the Coast Guard and by a Member of Congress from the littoral property owners. In order to reduce the damage and hazards to persons and property, the Coast Guard promulgated temporary speed limits for the 1972 shipping season which will terminate on January 15, 1973 (37 F.R. 7693).

Establishment of permanent speed limits for the length of the St. Marys River and reduction of existing speed limits is considered necessary to reduce the continuing hazard to persons residing along the St. Marys River or using the waterway for recreational and commercial purposes as well as the protection of the littoral property from continuing damage.

Interested persons may participate in the proposed rule making by submitting written data, views, or arguments to the Commander, Ninth Coast Guard District, 1240 East Ninth Street, Cleveland, OH 44199. Each person submitting comments should include his name and address, the docket number of this notice, and give reasons for any recommended change in the proposal. Copies of all written comments will be available for examination by interested persons at the office of the Commander, Ninth Coast Guard District.

The Coast Guard will hold a public hearing on this proposal at 10 a.m., e.d.s.t., Thursday, July 6, 1972, in Room B-1, Federal Building, 120 East Ninth Street, Cleveland, OH and will hold a second public hearing at 9 a.m., e.s.t., Wednesday, July 12, 1972, in the City Commission Room, City and County Building, 325 Court Street, Sault Ste. Marie, MI to receive written and oral comments from interested persons. The hearing will be conducted by the Commander, Ninth Coast Guard District or his representative who may apportion the time for presentation. Each person desiring to speak at this hearing is requested to notify Commander, Ninth Coast Guard District(o) of the time needed for his presentation and is encouraged to submit a written copy or summary after the hearing of his oral presentation.

The Commander, Ninth Coast Guard District will forward any comments received before July 15, 1972, and his recommendations to the Commandant (CMC), U.S. Coast Guard, for evaluation and final action on the proposal. The proposed regulations may be changed in the light of comments received.

In consideration of the foregoing, it is proposed that Part 92 of Title 33 of the Code of Federal Regulations be amended:

1. By revising § 92.49 to read as follows:

§ 92.49 Speed limits for vessels of 50 gross tons or over.

(a) The speed limits in paragraphs (b), (c), and (d) of this section are in statute miles per hour over the ground. The speed limits may not be exceeded by any upbound or downbound vessel of 50 gross tons or over.

(b) Detour Reef Light to Lake Munuscong Junction Lighted Bell Buoy. The speed limit between—

(1) Detour Reef Light and Round Island Light is 17 miles per hour; and

(2) Round Island Light and Lake Munuscong Junction Lighted Bell Buoy is 14 miles per hour.

(c) Lake Munuscong Junction Lighted Bell Buoy to Lake Nicolet Light 80.

(1) Channels passing to the east of Neebish Island. The speed limit between—

(i) Lake Munuscong Junction Lighted Bell Buoy and Munuscong Channel Buoy 14 is 15 miles per hour;

(ii) Munuscong Channel Buoy 14 and Munuscong Channel Buoy 26 is 9 miles per hour;

(iii) Munuscong Channel Buoy 26 and Middle Neebish Channel Light 50 is 10 miles per hour;

(iv) Middle Neebish Channel Light 50 and Lake Nicolet Lighted Buoy 62 is 10 miles per hour; and

(v) Lake Nicolet Lighted Buoy 62 and Lake Nicolet Light 80 is 12 miles per hour.

(2) Channels passing to the west of Neebish Island. The speed limit between—

(i) Lake Nicolet Light 80 and West Neebish Channel Light 33 is 12 miles per hour;

(ii) West Neebish Channel Light 33 and West Neebish Channel Light 25 is 10 miles per hour;

(iii) West Neebish Channel Light 25 and West Neebish Channel Light 10 is 10 miles per hour; and

(iv) West Neebish Channel Light 10 and Lake Munuscong Junction Lighted Bell Buoy is 15 miles per hour.

(3) A vessel of 500 gross tons or over within 1 mile of another vessel traveling in the opposite direction may not exceed a speed of 10 miles per hour between Lake Munuscong Junction Lighted Bell Buoy and Lake Nicolet Light 80.

(d) Lake Nicolet Light 80 to Point Iroquois Shoal Lighted Bell Buoy 45. The speed limit between—

(1) Lake Nicolet Light 80 and Six-Mile Point Range Rear Light is 10 miles per hour;

(2) Six-Mile Point Range Rear Light and the lower limit of the St. Marys Falls Canal is 8 miles per hour for upbound vessels and 10 miles per hour for downbound vessels;

(3) The upper limit of the St. Marys Falls Canal and the international boundary off Brush Point is 12 miles per hour;

(4) The international boundary off Cedar Point and Round Island Lighted Bell Buoy 32 is 15 miles per hour; and

(5) Round Island Lighted Bell Buoy 32 and Point Iroquois Shoal Lighted Bell Buoy 45 is 17 miles per hour.

NOTE: Rules and regulations governing the movement of vessels within the limits of the St. Marys Falls Canal prescribed by the Corps of Engineers pursuant to 33 U.S.C. 1 are contained in Part 207 of this title.

(e) The Commander, Ninth Coast Guard District may amend the speed limits specified in this section. In exercising this authority, the District Commander considers all interests affected by the speed of vessels in the river, including the protection of the property of riparian owners. The regulations issued by Commander, Ninth Coast Guard District, will be published in the FEDERAL REGISTER and in the Notice of Mariners.

§ 92.53 [Deleted]

2. By deleting § 92.53.

(Secs. 1-3, 29 Stat. 54, as amended, secs. 6 (b), 80 Stat. 937; 33 U.S.C. 474, 49 U.S.C. 1655(b); 49 CFR 1.46(b))

Dated: June 2, 1972.

T. R. SARGENT,
Vice Admiral, U.S. Coast Guard,
Acting Commandant.

[FR Doc.72-8583 Filed 6-6-72;8:47 am]

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 72-SW-32]

CONTROL ZONE

Proposed Alteration

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations to alter controlled airspace in the Abilene, Tex., terminal area.

Interested persons may submit such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to Chief, Airspace and Procedures Branch, Air Traffic Division, Southwest Region, Federal Aviation Administration, Post Office Box 1689, Fort Worth, TX 76101. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Chief, Airspace and Procedures Branch. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official docket will be available for examination by interested persons at the Office of the Regional Counsel, Southwest Region, Federal Aviation Administration, Forth Worth, Tex. An informal docket will also be available for examination at the Office of the Chief, Airspace and Procedures Branch, Air Traffic Division.

It is proposed to amend Part 71 of the Federal Aviation Regulations as hereinafter set forth.

In § 71.171 (37 F.R. 2056), the Abilene, Tex. (Municipal Airport), control zone is amended to read:

ABILENE, TEX. (MUNICIPAL AIRPORT)

Within a 5-mile radius of Abilene Municipal Airport (latitude 32°24'42" W., longitude 99°40'53" N.); within 2.5 miles west and 3 miles east of the Abilene ILS localizer north course, extending from the 5-mile-radius zone to 6.5 miles north of the airport; within 2.5 miles west and 3 miles east of the Abilene ILS localizer south course extending from the 5-mile-radius zone to 7.5 miles south of the airport; and within 2 miles each side of the Abilene VORTAC 112° radial, extending from the 5-mile-radius zone to the VORTAC, excluding the portion within the Abilene, Tex. (Dyess AFB), control zone.

Alteration of controlled airspace in the Abilene terminal area is necessary to provide additional airspace to accommodate the LOC (BC) RWY 17R and the ASR RWY 35L/35R instrument approach procedures to the Abilene Municipal Airport.

This amendment is proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348) and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Fort Worth, Tex., on May 26, 1972.

R. V. REYNOLDS,
Acting Director, Southwest Region.

[FR Doc.72-8530 Filed 6-6-72;8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 71-AL-24]

CONTROL ZONE AND TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration (FAA) is considering amendments to Part 71 of the Federal Aviation Regulations that would alter the Cold Bay, Alaska, control zone and transition area.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communication should identify the airspace docket number and be submitted in triplicate to the Director, Alaskan Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, 632 Sixth Avenue, Anchorage, AK 99501. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendments. The proposals contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, DC 20591. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

As parts of these proposals relate to the navigable airspace outside the United States, this notice is submitted in consonance with the ICAO International Standards and Recommended Practices.

Applicability of International Standards and Recommended Practices by the Air Traffic Service, FAA, in areas outside domestic airspace of the U.S. is governed by Article 12 of and Annex 11 to the Convention on International Civil Aviation, which pertain to the establishment of air navigation facilities and services necessary to promoting the safe, orderly, and expeditious flow of civil air traffic. Their purpose is to insure that civil flying on international air routes is carried out under uniform conditions designed to improve the safety and efficiency of air operations.

The International Standards and Recommended Practices in Annex 11 apply in those parts of the airspace under the jurisdiction of a contracting state, derived from ICAO, wherein air traffic services are provided and also whenever a contracting state accepts the responsibility of providing air traffic services over high seas or in airspace of undetermined sovereignty. A contracting state accepting such responsibility may apply the International Standards and Recommended Practices to civil aircraft in a manner consistent with that adopted for airspace under its domestic jurisdiction.

In accordance with Article 3 of the Convention on International Civil Aviation, Chicago, 1944, state aircraft are exempt from the provisions of Annex 11 and its Standards and Recommended Practices. As a contracting state, the United States agreed by Article 3(d) that its state aircraft will be operated in international airspace with due regard for the safety of civil aircraft.

Since these actions involve, in part, the designation of navigable airspace outside the United States, the Administrator has consulted with the Secretary of State and the Secretary of Defense in accordance with the provision of Executive Order 10854.

The airspace actions proposed in this docket would:

1. Alter the Cold Bay, Alaska, control zone to read as follows:

Within the 5-mile radius of the Cold Bay Airport (lat. 55°12'06" N., long. 162°43'28" W.); within 3 miles each side of the 338° bearing from the Cold Bay RR, extending from the 5-mile radius zone to 13.5 miles north of the RR, and within 5 miles west and 2.5 miles east of the Cold Bay VORTAC 150° radial, extending from the 5-mile radius zone to 18 miles south of the VORTAC.

2. Alter the Cold Bay, Alaska, transition area to read as follows:

That airspace extending upward from 1,200 feet above the surface within a 16.5-mile radius of the Cold Bay VORTAC, extending clockwise from the 253° radial to the 041° radial; within 7 miles southeast of the Cold Bay VORTAC 041° radial, extending from the VORTAC to 16.5 miles northeast of the VOR TAC; within 7 miles south of the Cold Bay VORTAC 253° radial, extending from the VORTAC to 16.5 miles west of the VORTAC; within 5 miles west and 11.5 miles east of the Cold Bay VORTAC 335° radial, extending from the VORTAC to 20 miles north of the VORTAC, and within 8.5 miles west and 5 miles east of the Cold Bay VORTAC 150° radial, extending from 18 to 29 miles south of the VORTAC.

The proposed alterations of the control zone and transition area are needed to provide controlled airspace for aircraft executing instrument approach and departure procedures in accordance with existing criteria.

These amendments are proposed under the authority of sections 307(a) and 1110 of the Federal Aviation Act of 1958 (49 U.S.C. 1348(a) and 1510), Executive Order 10854 (24 F.R. 9565) and section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Washington, D.C., on May 30, 1972.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[FR Doc. 72-8531 Filed 6-6-72;8:45 am]

CIVIL AERONAUTICS BOARD

[14 CFR Parts 288, 399]

[Dockets Nos. 23553, 23579; EDR-205A, PSDR-32A]

MILITARY TRANSPORTATION

Exemption of Air Carriers

MAY 31, 1972.

Notice is hereby given that the Civil Aeronautics Board proposes to amend Parts 288 and 399 of the regulations with respect to air transportation performed for the Department of Defense. The principal features of the proposed amendments are discussed in the attached explanatory statement, and the text of the proposed amendment is also attached. In addition, the explanatory statement deals with the request filed by several carriers in Docket 23579 for an increase in the minimum rates established in Parts 288 and 399 for Categories A and Z military transportation. The Board is also considering in this proceeding whether to establish separate "Category Y" rates for the carriage of DOD passengers in scheduled service under blocked space arrangements. The amendments are proposed under authority of sections 204, 403, and 416 of the Federal Aviation Act of 1958, as amended (72 Stat. 743, 758, and 771, as amended; 49 U.S.C. 1324, 1373, and 1386).

Interested persons may participate in the proposed rule making through submisson of twelve (12) copies of written data, views, or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington, D.C. 20428. All relevant material in communications received on or before June 30, 1972, and reply comments received on or before July 14, 1972, will be considered by the Board before taking final action on the proposed rules. Copies of such communications will be available for examination by interested persons 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 EDR-205 and PSDR-32, the Board instituted a rule making proceeding under which it would make a review of the minimum rates applicable to certain foreign and overseas air transportation services performed by air carriers for the military on and after July 1, 1971. Subsequently, the President announced an economic stabilization program, which began with a freeze on prices and was followed by a more flexible system of economic restraints. The Board determined from the Cost of Living Council that rates for the service here in question were subject to the freeze (Phase I). On March 31, 1972, rates, fares, and charges established by the Board for foreign air transportation were exempted from the Phase II price control regulations. 6 CFR 101.34(d); 37 F.R. 6827. The Board's proposal herein is consistent with Phase I and Phase II economic stabilization policies as well as its policies with respect to minimum rates.

The Board's minimum rate policy is set forth in Part 288 of the Economic Regulations and in § 399.16 of the Statements of General Policy. Part 288 confers a blanket exemption from the tariff filing requirements for the performance of "Category B" services, consisting principally of international charters; Logair services, which are the cargo charters between Air Force bases within the United States; Quicktrans services, which are cargo charters between domestic naval installations; Category A, the transportation of individually ticketed passengers and individually waybilled cargo in scheduled services pursuant to DOD contract; and Category X, the transportation of passengers and cargo moving in the opposite direction from and in fixed proportion to Category A cargo. The exemption is conditioned on the observing of the minimum rates stated therein. Section 399.16 sets forth criteria employed by the Board in passing upon applications for exemptions related to performing air transportation services for the military. That section also sets forth the minimum rates for Category Z service, which consists of transporting individually ticketed passengers in accordance with tariffs filed by the carriers.

By this notice we are proposing changes in the minimum rates for Category B charters with turbojet aircraft and for Categories A, Z, and X individually ticketed and waybilled services. Although we have considered the matter herein, it is our tentative view that no separate rates should be established for so-called "Category Y" services, which is the designation given by DOD to the carriage of passengers in scheduled services under blocked-space arrangements. No changes are proposed in the current minimum rates for charters performed with turboprop[1] or piston aircraft or in the suspension charges to be paid by DOD when it suspends a contract charter flight.

[1] Although Saturn submitted cost data for its all-cargo L-100-20/30, DOD stated informally that it does not plan to use this equipment type in international operations. Moreover, Saturn's cost forecast was based upon a very short period of domestic operations and, because of the limited amount of experience and the difficulties in projecting a valid international forecast on the basis of such data, we cannot find that the L-100-20/30 costs are a reliable predicate for establishing MAC turboprop rates.

More recently a communication has been received from Saturn which asserts that different rates and ACL's should be used for the L-100-20/30 than for other turboprop equipment, but again, this document did not afford a sufficient data base for setting a rate for the aircraft in international MAC service. However, in our final resolution of this problem we will consider any relevant information submitted in the comments responding to this notice.

The techniques used in this proceeding are essentially the same as those used in previous comprehensive reviews of rates for the Military Airlift Command (MAC). Twenty carriers performing MAC charters have furnished experienced cost data for the 12 months ended September 30, 1970. These data have been used as the basis for projecting the costs each carrier expects to incur in performing these services during fiscal year 1972. Cost forecasts related to other available objective data have also been submitted where representative experience in MAC operations was not available. The data submitted by the carriers were reviewed by DOD, which filed with the Board its own analyses and views on various aspects of the carriers' cost projections.

The Board has analyzed the materials submitted by the carriers and the DOD. It has afforded each carrier the opportunity to meet informally with the staff to discuss questions concerning the bases for the forecasts, and representatives of the DOD have also participated in such meetings. In some cases, as the result of questions raised during the meetings, additional data have been submitted by the carriers. The petition in Docket 23579 for an increase in the Categories A and Z rates, and the answers thereto, were also reviewed by the Board. On the basis of its analysis of information and materials submitted to it, the Board has tentatively determined that certain adjustments in the cost forecasts are appropriate. These adjustments, which are consistent with policies developed in prior reviews, and the ratemaking policies announced in the "Domestic Passenger-Fare Investigation" and Part 399 Statements of General Policy issued April 12, 1971, are explained in the appendices hereto, which set forth each carrier's forecast, the adjustments effected by the Board, and the resultant costs. The most significant adjustments and departures from past costing practices are summarized below.

CATEGORY B MINIMUM RATES FOR LARGE TURBOJET AIRCRAFT

Utilization. Pursuant to the Board's established policy, the average daily aircraft utilization generally reflected in the proposed rates is the higher of the carrier's forecast or its base year system experience. However, some further adjustments were made to assure that the utilization figures were representative and reasonably attainable. Thus, in the case of Overseas National's DC-8-63 aircraft the carrier's forecast 12-hour utilization figure appeared to be unsupported and well above its recent experience and the experience of other supplemental carriers, and ONA's base period experience of 10.02 hours has been used. Again, in line with its declining trend for daily aircraft use, TWA's forecast B-707-331B utilization of 9.47 hours was adjusted to the 11 hours it experienced in the more recent year ended March 31, 1971, rather than the somewhat higher base period results. Capitol's forecast DC-8-55 utilization was increased to 7 hours, the figure adopted in previous cases as the reasonable minimum for MAC ratemaking

purposes. Finally, Braniff's forecast of 8 hours for its B–747's was increased to 11.7 hours, based upon the 13.6 hours experienced by the carrier during the first 6 months of fiscal year 1972 and our judgment with respect to the utilization reasonably attainable during the remainder of the year with the single B–747 aircraft devoted to MAC service. This hourly utilization for the entire year seems in line with our forecast of 11.93 hours for Braniff's B–707's and 9.71 hours for its DC–8–62's.

Flight equipment depreciation and investment. The rates herein proposed are based on the depreciation policy guidelines determined in the "Domestic Passenger-Fare Investigation" and contained in § 339.42 of the Board's policy statements. Therefore, a 14-year service life and a 2-percent residual value has been used for the turbo-fan aircraft, and 14 years and 10-percent residual has been used for the B–747's. In computing the depreciation cost elements of the proposed rates the entire service-life basis was employed, as in past cases. Nevertheless, we solicit the views of the parties concerning the more appropriate method for computing depreciation when a change in useful lives or residual values is made in MAC rate reviews.[2] In this connection, the parties are particularly invited to focus on the equities involved when a rate affecting the single user of the service is at issue.

For purposes of determining the rate base, we intend to adhere to the historical MAC policy of relating flight equipment investment as of the midpoint of the fiscal year (here, January 1, 1972) to the MAC depreciation policies in effect up to the time of each policy change. For example, for the DC–8–61 aircraft, investment is computed by using 12 years and 15-percent residual to August 5, 1970, when a new policy of 14 years and 15 percent was effectuated, and using 14 years and 2-percent residual effective from April 9, 1971, the effective date of PS–45.

Leased aircraft. As in our determination of Logair and Quicktrans rates, the Board proposes to follow in this proceeding the new § 399.43 of its policy statements,[3] which establishes as the cost for leased aircraft for ratemaking purposes the actual and reasonable rental expenses plus a profit element in unusual circumstances. This will replace the prior constructive ownership approach which has been used for MAC ratemaking. Because of this change in policy, rental expense has been used in our determination of burden ratios, general burden, and the cash operating expenses allowed as working capital.[4] The total rental costs recognized do not exceed expenses computed on a constructive ownership basis.

We also find that unusual circumstances appear to exist which would warrant the provision of a profit element in the case of the leased aircraft being offered by some of the carriers. Section 399.43 provides for the recognition of a reasonable profit element in unusual cases where the leased aircraft value in relation to net book value of owned aircraft operated by the same carrier is "significantly in excess of" the ratio for the aggregate of domestic trunkline and local service carriers. This ratio is 28.5 percent.[5] In all cases where we are providing a profit element, the ratio of leased to owned values of the carrier's fleet devoted to the international MAC services[6] is at least 40 percent or more. In accordance with § 399.43, a return element of 6 percentage points less than the standard rate of return herein proposed for MAC purposes would be applied to depreciated constructed values exceeding 28.5 percent of such carrier's MAC aircraft.

Fuel expense. For the most part these costs have been based on the latest available military price of 10.4 cents per gallon for fuel purchased from the military and on commercial prices to the extent that commercial fuel purchases have been shown to be appropriate for MAC charters.

Maintenance expense. Adjustments have been made to the flight equipment maintenance cost forecasts where not adequately supported, not based upon the best available evidence, or otherwise unreasonable. In the case of Braniff's B–747's, the carrier had no base period experience with that aircraft, and constructed a cost using its B–707 experience as a point of departure. We believe it is more appropriate to substitute the carrier's B–747 cost experience for the year ended September 30, 1971, which provides the most currently available data and is in line with the comparative B–747 cost during 1970 and fiscal year 1971 of other carriers using that aircraft in foreign and overseas service. Eastern claimed its base period experience with new DC–8–63 aircraft was not representative of normal costs, and used in its forecast its DC–8–61 maintenance expense. In the place of that projection we have substituted the adjusted average of DC–8–63 costs of the six carriers using this aircraft in MAC foreign and overseas service. World's B–707 maintenance forecast substantially exceeded the forecasts of all other MAC carriers and was 33 percent above its forecast for fiscal year 1970. Moreover, World had a strike during the base period which would tend to distort its experience, and its indirect maintenance costs are quite high despite the fact that the bulk of its direct maintenance is performed by other entities (including World Air Center, an affiliate of the carrier). Accordingly, we proposed to substitute for the maintenance expense projection of World an allowance based on the costs of Continental, the carrier with the next highest expense level for this activity.

Anticipatory cost increases. Consistent with the Board's longstanding rate policy, we have eliminated all anticipatory cost increases from the carriers' forecasts, whether based on asserted cost trends, estimates, or anticipated price or wage changes. However, those price or wage increases actually experienced subsequent to our base period or reflected in existing contracts covering fiscal 1972 are projected in the proposed rate where adequate supported.

Other adjustments. Other adjustments of the carriers' forecasts made by the Board include elimination of self-insurance reserves; substitution of more reasonable allocation methods where excessive expenses had been apportioned to MAC; elimination of amortization of SST risk payments and preoperating expenses for aircraft not currently used in MAC service; deletion of anticipatory investments; and nonrecognition of accruals of obsolescence claimed by a carrier but not reflected in its accounts.

Provision for income taxes has been made at the Federal tax rate of 48 percent, after interest expense deductions. Although some of the carriers have claimed State income taxes, we have not made a separate allowance for such taxes since the constructive allowance computed at the Federal rate has not been shown insufficient to provide adequate recognition of State and Federal income taxes actually paid. See "Domestic Passenger-Fare Investigation," Orders 71–4–59 and 71–4–60, page 33. The interest expense deductions related to loans tied to prime interest rates have been computed by using 5.25 percent as a figure reasonably representative of the average prime rate for fiscal year 1972, based on our analysis of the impact of fluctuations in that rate since July 1, 1971, and the impact of the most current prime rates on such loans for the remainder of the fiscal year.

Rate of Return. For the reasons set forth in ER–733, May 11, 1972, establishing final rates for Logair and Quicktrans services, the Board proposes to use a rate of return of 10.5 percent on investment recognized for foreign and overseas MAC services. This return element is based on the 12-percent rate of return established last year in the "Domestic Passenger-Fare Investigation," Order 71–4–58, less the 1.5 percentage points difference which has obtained in the past between the return previously used for commercial rate purposes and the 9-percent return employed in past MAC rate reviews.

Round trip minimum rates. The following table lists the costs proposed to be recognized for each carrier and aircraft for round trip passenger and cargo charters:

[2] CF. PS–45, Apr. 9, 1971, pp. 12–13.
[3] PS–44, Apr. 8, 1971.
[4] As in prior MAC rate reviews, general burden expense has been computed on the basis of each carrier's experienced ratio of general overhead expenses to operating expenses exclusive of (1) flight equipment depreciation, and (2) amortization of deferred preoperating costs, and the working capital allowance is equal to 1 month's cash operating expenses.

[5] See Appendix B to EDR–201, May 19, 1971.
[6] Use of the MAC fleet ratio of a carrier is believed to comport more closely with the principles set forth in PS–44 than looking to the ratio of leased to owned values of individual aircraft types owned by a carrier. The special risk related to leasing is measured against a standard based on all of the aircraft in a ratemaking unit, and thus the ratio for a MAC carrier should be similarly computed.

Carrier and aircraft type	Total cost recognized			
	Per passenger-mile (cents)		Per cargo ton-mile (cents)	
	Standard	B–747 Stretched	Standard	Stretched
Airlift 63		1.67		6.67
American 707	1.87		6.69	
Braniff 707	1.97		7.47	
Braniff 62	1.92		6.76	
Braniff 747		1.69		
Capitol 55	2.40		9.49	
Capitol 63		1.87		7.43
Continental 707	1.93		7.26	
Eastern 63		1.95		
Flying Tiger 63		1.84		7.70
Northwest 707	1.83		7.15	
ONA 63		1.87		7.16
Pan American 707	2.03		7.89	
Pan American 747		1.83		
Saturn 55	2.24		8.83	
Saturn 61		2.03		8.30
Seaboard 63		1.70		7.09
TIA 61		2.06		8.46
TIA 63		1.84		7.47
TWA 707	1.95		6.79	
United 62	1.91			
Universal 61		1.83		7.09
World 707	1.93		7.09	

The B–747 passenger-mile costs have been included with the costs for standard and stretched jets since, as can be seen from the table above, there is a considerable overlap at this time among the costs for the various equipment classes. No cargo costs were submitted for the B–747 and this aircraft type was not offered for cargo service. However, DOD has urged that it is entitled to have the use of the lower compartment cargo capacity at no extra charge, arguing that in the light of the ACL of 375 passengers it proposes, its recommended Category B passenger rate would be fully compensatory without any additional fee for cargo it may ship in the hold. Because of the large differences between cargo capacity on the B–747 and on other aircraft types, and the dearth of cargo cost data for the B–747, no separate rate is being proposed for cargo service on that aircraft. Moreover, our tentative view is that the B–747 passenger ACL proposed is relatively low when measured against the perspective of the potential capacity of the aircraft and of differences between commercial seating practices and ACL's for other aircraft types. Of course, if a higher passenger ACL were used, the cost to DOD per seat-mile would be lower. In these circumstances DOD's request to use the cargo compartment without extra charge on flights chartered for passenger service is not unreasonable.

In the case of American's B–707's, the fleet committed to DOD includes four passenger/cargo convertible aircraft and 15 all-cargo aircraft, and DOD has included American in its cargo cost analysis. Although that carrier did not propose a cargo rate, we have prepared a cargo cost forecast based on American's passenger cost data, excluding passenger service expense. Since the costs so determined are in line with those for other carriers offering similar aircraft, it appears appropriate to utilize that data in computing our proposed rates.

In establishing minimum rates in past rate reviews the Board has considered individual carrier costs as well as averages computed on the basis of equal weightings for each individual cost and weightings intended to reflect relative participation in MAC airlift services. We will continue to employ that process here. The simple average of the costs of performing round-trip passenger services for the various long-range jet carriers is 1.90 cents per passenger-mile. When weighted by MAC award points for fiscal 1972 or according to revenues under the MAC fiscal 1972 fixed contracts, the average is 1.90 cents. Based on total MAC revenues for fiscal year 1971, the average is 1.89 cents. Considering all these factors, an average yield of 1.90 cents per passenger mile is indicated for long-range jet aircraft types.

For the cargo costs, the simple average is 7.38 cents per ton-mile, while the average cost whether weighted by award points or according to the total MAC revenues for fiscal year 1971 is 7.32 cents, and the average based on fixed-buy revenues under fiscal year 1972 contracts is 7.31 cents. In our judgment the appropriate yield for cargo services with long-range aircraft is 7.33 cents per cargo ton-mile.

The adjustments for mileage absorption to recognize differences between adjusted operating miles and the standard mileage used for payment purposes have been determined in basically the same manner as in previous rate reviews. Since these differences vary according to classes of aircraft, we have computed the average relationships of operating miles and pay miles for such classes, as shown in Appendix E, and have applied these absorption factors to the adjusted costs by classes of aircraft, shown in Appendix F.[7] Stretched jets in passenger service were operated an average of 1 percent, and regular jets an average of 0.4 percent, greater distance than the MAC pay mileages for these operations.[7a] In cargo services the averages were 2.5 percent greater for stretched jets and 1.2 percent greater for regular jets. When applying the absorption factors to the adjusted costs a weighting between stretched and regular jets was performed on the basis of MAC fiscal 1972 fixed contract awards for passengers. Since sufficient fixed-buy data were not available to enable use of that approach for cargo, MAC award points were used for weighting the absorption factor for cargo services. As set forth in Appendix G, the proposed round-trip rates so derived are 1.91 cents per passenger-mile and 7.45 cents per cargo ton-mile. These rates are approximately 0.3 percent below the current rate for passengers and 3.6 percent below the current rate for cargo.

One-way minimum rates. Proposed one-way rates have been computed from the proposed round-trip rates by the same method we used in previous MAC rate reviews. Our purpose is to reflect the costs of return-empty backhauls, less the cost-savings for such backhauls and after correction for commercial revenue backhauls. In our judgment a review of the data submitted by the carriers indicates that cost savings of approximately 8 percent are available for passenger one-way trips, representing savings in passenger food and supplies and in liability insurance, while an additional 1 percent can be saved for both passenger and cargo one-way trips in more direct mileage, fewer landings, loading and unloading, and planning costs. Based on analysis of the Form 243 data for calendar year 1971 (see Appendix I),[7] the commercial backhaul factors are 2.8 percent both for passenger trips and for cargo trips. The derivation of the one-way rates based on these factors is shown in Appendix J.[7] The resulting proposed minimum rates are 3.60 cents per passenger-mile for one-way passenger charters and 14.62 cents per ton-mile for one-way cargo charters. These rates represent an increase in the passenger one-way rate of 4.4 percent and a decrease in the cargo one-way rate of 4.9 percent.

Convertible and mixed minimum rates. The fragmentary data provided by the carriers fail to establish a reasonable basis for departing from the adjustment factors used in our rate review for fiscal year 1971 to adjust for cargo payload shrinkage, deadheading flight attendants, and labor costs associated with configuration changes when convertible aircraft are employed. Accordingly, as set forth in Appendix K,[7] we have changed the convertible rates to reflect the proposed round-trip passenger and cargo rates, but have used the same adjustment factors as are reflected in the current rates. The proposed minimum rates for all convertible traffic are set forth in the proposed rule. Proposed minimum rates for mixed charters have been computed on the same basis as was used in previous rate reviews and are also set forth in the proposed rule.

CATEGORY B MINIMUM RATES FOR SMALL TURBINE AIRCRAFT

The current rates for small turbine aircraft apply to the B–727, CV–880, and CV–990, with separate rates for Pacific interisland services and for all other services. In addition, the minimum rate for Pan American's operation of B–707 aircraft in recreation and rehabilitation (R. & R.) service between Vietnam and Thailand, Malaysia, Singapore, the Philippines, Hong Kong, and Taiwan was established at the level of the small turbine Pacific interisland rate. DOD recommends that the new rates be established exclusively on the basis of B–727 cost data, stating that it has not used the CV–880 or CV–990 for several years and does not anticipate using them. Pan American has requested that its short-haul costs for the B–707 be included with the short-haul costs of other carriers. However, as

[7] Appendices A–K filed as part of the original document.

[7a] No absorption factor for the B–747 passenger services was assumed, in view of the long-range capability of the aircraft and of the fact that Pan American and Braniff, the B–747 operators, generally fly routings coincident with their MAC pay miles.

we pointed out in the last rate review (ER–669, pp. 11–12), MAC has permitted Pan American to use its long-haul aircraft on short-haul R. & R. routes at the higher seat revenue of short-haul services as an accommodation to the carrier. We also note that although Pan American has provided a break-out of long-haul and short-haul B–707 costs, these short-haul costs are significantly higher than the Pacific interisland costs for the B–727 operators. Several fixed-buy awards were made to Pan American for this service at the short-haul rate which as indicated above, was previously established on the basis of short-haul aircraft costs only. Accordingly, we propose to base the Category B rates for small turbine aircraft and the above-described R. & R. service exclusively on the data for B–727 aircraft.

DOD has used the costs of Airlift, Southern, and World in recommending rates for the Pacific interisland classification and has grouped Alaska, Braniff, and Trans International in the "all other" category. This is consistent with the fiscal 1972 contracts and we propose to follow those classifications in assessing costs.[8]

Our adjustments of the carriers' forecasts per passenger-mile and per cargo ton-mile for small turbine aircraft charters are based on the same general principles as the adjustments for the large jets and are shown in Appendices C and D. The major cost revisions involve changes resulting from application of our depreciation, rental, return, and utilization policies described above.

Round-trip minimum rates. The carriers' adjusted cost are summarized as follows:

TOTAL COST RECOGNIZED

Carrier	Per passenger-mile (cents)		Per cargo ton-mile (cents)	
	Pacific interisland	All other	Pacific interisland	All other
Airlift	2.69		13.91	
Alaska		2.73		12.45
Braniff		2.48		12.29
Southern	2.34		12.60	
Trans International		3.39		17.70
World	2.60		13.69	

Average costs were computed on the same four bases as for the large turbine aircraft. The various averages are as shown below:

Weighting basis	Per passenger-mile (cents)		Per cargo ton-mile (cents)	
	Pacific interisland	All other	Pacific interisland	All other
Simple average	2.54	2.87	13.40	14.15
Award points	2.56	2.78	13.47	13.57
Fiscal year 1972 fixed contracts	2.56	2.82	13.49	14.05
Fiscal year 1971 MAC revenues	2.59	2.82	13.58	14.08

Based on these data, and giving most emphasis to the fiscal 1972 fixed award contracts for weighting purposes, it is our judgment that the proposed minimum round-trip passenger rates for small turbine aircraft should be 2.56 cents in Pacific interisland service and 2.82 cents in all other service, per revenue passenger-mile. These rates are 0.70 percent lower for Pacific interisland service and 0.64 percent higher for all other service than the current rates. On the same basis we propose to establish minimum round-trip cargo rates of 13.50 cents per ton-mile for small turbine aircraft in Pacific interisland service and 14 cents per ton-mile for such aircraft in all other service, thus effecting an increase of 2.94 percent for the former, and a decrease of 3.93 percent for the latter, when compared to current rates.

One-way minimum rates. The correction for commercial backhauls has not generally been made in the past, and Form 243 data continue to indicate that no correction for commercial backhaul is warranted. We estimate the cost savings for passenger trips to be approximately the same as the 9 percent applied to long-range services. For cargo we have reflected a cost savings of 2 percent in short-range services. As shown in Appendix J,[7] the one-way minimum charter rates reflecting these adjustment factors are 4.89 cents per passenger-mile for all other services, and 26.73 cents per cargo ton-mile for Pacific interisland services and 27.72 cents per cargo ton-mile for all other services. These proposed one-way passenger rates are higher than current rates by 0.29 percent and 1.66 percent for Pacific interisland and all other services, respectively, while the one-way cargo rates when compared to current minimum rates are 1.91 percent higher and 4.88 percent lower for Pacific interisland and all other services, respectively.

Convertible and mixed minimum rates. These rates, which are set forth in the proposed rule, were derived on the same basis as their counterpart rates for long-range aircraft. The adjustment factors and the computations for the convertible rates are indicated in Appendix K, while the proposed rates for mixed charters follow the same principles as were used in previous rate reviews.

INDIVIDUALLY TICKETED (CATEGORIES A, Z, AND X) AND WAYBILLED (CATEGORIES A AND X) SERVICES

For many years the Board has related the rates for individually ticketed and waybilled services to the Category B charter rates. The primary reasons for this approach are that the costs for performing these various services for DOD cannot, as a practical matter, be isolated with any degree of precision and, in any event, intangible value of service and competitive considerations also must be weighted heavily in the balance when reaching our judgments as to a reasonable rate level and structure. Historically, the Category A and Z fares have never been higher than the one-way Category B rate for passengers and have in almost all cases been established at the same level as the one-way Category B rate.[9] On the other hand, for Category A cargo separate outbound and inbound rates have been the rule, reflecting greater directional imbalance in traffic flow, but these rates were established at levels below the Category B one-way cargo rates.

In their joint petition in Docket 23579 eight carriers[10] have requested that the Category A and Category Z rates be divorced from the rates for Category B charters. They urge that these rates be increased from the current level of 3.448 cents per passenger-mile to 4.652 cents per passenger-mile and from 13.135 cents (outbound) and 10.946 (inbound) per cargo ton-mile to 17.690 cents per ton-mile (both inbound and outbound). In support of their position petitioners argue that the current rates and structure (1) can lead to serious diversion of traffic from the off-route and supplemental charterers to the scheduled combination and all-cargo carriers, especially if changes occur in MAC volume, direction and consistency; (2) debase the yield of the Category A and Z carriers, to the detriment of those carriers, commercial passengers and shippers, and the taxpayers; (3) are inconsistent with CRAF purposes and policies; and (4) do not bear a reasonable relationship to cost or value of service. They also argue that the current A and Z rates unreasonably discriminate against commercial users and that

[8] We have also included Alaska in the cargo costing although that carrier submitted no cargo forecast, as such. Alaska indicated a desire to be considered for a cargo award and stated that it would "accept the negotiated cost if the costing is consistent with passenger flight costing methodology." Our cargo forecast for Alaska is derived from its adjusted passenger forecast, less passenger service expense and related adjustments.

[9] The most recent exception involved the rates for fiscal year 1966 (see PS–26, adopted March 17, 1965), but that case represented a departure from the prior structure, which was reinstated in the next rate review (see EDR–96/PSDR–15, January 13, 1966, and PS–30, March 29, 1966). Category A passenger fares cover "individually ticketed" travel in scheduled service pursuant to DOD contract, but, as more fully described below, the "ticket" and the transportation can (and typically does) cover group travel. Category Z traffic is carried in scheduled service at tariff rates for the military (governed by Part 399), and this transportation can also cover passengers traveling in groups.

[10] Airlift, Braniff, Capitol, Continental, ONA, Trans International, Universal, and World Airways.

these rates must be based on fully allocated costs.

DOD, Flying Tiger, Pan American, Seaboard, TWA, and Northwest filed answers in opposition to the joint petition. DOD characterizes the petition as an attempt to divert traffic from one group of carriers to another. It states that Categories A and Z services provide a flexible means of moving relatively small amounts of traffic quickly and that the practical result of changing the existing MAC minimum rate structure as requested would be to destroy these services, to the disadvantage of DOD and the taxpayer. It also states that substantial international business is not involved, that it does not believe the CRAF program will be advantaged by increasing these rates, and that the current rate relationships are supported by the logic of the Board when it considered them on several occasions in the past. The carrier opponents of the petition also emphasize the competitive advantage being sought by petitioners' attempt to increase rates for scheduled services. They argue that military traffic moves on scheduled services on a top-off basis, which provides added revenue support for vital scheduled services and thus benefits commercial traffic as well as benefiting the military mission. These carriers challenge (a) the cost basis of the rates sought by petitioners as representing more than fully allocated costs and (b) the premise that the use here of a full allocation is appropriate, and they state that lower rates for the military to the extent permitted pursuant to Part 288 is not an undue discrimination within the meaning of the Act.

DOD, Northwest, Pan American, and TWA request that the Category A passenger rate be continued at the same level as the one-way Category B rate.[11] For cargo, DOD, Pan American, TWA, and Flying Tiger propose Category A rates lower than the one-way Category B rates. Northwest recommends an outbound rate equal to its proposed Category B rate and an inbound Category A rate below its outbound rate proposal. In addition to Northwest, DOD and Flying Tiger propose outbound rates higher than inbound rates, while Pan American and TWA propose that a single Category A cargo rate be applicable in either direction.

In a related development the DOD and four carriers[12] proposed that a rate equivalent to the round-trip Category B rate be approved for so-called "Category Y" transportation pursuant to contracts for the carriage of passengers under blocked-space arrangements in scheduled commercial service. The carriers sought exemptions in Dockets 24132, 24133, 24159, and 24192 on selected major routings for a 3-month period, but it was clear from DOD's pleadings that a more extended "experimental" period was envisioned and that petitioners and DOD looked forward to widespread use of the low round-trip Category B rate on scheduled services in the future if they were satisfied with the pilot program. Therefore, although the Board denied the applications for exemptions, we stated that we would consider the issue of Category Y rates as part of the instant rule making proceeding.[13]

The Board proposes to maintain the relationship between the Category A rate for passengers and the one-way Category B passenger rate; to establish the Category A cargo rate at the same level as the one-way Category B rate; and to apply the same rate to inbound and outbound Category A cargo. Further, it is our tentative view that no separate rate should be established for the so-called Category Y passengers, but rather that these passengers are akin to, and should be treated as, Category A passengers for MAC rate purposes.

After reviewing the submissions in this proceeding, as well as the documents in Docket 23579 and the exemption proceedings, we have found no considerations which would lead us to change the long-established structure of rates for DOD passengers. The basic MAC round trip charter service remains the least expensive and most efficient to operate, while commercial carriage in regular scheduled service is still the most expensive to provide and the most flexible and valuable from the viewpoint of the user. Round trip charter rates, with their 100-percent load factors and lower traffic handling, fuel and other costs, provide a rate floor, and rates for individually ticketed scheduled services, with their costly amenities and lack of load-factor guarantees, provide a rate ceiling for military traffic. The issue presented is where the reasonable minium rates should be fixed within these parameters.

Although Category A traffic does not bring with it any assured load factor, and the advantage of assembling and moving less than planeload groups requires that this carriage be considerably higher rated than Category B round-trip charters, we reject the notion that Category A fares be based on the concepts of fully allocated costs advocated by petitioners in Docket 23579. In the first place, a reasonably precise isolation of the costs of carrying this military traffic on scheduled flights does not appear at this juncture to be practicable, and the exhibit appended to the petition has failed to convince us that these costs can be isolated, or even closely approximated using petitioners' approach. Petitioners' allocations of cost do not reflect the special characteristics of the Category A traffic which, to a considerable extent, permit economic integration of such traffic with available capacity on scheduled services, with a minimum amount of displacement of higher rated traffic. Although these individually ticketed minimum rates have never been established on the basis of any definitive determination of costs, reference to the military contracts tends to confirm that the movement of Category A traffic at the one-way Category B rate level makes a contribution to scheduled services. MAC reviews its traffic requirements in advance of each month and agrees on the volume for the month. About 45 days in advance a preliminary notice is given of the requirements for particular groups of passengers. There is no obligation at this point to set aside space for this traffic on any particular flight, and thus the carrier has an opportunity to schedule the movement of these passengers using space otherwise unsold, with the result a more even flow of traffic, higher load factors, and reduced unit costs.[14] Thus Category A traffic provides a unique potential for the carriers to make better use of available capacity.

Furthermore, if minimum fares for these services were set significantly above the rate for one-way Category B passenger service, DOD would have an incentive unduly to prefer not only the round-trip planeload charters, which are inherently economical, but also the one-way planeload charters, which represent a relatively unsound allocation of resources. With such a structure, a substantial amount of traffic that normally would move on Category A service could be diverted to charters, thereby eliminating a valuable source of route support to American-flag carriers. It should be borne in mind that the carriers' schedules are generally balanced as to directionality, although the commercial traffic may not be. Accordingly, in many cases space is available for top-off traffic, and this is a countervailing factor to be weighed against savings on full-load charters.

This is not to say that a short-run or added-cost basis would be appropriate for evaluating the economics of the Category A services, since all traffic should make a reasonable contribution to costs and the magnitude of this military traffic is such that over the long run it would have an increasing impact on carrier expenses, and the more so if the rate level is so low as to divert passengers from the charter services to the more attractive scheduled services. In our judgment, the one-way passenger charter rate appears to be the level for Category A traffic which leads to a proper allocation of resources and strikes a reasonable balance between the relative economies and values of round-trip charter and scheduled service. We propose to continue that structure in effect. In addition, while we recognize that there are differences between Category A and Category Z traffic, historically these minimum rates

[11] Eastern has proposed a Category A rate higher than the Category B rate it seeks, basing its proposal on third-level (thrift) fares.

[12] Alaska, Northwest, Pan American, and TWA.

[13] Order 72-4-75, Apr. 14, 1972. Consistent with that order, we are considering in this rule making proceeding the arguments contained in the exemption applications and in the other pleadings in the above-cited dockets.

[14] Once reservations are made (generally about 5 days before travel), the passengers must normally be carried as scheduled—and DOD must pay for all seats committed within 5 days of the flight unless the carrier sells the no-show space.

have been priced at the same level, and we propose to continue this tandem relationship at this time.

As to the so-called Category Y service, it is the Board's current view that the proposals by DOD and the route carriers do not differ in substance from proposals in previous rate reviews to apply the round trip charter rates to less than planeload service. The use of manifests instead of transportation requests which may cover a number of "individually ticketed" passengers is not a sufficient distinction to differentiate the rates for "Y" and "A" transportation, for it would appear to have no material effect on either the cost or value of service. The blocked-space arrangements are not substantially different from the current methods of arranging for Category A passengers sketched out above. In both cases, advance notice is required. In the case of Category Y, the scheduling may begin 45 days before the travel month, but scheduling and rescheduling of seats by date and flight are subject to mutual agreement and the scheduling does not become firm until 3 to 5 days before departure—and even then up to 15 percent of the fixed-buy for the month may be rescheduled. However, the passengers are to be scheduled in blocks of at least 20 per flight. This scheduling is somewhat less flexible than the Category A service, from the viewpoint of both the DOD and the carrier. Although the parties to the contracts have attempted to structure them in the form of round trip awards by providing for the carriage of round trip passengers, the traffic movements are not related to return flights of the aircraft, the passengers are considered fungible, and, as has been the case with all military traffic, the individuals carried in one direction may be different from those traveling in the opposite direction. Category A passengers move in both directions, yet we have often rejected the argument that this is round trip transportation akin to a round trip charter where the entire aircraft is contracted for on a round trip basis,[15] and the same considerations apply to the Category Y proposal. Further, to the extent that sizable blocks of space may be involved, while this support may help fill seats where load factors are very low it also raises questions both as to (1) the schedule frequency economically supportable in the absence of what is proposed to be very heavily discounted traffic and (2) the possibility of preempting space of much higher rated traffic.[16] The Board's current judgment is that any Category Y traffic should be carried under the Category A rate and not the round trip Category B rate.

Turning to Category A cargo, we propose to eliminate the difference in rates for inbound and outbound traffic since, as stated by Pan American, the heavy directional imbalance which was the reason for the differential appears no longer to exist. However, that being the case, we perceive no sound basis for having a military cargo rate structure which differs from the passenger rate structure. The same general considerations that underlie equating the Category A passenger rate with the one-way Category B rate support such an equalization for cargo service. Cargo traffic should make a contribution to scheduled service consonant with the benefit of the convenience provided, and in our judgment achievement of this result warrants the proposed increase in the rate.[17] On the other hand, petitioners in Docket 23579 assert that Category A cargo should be priced higher than the one-way Category B rate, at a level approaching commercial rates, but this ignores both the opportunities currently available to use otherwise unsold capacity and the return-empty backhaul costs built into the charter rate. Competitive considerations and recognition of the need for an economical allocation of resources make the one-way Category B rate an effective ceiling for Category A cargo, but there appears to be no valid reason why that traffic should bear a lower share of the cost of scheduled transportation.[18]

Finally, the Board proposes (1) to amend § 288.7(d) (3) and (4) of Part 288 to include Philadelphia as a certificated terminal point for service to McGuire and Dover Air Force bases at the same charge as provided between those bases and New York City, and (2) to amend § 288.7(d)(6) to change the standard weight per pallet from 4,500 pounds to 3,750 pounds. The first of these amendments incorporates into Part 288 the common rating of Philadelphia and New York for service to McGuire and Dover provided for in exemption Order 70-4-102 and the second incorporates the reduction in pallet weight as reflected in exemption Order 71-5-77.

EFFECTIVE DATE AND DURATION

As indicated above, the notice in EDR-205/PSDR-32 which instituted this proceeding stated that the present rates would be subject to revision on and after July 1, 1971. While that was not a final determination that any revised rates would in fact be made effective as early as the beginning of fiscal year 1972, we believe it appropriate that the rates be effective, as in past cases, from the date of institution of the rule making proceeding, except for Category Z rates, which cannot be made effective until tariffs are filed.

Although the Board generally conducts an annual review of these rates, it is presently contemplated that the rates established as a result of the instant proceeding will remain in effect at least through the end of fiscal year 1973, subject, of course, to the right of any carrier or DOD to request review prior to that time and to the right of the Board to institute an earlier review if the facts so warrant.[19] Our analysis of the Form 41 reports indicates that there have been no significant changes in the available ton-mile costs for the MAC carriers since the base period,[20] and the Economic Stabilization program should also tend to minimize any inflationary cost increases. Moreover, the rate of return proposed herein is intended to cover risks under prospective rates and looks toward operation under future period rates which remain closed for a reasonable period of time. Accordingly, we propose that the rates to be established in this proceeding be effective as of July 1, 1971,[21] and remain in effect indefinitely.

PRICE STABILIZATION

In conformance with rulings and regulations of the Cost of Living Council and the Price Commission, the ceiling prices for military air transportation provided during the period August 16, 1971, through November 13, 1971, are the temporary rates pursuant to which payments were made during the 2 months immediately prior to that freeze period (in this case, the MAC rates which were then and are currently reflected in Part 288). However, as the Council has pointed out, the freeze sets the ceiling price rather than the price itself; downward adjustments are not forbidden and are in accordance with our rate making standards; and increases are not to be made to compensate for the freeze limitations. Accordingly, we will make effective on and after July 1, 1971, those rates which are the same as or lower than the current rates, while rates higher than the current rates will be made effective only for the periods July 1–August 15, 1971, and on and after November 14, 1971. For operations for which rates are increased during the aforesaid periods we are reestablishing the current rates for the period August

[15] See, e.g., EDR-133, February 20, 1968, page 22, where we note that this argument has been made over the years.

[16] The 1.91 cent yield proposed for Category Y is in sharp contrast with the current yields on economy fares, which range from 6.41 cents to 8.79 cents between New York and Frankfurt and are 8.68 cents between Seattle and Tokyo. Even the least expensive excursion fare yields are 3.11 to 4.33 cents between New York and Frankfurt and 7.38 cents between Seattle and Tokyo.

[17] However, since the sizable increase in the Category A cargo rates is based in large part on policy with respect to structural relationships rather than on cost changes, and the price change may have affected the use of the service if earlier made, the Board requests the parties' views with respect to the appropriate effective date for this rate change.

[18] In this connection we note that for several years Part 288 has provided Category X rates for inbound transportation of passengers or property in fixed proportions to Category A outbound cargo, pursuant to option provisions of DOD contracts. These rates have been equated with round-trip charter rates. Very little use has been made of Category X service and, for the reasons indicated in our discussion of Category Y, supra, the Board questions whether the concept continues to be valid. The parties should address comments to this facet of individually ticketed and waybilled rates, since the Board will consider deleting Category X when we establish the final rule.

[19] As a technical matter, the rates established in Part 288 have been of indefinite duration since the promulgation of ER-602, Dec. 30, 1969, and the Board institutes rate reviews as appropriate, on its own motion or that of the parties.

[20] Excluding depreciation and amortization elements, the available ton-mile cost for the year ended Dec. 31, 1971, the latest period available, was 16.63 cents, compared with 16.74 cents for the base period (after eliminating World and Northwest from both periods because of strikes).

[21] Except for Category Z rates.

16–November 13, 1971.[22] As indicated at the outset of this statement, rates for MAC services in foreign air transportation were exempted from Phase II price control regulations. However, in our judgment the proposed rates, which cover certain interstate and overseas transportation, as well as foreign air transportation, are consistent with the economic stabilization guidelines.

[22] Our action proposing that the temporary rates in effect during the period July 16–Aug. 14, 1971, be established as final rates for the Aug. 16–Nov. 13, 1971, freeze period is taken pursuant to a ruling of the Cost of Living Council, dated Nov. 18, 1971. However, we are informed that a carrier request for a different ruling is pending before the Council. Accordingly, if that request is granted, the carriers receiving the ruling should submit a copy thereof to the Board, which will consider it when establishing final rates herein.

It is proposed to amend Part 288 of the Economic Regulations and Part 399, Statements of General Policy (14 CFR Parts 288 and 399), as follows:

PART 288—EXEMPTION OF AIR CARRIERS FOR MILITARY TRANSPORTATION

1. Amend § 288.7(a)(1) and (d)(1) and (2) to read as follows:

§ 288.7 Reasonable level of compensation.

* * * * *

(a) * * *

(1) Performed with turbine-powered aircraft:

(i) For services performed between July 1, 1971, and August 15, 1971, and on and after November 14, 1971:

Aircraft type	Passengers, per passenger-mile (cents)		Cargo, per ton mile (cents)		Convertible (cents)		Mixed passenger-cargo, per revenue plane-mile (dollars)			
							Round trip		One way	
	Round trip	One way	Round trip	One way	Passenger leg, per passenger-mile	Cargo leg, per ton mile	Variable	Fixed	Variable	Fixed
Turboprops:										
CL–44	2.00	3.60	9.36	17.19	2.15	10.67				
L–382/L–100–10/20/30			10.05	19.64						
Wide-bodied jets:										
B–747	1.91	3.60	7.45	14.62						
Regular turbojets	[1] 1.91	3.60	7.45	14.62	2.06	8.74				
Passengers-pallets:										
165 and 0							3.40	3.15	6.20	5.94
117 and 3							3.27	3.03	6.03	5.76
105 and 4							3.23	2.99	5.98	5.72
93 and 5							3.20	2.96	5.94	5.68
81 and 6							3.17	2.93	5.90	5.63
63 and 7							3.12	2.88	5.83	5.57
51 and 8							3.09	2.85	5.79	5.52
0 and 12							2.95	2.72	5.60	5.34
DC–8F–61, –63	1.91	3.60	7.45	14.62	2.06	8.74				
Passengers-pallets:										
219 and 0							4.51	4.18	8.19	7.88
159 and 5							4.29	3.96	7.83	7.53
65 and 12							3.95	3.60	7.27	6.97
47 and 13							3.89	3.53	7.17	6.86
0 and 18							3.71	3.35	6.89	6.58
B–727–Pacific interisland	2.56	4.89	13.50	26.73	2.83	16.43				
Passengers-pallets:										
105 and 0							2.97	2.69	5.42	5.13
61 and 2							2.86	2.58	5.28	5.00
50 and 3							2.84	2.55	5.25	4.97
46 and 4							2.83	2.54	5.23	4.95
0 and 7							2.71	2.43	5.09	4.81
B–727–All other	2.82	5.39	14.00	27.72	3.09	16.97				
Passengers-pallets:										
105 and 0							3.24	2.96	5.94	5.66
61 and 2							3.06	2.78	5.66	5.38
50 and 3							3.01	2.73	5.59	5.31
46 and 4							2.99	2.71	5.56	5.28
0 and 7							2.80	2.52	5.27	4.99

[1] The minimum rate for operation of B–707 aircraft in Recreation and Rehabilitation (R&R) service between the Republic of South Vietnam, on the one hand, and Thailand, Malaysia, Singapore, the Republic of the Philippines, Hong Kong, and Taiwan, on the other shall be 2.56 cents per passenger-mile.

(ii) For services performed between August 16, 1971, and November 13, 1971:

Aircraft type	Passengers, per passenger-mile (cents)		Cargo, per ton mile (cents)		Convertible (cents)		Mixed passenger-cargo, per revenue plane-mile (dollars)			
							Round trip		One way	
	Round trip	One way	Round trip	One way	Passenger leg, per passenger-mile	Cargo leg, per ton mile	Variable	Fixed	Variable	Fixed
Turboprops:										
CL–44	2.00	3.60	9.36	17.19	2.15	10.67				
L–382/L–100–10/20/30			10.05	19.64						
Wide-bodied jets:										
B–747	1.91	3.448	7.45	14.62						
Regular turbojets	[1] 1.91	3.448	7.45	14.62	2.06	8.74				
Passengers-pallets:										
165 and 0							3.40	3.15	5.95	5.69
117 and 3							3.27	3.03	5.85	5.59
105 and 4							3.23	2.99	5.82	5.56
93 and 5							3.20	2.96	5.80	5.54
81 and 6							3.17	2.93	5.77	5.51
63 and 7							3.12	2.88	5.73	5.47
51 and 8							3.09	2.85	5.71	5.45
0 and 12							2.95	2.72	5.60	5.34
DC–8F–61–63	1.91	3.448	7.45	14.62	2.06	8.74				
Passengers-pallets:										
219 and 0							4.51	4.18	7.86	7.55
159 and 5							4.29	3.96	7.59	7.28
65 and 12							3.95	3.60	7.17	6.87
47 and 13							3.89	3.53	7.09	6.79
0 and 18							3.71	3.35	6.89	6.58
B–727–Pacific interisland	2.56	4.876	13.115	26.229	2.83	16.006				
Passengers-pallets:										
105 and 0							2.97	2.69	5.403	5.123
61 and 2							2.83	2.55	5.235	4.954
50 and 3							2.80	2.52	5.190	4.910
46 and 4							2.79	2.51	5.179	4.898
0 and 7							2.65	2.37	4.999	4.719
B–727–All other	2.802	5.302	14.00	27.72	3.071	16.97				
Passengers-pallets:										
105 and 0							3.23	2.95	5.85	5.57
61 and 2							3.05	2.77	5.61	5.33
50 and 3							3.00	2.72	5.55	5.27
46 and 4							2.99	2.71	5.52	5.24
0 and 7							2.80	2.52	5.27	4.99

[1] The minimum rate for operation of B–707 aircraft in Recreation and Rehabilitation (R&R) service between the Republic of South Vietnam, on the one hand, and Thailand, Malaysia, Singapore, the Republic of the Philippines, Hong Kong, and Taiwan, on the other shall be 2.56 cents per passenger-mile.

* * * * *

(d) For Category A transportation:

(1) *Passengers.* (i) For services performed between July 1, 1971, and August 15, 1971, and on and after November 14, 1971, 3.60 cents per passenger mile.

(ii) For services performed between August 16, 1971, and November 13, 1971, 3.448 cents per passenger mile.

(2) Cargo:

(i) For services performed between July 1, 1971, and August 15, 1971, and on and after November 14, 1971, 14.62 cents per ton-mile.

(ii) For services performed between August 16, 1971, and November 13, 1971: Outbound, 13.135 cents per ton-mile; and inbound, 10.946 cents per ton-mile.

* * * * *

2. Amend § 288.7(d)(4) by changing the words "New York" in the table under the heading "certificated terminal point" to read "New York or Philadelphia."

3. Amend § 288.7(d)(6) by changing the number "4,500" to read "3,750."

4. Amend § 288.7(e) to read as follows:

(e) For Category X transportation, 1.91 cents per passenger-mile and 7.45 cents per cargo ton-mile.

5. Replace the table in § 288.8 (minimum aircraft loads) with the following:

§ 288.8 Minimum aircraft loads.

* * * * *

Aircraft type	Number of passengers, all-passenger and convertible flights	Tons of cargo	
		All-cargo flights	Convertible flights
B-747	375		
B-707-320-B/C	165	36.5	33.7
B-707-300 series	159		
B-707-138B	137		
B-707-100 series (other)	149		
DC-8F-61, -63	219	45	42.5
DC-8-62	165	39.2	
DC-8F	165	36.5	33.7
DC-8 (50 series)	149		
DC-8 (other)	147		
DC-9-30	95		
B-727	105	18	16.5
CV-990	105		
CL-44	148	29.35	28
L-382		20.7	
L-100-10/20/30		20.7	
L-1649A	95	18	15
L-1049-C/E/G/H	95	18	15
DC-7B/C/CF/F	95	18	15
L-1049A	88	15	12
DC-7	88	15	12
DC-6/A/B/C	83	13	12
DC-4	60	8	6

* * * * *

PART 399—STATEMENTS OF GENERAL POLICY

Amend § 399.16(b) to read as follows:

§ 399.16 Military exemptions.

* * * * *

(b) The minimum charges considered fair and reasonable for the transportation of Category Z individually ticketed passengers in foreign and overseas air transportation and in air transportation between the 48 contiguous States on the one hand and Hawaii or Alaska on the other hand will be 3.60 cents per passenger mile, applied to the shortest mileage between the commercial air carrier points as set forth in the current IATA mileage manual to compute point-to-point passenger fares.

[FR Doc.72-8497 Filed 6-6-72;8:45 am]

NATIONAL CREDIT UNION ADMINISTRATION

[12 CFR Part 710]

FEDERAL CREDIT UNIONS

Proposed Voluntary Liquidation

Notice is hereby given by the Administrator of the National Credit Union Administration, pursuant to the authority conferred by section 120, 73 Stat. 635, 12 U.S.C. 1766, proposes to revise certain sections of Part 710 (12 CFR Part 710) as set forth below.

Interested persons are invited to submit written comments, suggestions, or objections regarding the proposed revision to the Administrator, National Credit Union Administration, Washington, D.C. 20456, to be received not later than July 18, 1972.

HERMAN NICKERSON, Jr.,
Administrator.

MAY 31, 1972.

1. The second sentence of § 710.1 is revised. Section 710.1, as revised, reads as follows:

§ 710.1 Approval of liquidation.

A Federal credit union may go into voluntary liquidation on approval of a majority of its members in writing or by a vote in favor of such liquidation by a majority of the members of the credit union at a regular meting of the members or at a special meeting called for that purpose. Where authorization for liquidation is to be obtained at a meeting of members, notice in writing must be received by each member at least 7 days before such meeting and the minutes of the meeting shall show the number of members present and the number that voted for and against liquidation. If approval by a majority of all members is not obtained at the meeting of members, authorization for voluntary liquidation may be obtained by having a majority of members sign a statement in substantially the following form:

We the undersigned members of the_____ _____ Federal Credit Union, Charter No. _____, hereby request the dissolution of our credit union.

2. A new sentence is added at the end of § 710.2. Section 710.2, as revised, reads as follows:

§ 710.2 Notice of liquidation to National Credit Union Administration.

Within 10 days after the decision of the board of directors to submit the question of liquidation to the members, the president shall notify the regional director thereof in writing, setting forth in detail the reasons for the proposed action. Within 10 days after the action of the members on the question of liquidation, the president shall notify the regional director in writing as to whether or not a majority of the members approved the proposed liquidation. If a majority of the members has not authorized the liquidation and the board decides that the credit union should resume operations, the board may rescind its original resolution to present the question of liquidation to the members; but the board shall notify the regional director of its decision before resuming operations and set forth in detail the action which has been taken to correct the conditions that caused the board to vote liquidation.

3. Section 710.3 is revised and reads as follows:

§ 710.3 Transaction of business during liquidation.

(a) Immediately on decision by the board of directors of a Federal credit union to seek approval of the members for liquidation, payments on shares, withdrawal of shares (except for transfer of shares to loans and interest), transfer of shares to another share account, granting of loans, and making investments other than short-term investments as specified in paragraph (b) of this section shall be suspended pending action by the members on the proposal to liquidate; and on approval by a majority of the members of such proposal, payments on shares, withdrawal of shares (except for transfer of shares to loans and interest), transfer of shares to another share account, granting of loans, and making of investments other than short-term investments as specified in paragraph (b) of this section shall be discontinued permanently.

(b) While the primary duty of the board of directors during liquidation is to convert loans and investments to cash at the earliest possible date, there may be intervals during which funds being accumulated prior to distribution may be advantageously placed in short-term, interest-bearing savings accounts in institutions whose accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. Common trust funds approved as legal investments for Federal credit unions, deposits in credit unions insured by the Administrator, and short-term U.S. Government obligations, or short-term securities fully guaranteed as to principal and interest by the U.S. Government may be used as a source for the investment of such excess funds. The aforementioned deposits should be withdrawable upon demand. The liquidation of such investments should be timed so as to facilitate the planned distribution to the members.

4. Section 710.4 is revised and reads as follows:

§ 710.4 Notice of liquidation to members.

Immediately on decision by the board of directors to seek approval of the members for liquidation, a notice of such decision shall be handed to each member or mailed to his last known address together with a request that the member furnish his statement of account or passbook, or confirm in writing the shares held by him in the Federal credit union and the loans owed by him to the Federal credit union.

5. Section 710.5 is revised and reads as follows:

§ 710.5 Notice of liquidation to creditors.

On approval of a majority of the members of a Federal credit union of a proposal to liquidate, the board of directors shall immediately have prepared and mailed to all creditors a notice of liquidation containing instructions to present their claims to the Federal credit union within 120 days for payment.

6. Section 710.6 is revised and reads as follows:

§ 710.6 Report at commencement of liquidation.

Within 10 days following the commencement date of voluntary liquidation of a Federal credit union, the treasurer or agent conducting the liquidation shall file with the regional director a financial and statistical report on Form FCU-109, a schedule showing

the name, book number, share balance, and loan balance of each member and a schedule of delinquent loans containing pertinent comments as to the collectability of each delinquent loan.

7. Section 710.7 is revised and reads as follows:

§ 710.7 Reports during period of liquidation.

Federal credit unions in the process of voluntary liquidation shall file with the regional director a financial and statistical report on Form FCU–109 and a schedule of delinquent loans containing pertinent comments as to the collectability of each delinquent loan within 10 days from the close of each calendar quarter. Additional reports, as determined to be necessary by the regional director, shall be furnished promptly on written request.

8. Section 710.9 is revised and reads as follows:

§ 710.9 Responsibility for conduct of voluntary liquidation.

The board of directors of a Federal credit union in voluntary liquidation shall be responsibile for conserving the assets, for expediting the liquidation, and for equitably distributing the assets to the members. The board shall determine that all persons handling or having access to funds of the Federal credit union are adequately covered by surety bond. The board or a duly authorized liquidating agent shall appoint a custodian for the Federal credit union's records which are to be retained for 5 years after the charter is canceled. The board may appoint a liquidating agent and delegate all or part of these responsibilities to such agent and may authorize reasonable compensation for his services; and such liquidating agent shall be bonded for faithful performance of his duties. The supervisory committee shall be responsible for making audits semiannually during the period of liquidation. One of these aduits shall be a comprehensive annual audit covering the period elapsed since the previous comprehensive annual audit.

9. Section 710.10 is revised by deleting the last sentence and now reads:

§ 710.10 Completion of liquidation.

When all assets of the Federal credit union have been converted to cash or found to be worthless and all loans and debts owing to it have been collected or found to be uncollectable and all obligations of the Federal credit union have been paid, with the exception of amounts due its members, the books shall be closed and the pro rata distribution to members computed.

10. Section 710.11 is revised to read as follows:

§ 710.11 Distribution of assets.

Promptly after the pro rata distribution to members has been computed, checks shall be drawn for the amounts to be distributed to each member who has surrendered his statement of account, or passbook, or has given a written confirmation of his balance. The checks shall be mailed to such members at their last known address or handed to them in person. The statements of account, passbooks, or written confirmations submitted by members to verify balances shall be retained with the credit union records. The Regional Director shall be notified promptly of the date final distribution of assets to the members is started. Unclaimed share accounts which have been dormant for the period which makes them subject to the escheat or abandoned property laws of the State in which the Federal credit union is located shall be paid to the State as required by such laws.

11. Section 710.12 (a), (b), (c), (e), and (g) are revised as follows:

§ 710.12 Final report.

* * * * *

(a) A schedule on an official form of unpaid claims, if any, due members who failed to surrender their statements of account, or passbooks, or confirm their balances in writing during liquidation whose share accounts are not payable to the State under applicable escheat or abandoned property laws, and of unpaid claims, if any, due members or creditors who failed to cash final distribution checks within the said 120 days; this schedule shall be accompanied by a certified check or money order payable to the National Credit Union Administration in the exact amount of the total of these unpaid claims. The Administration will deposit said funds in a special account with the Chief Disbursing Office of the Treasury of the United States where they will be held for the account of the individuals named on said schedule. Each such individual, or any authorized person on his behalf, may submit to the Administration a written claim for the amount of such funds held for him.

(b) A schedule on an official form showing the name, book number, share balance at the commencement of liquidation, pro rata share of gain, and the amount of each unclaimed share account paid to the state under applicable escheat or abandoned property laws. The check number and date of payment to the state should be included in the schedule.

(c) A schedule on an official form showing the name, book number, share balance at the commencement of liquidation, pro rata share of gain, and the amount distributed to each member.

* * * * *

(e) The Certificate of Dissolution and Liquidation on an official form signed under oath by the president, treasurer, or agent who conducted the liquidation and made the final distribution of assets to the members.

* * * * *

(g) The charter and insurance certificate of the Federal credit union.

12. Section 710.13 is revised to read as follows:

§ 710.13 Retention of records.

All records of the liquidated credit union necessary to establish that creditors were paid and that members's shareholdings were equitably distributed shall be retained by a custodian appointed by either the board or the duly authorized liquidating agent of said Federal credit union for a period of 5 years following the date of cancellation of the charter.

13. Section 710.14 is revised to read as follows:

§ 710.14 Cancellation of charter.

On proof that distribution of assets has been made to members and after receipt of the Certificate of Dissolution and Liquidation, the Administrator shall cancel the charter of the Federal credit union concerned.

[FR Doc.72–8520 Filed 6–6–72;8:46 am]

PRICE COMMISSION

[6 CFR Part 300]

[Notice 72–1]

COOPERATIVE ASSOCIATIONS AND CERTAIN MARKETING-RISK-SHARING ARRANGEMENTS

Notice of Proposed Rule Making

The Price Commission is considering amending Part 300 of its regulations to add new §§ 300.22 and 300.23 which would govern increases and decreases in the prices charged by cooperative associations and certain market risk-sharing arrangements.

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the subject matter of this notice or the notice number, and be submitted in duplicate to the Office of General Counsel, Price Commission, 2000 M Street NW., Washington, DC 20508. All communications received before June 26, 1972, will be considered by the Commission before taking action on the proposed rule. The proposals contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination by interested persons.

The application of the Price Commission's regulations to cooperative associations and certain market risk-sharing arrangements has been difficult due to the particular business organizations and structure of these organizations. Marketing cooperatives, for example, which receive raw agricultural commodities from patrons and which are subject to the regulations must establish their allowable costs to justify a price increase in the product they sell. Due to the generally accepted accounting practices involved with a cooperative and certain market risk-sharing arrangements, costs are not established on these raw agricultural commodities until sales proceeds

are realized. This regulation proposes criteria for cooperatives on which to establish costs for direct materials they receive from their patrons. Further, criteria for certain market risk-sharing arrangements are proposed for similar purposes in that suppliers are paid for their commodities on a formula price that is conditioned on the sales of the product.

This amendment is proposed under the authority of the Economic Stabilization Act of 1970, as amended, Public Law 91-379, 84 Stat. 799; Public Law 91-558, 84 Stat. 1468; Public Law 92-8, 85 Stat. 13; Public Law 92-15, 85 Stat. 38; Economic Stabilization Act Amendments of 1971, Public Law 92-210; Executive Order No. 11640, 37 F.R. 1213, January 27, 1972; Cost of Living Council Order No. 4, 36 F.R. 20202, Oct. 16, 1971.

In consideration of the foregoing, it is proposed to amend Part 300 of the Price Commission regulations as set forth below.

Issued in Washington, D.C., on May 31, 1972.

C. JACKSON GRAYSON, Jr.,
Chairman, Price Commission.

The following new sections are added after § 300.21:

§ 300.22 Marketing cooperatives and market risk-sharing transactions.

(a) *Applicability.* This section applies to: (1) Sales of products or services by marketing cooperatives for their members and for persons that are not their members; and (2) transactions for the sale of products or services by sellers to buyers in which the price is set in whole or in substantial part by reference to the buyer's proceeds from the later resale of the product or service or his sale of another product or service into which the initial product or service is processed or made.

(b) *Definitions.* For the purposes of this section "marketing cooperative" means a person that is organized and operated on a cooperative basis for the purpose of marketing the products or services of members and other persons, and turning back to them the proceeds of sales, less expenses, on the basis of either the quantity or the value of the products or services furnished by them, and that does not make a profit on the sales for those persons, either because the market price obtained is only enough to cover costs and expenses and payment to these persons for their products or services, or because a later additional payment adjusts the payment to these persons to such an amount. An additional payment for this purpose may be cash or other item of value which qualifies as a "patronage dividend" under section 1388 of the Internal Revenue Code, 26 U.S.C. 1388. A person is not disqualified from being a marketing cooperative by making transactions which are not with its members. Each transaction of the kind described in paragraph (a)(2) of this section is a "market risk-sharing transaction." The making of a market risk-sharing transaction is considered to bind the buyer and seller to a "market risk-sharing agreement." The price which is charged in a market risk-sharing transaction is a "market risk-sharing price." The total proceeds which a person receives from a marketing cooperative for a product or service which the cooperative markets for that person is also a "market risk-sharing price."

(c) *General.* A market risk-sharing price may not exceed the price authorized to be charged under any other provision of this part if the kind of product or service and the kind of transaction concerned are not exempt from the economic stabilization program under Subpart D of Part 101 of this title. If a market risk-sharing price is exempt thereunder, and if that price is one of the costs of another product or service which is not exempt thereunder, the manufacturer, service organization, wholesaler, or retailer for which such a market risk-sharing price is a cost may charge a price in excess of the base price for that other product or service under the same conditions and subject to the same restrictions as would otherwise apply to that person under this part, except that—

(1) If that person is also a marketing cooperative the result of charging such a price shall not be to increase the ratio of its operating income (less patronage dividends) to its revenues to more than it was during the profit margin base period; and

(2) The costs which are determined by the market risk-sharing plan shall, for the purposes of this part, be considered to be imputed allowable costs.

(d) *Imputed allowable costs.* The imputed allowable cost shall be one of the following reference prices, in the following order of priority:

(1) Any price that is published or otherwise documented as prevailing in the trade and which the person has customarily used in establishing a payment at the time of delivery of the product or service, or in determining pool interest in deliveries of the product or service.

(2) The average documented price paid by competitors for the same product or service in transactions that are not by the marketing cooperative or are not market risk-sharing transactions in the same marketing area, or, if no significant number of those transactions are occurring in the same marketing area, in the closest substantially similar marketing area.

(3) The published price of the same product or service under Federal Government support programs, State or Federal marketing orders, commodity market quotations, or Department of Agriculture Market News Service Reports, whichever is most commonly used in the trade as an indicator of current commercial market prices.

(4) The published price or average documented price paid by competitors for a related product or service that has a similar price pattern in the same marketing area, or, in the closest substantially similar marketing area.

§ 300.23 Purchasing cooperatives.

(a) *Applicability.* This section applies to sales of products or services by purchasing cooperatives to their members and to persons that are not their members.

(b) *Definitions.* For the purposes of this section "purchasing cooperative" means a person that is organized and operated on a cooperative basis for the purpose of purchasing products or services for members and other persons at cost, plus expenses, and that does not make a profit on sales to these persons, either because the initial price charged is only enough to cover costs and expenses or because a later refund reduces the net price to such an amount. A refund for this purpose may be cash or other item of value which qualifies as a "patronage dividend" under section 1388 of the Internal Revenue Code, 26 U.S.C. 1388. A person is not disqualified from being a purchasing cooperative by making transactions which are not with its members.

(c) *General.* A purchasing cooperative may charge any price for a product or service it sells to its members or qualified non-members except that the effect of such a price may not be to increase the ratio of its operating income (less patronage dividends) to its revenues.

[FR Doc.72-8542 Filed 6-6-72;8:47 am]

Notices

SUBVERSIVE ACTIVITIES CONTROL BOARD

[Dockets Nos. E72-137—E72-169]

ATTORNEY GENERAL'S LIST OF ORGANIZATIONS

Notice of Hearings

Attorney General of the United States, Petitioner, in regard:

Harlem Trade Union Council (AKA: Greater New York Negro Labor Council), Docket No. E72-137.
Joint Anti-Fascist Refugee Committee, Docket No. E72-138.
Joint Council of Progressive Italian-Americans, Inc., Docket No. E72-139.
Joseph Weydemeyer School of Social Science, St. Louis, Mo., Docket No. E72-140.
Kibei Seinen Kai (Association of U.S. Citizens of Japanese Ancestry who have returned to America after studying in Japan), Docket No. E72-141.
Kyffhaeuser also known as Kyffhaeuser League (Kyffhaeuser Bund), Kyffhaeuser Fellowship (Kyffhaeuser Kameradschaft), Docket No. E72-142.
Kyffhaeuser War Relief (Kyffhaeuser Kriegshilfswerk), Docket No. E72-143.
Labor Council for Negro Rights, Docket No. E72-144.
Labor Youth League, Docket No. E72-145.
League for Common Sense, Docket No. E72-146.
League of American Writers, Docket No. E72-147.
Lictor Society (Italian Black Shirts) AKA: Littorio Library; Library of the Lictor Association, Docket No. E72-148.
Macedonian-American People's League, Docket No. E72-149.
Maritime Labor Committee to Defend Al Lannon, Docket No. E72-150.
Maryland Congress Against Discrimination, Docket No. E72-151.
Massachusetts Committee for the Bill of Rights, Docket No. E72-152.
Massachusetts Minute Women for Peace (not connected with the Minute Women of the U.S.A., Inc.), Docket No. E72-153.
Maurice Braverman Defense Committee, Docket No. E72-154.
Michigan Civil Rights Federation, Docket No. E72-155.
Michigan Council for Peace, Docket No. E72-156.
Michigan School of Social Science, Docket No. E72-157.
Nanka Teikoku Gunyudan (Imperial Military Friends Group or Southern California War Veterans), Docket No. E72-158.
National Association of Mexican Americans (AKA: Asociacion Nacional Mexico-Americana), Docket No. E72-159.
National Blue Star Mothers of America (not to be confused with the Blue Star Mothers of America organized in February 1942), Docket No. E72-160.
National Committee for the Defense of Political Prisoners (AKA: National Committee for People's Rights), Docket No. E72-161.
National Committee to Win Amnesty for Smith Act Victims, Docket No. E72-162.
National Committee to Win the Peace, Docket No. E72-163.
National Conference on American Policy in China and the Far East, Docket No. E72-164.
National Council of Americans of Croatian Descent AKA: Union of American Croatians, Docket No. E72-165.
National Federation for Constitutional Liberties, Docket No. E72-166.
National Labor Conference for Peace, Docket No. E72-167.
National Negro Congress, Docket No. E72-168.
Washington Committee for Democratic Action, Docket No. E72-169.

On March 30, 1972, the Attorney General petitioned the Subversize Activities Control Board for a determination that the above organizations now on the Attorney General's List have ceased to exist. The petitions are published in accordance with the Rules of the Subversive Activities Control Board.

Notice is hereby given pursuant to Executive Order 11605 and the Rules of the Subversive Activities Control Board issued in accordance therewith that hearings on the petitions will be held on the following dates at 11 a.m., in room 500, 2120 L Street NW., Washington, DC 20037:

JULY 11, 1972

Harlem Trade Union Council (AKA: Greater New York Negro Labor Council), Docket No. E72-137.
Joint Anti-Fascist Refugee Committee, Docket No. E72-138.
Joint Council of Progressive Italian-Americans, Inc., Docket No. E72-139.
Joseph Weydemeyer School of Social Science, St. Louis, Mo., Docket No. E72-140.
Kibei Seinen Kai (Association of U.S. Citizens of Japanese Ancestry who have returned to America after studying in Japan), Docket No. E72-141.

JULY 18, 1972

Kyffhaeuser also known as Kyffhaeuser League (Kyffhaeuser Bund), Kyffhaeuser Fellowship (Kyffhaeuser Kameradschaft), Docket No. E72-142.
Kyffhaeuser War Relief (Kyffhaeuser Kriegshilfswerk) Docket No. E72-143.
Labor Council for Negro Rights, Docket No. E72-144.
Labor Youth League, Docket No. E72-145.
League for Common Sense, Docket No. E72-146.

JULY 25, 1972

League of American Writers, Docket No. E72-147.
Lictor Society (Italian Black Shirts) AKA: Littorio Library; Library of the Lictor Association, Docket No. E72-148.
Macedonian-American People's League, Docket No. E72-149.
Maritime Labor Committee to Defend Al Lannon, Docket No. E72-150.
Maryland Congress Against Discrimination, Docket No. E72-151.

AUG. 1, 1972

Massachusetts Committee for the Bill of Rights, Docket No. E72-152.
Massachusetts Minute Women for Peace (not connected with the Minute Women of the U.S.A., Inc.), Docket No. E72-153.
Maurice Braverman Defense Committee, Docket No. E72-154.
Michigan Civil Rights Federation, Docket No. E72-155.
Michigan Council for Peace, Docket No. E72-156.

AUG. 8, 1972

Michigan School of Social Science, Docket No. E72-157.
Nanka Teikoku Gunyudan (Imperial Military Friends Group or Southern California War Veterans), Docket No. E72-158.
National Association of Mexican Americans (AKA: Asociacion Nacional Mexico-Americana), Docket No. E72-159.
National Blue Star Mothers of America (not to be confused with the Blue Star Mothers of America organized in February 1942), Docket No. E72-160.
National Committee for the Defense of Political Prisoners (AKA: National Committee for People's Rights), Docket No. E72-161.

AUGUST 15, 1972

National Committee to Win Amnesty for Smith Act Victims, Docket No. E72-162.
National Committee to Win the Peace, Docket No. E72-163.
National Conference on American Policy in China and the Far East, Docket No. E72-164.
National Council of Americans of Croatian Descent AKA: Union of American Croatians, Docket No. E72-165.
National Federation for Constitutional Liberties, Docket No. E72-166.
National Labor Conference for Peace, Docket No. E72-167.
National Negro Congress, Docket No. E72-168.
Washington Committee for Democratic Action, Docket No. E72-169.

JOHN W. MAHAN,
Chairman,
Subversive Activities Control Board.

[Docket No. E72-137]

In regard Harlem Trade Union Council (AKA: Greater New York Negro Labor Council); petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(1) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Harlem Trade Union Council has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about April 1956. There is no record of any known activity since that date.

The last known address of the above-named organization was 139 West 125th Street, New York, N.Y.

Therefore, the Government petitions this Board for a determination in accordance with section 12(1) of Executive Order 10450, as amended, that the Harlem Trade Union Council has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make

any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Harlem Trade Union Council, at the following last known address: 139 West 125th Street, New York, NY.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72–138]

In regard Joint Anti-Fascist Refugee Committee; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Joint Anti-Fascist Refugee Committee has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about March 1955. There is no record of any known activity since that date.

The last known address of the above-named organization was 192 Lexington Avenue, New York 16, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Joint Anti-Fascist Refugee Committee has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Joint Anti-Fascist Refugee Committee at the following last known address: 192 Lexington Avenue, New York 16, NY.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72–139]

In regard Joint Council of Progressive Italian-Americans, Inc.; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Joint Council of Progressive Italian-Americans, Inc. has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1951. There is no record of any known activity since that date.

The last known address of the above-named organization was Room 702, 13 Astor Place, New York, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Joint Council of Progressive Italian-Americans, Inc., has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Joint Council of Progressive Italian-Americans, Inc., at the following last known address: Room 702, 13 Astor Place, New York, NY.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72–140]

In regard Joseph Weydemeyer School of Social Science, St. Louis, Mo.; petition for determination pursuant to section 12(i) of Exeeutive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Joseph Weydemeyer School of Social Science, St. Louis, Mo., has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about April 1951. There is no record of any known activity since that date.

The last known address of the above-named organization was 901 North Garrison Avenue, St. Louis, MO.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Joseph Weydemeyer School of Social Science, St. Louis, Mo., has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Joseph Weydemeyer School of Social Science, St. Louis, Mo., at the following last known address: 901 North Garrison Avenue, St. Louis, Mo.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72–141]

In regard Kibei Seinen Kai (Association of U.S. Citizens of Japanese Ancestry who have returned to America after studying in Japan); petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Kibei Seinen Kai has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1942. There is no record of any known activity since that date and there is no known address.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Kibei Seinen Kai has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72–142]

In regard Kyffhaeuser, also known as Kyffhaeuser League (Kyffhaeuser Bund), Kyffhaeuser Fellowship (Kyffhaeuser Kameradschaft); petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Kyffhaeuser has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about February 1942. There is no record of any known activity since that date.

The last known address of the above-named organization was 3827 North 13th Street, Philadelphia, PA.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Kyffhaeuser has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Kyffhaeuser,

at the following last known address: 3827 North 13th Street, Philadelphia, PA.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72-143]

In regard Kyffhaeuser War Relief (Kyffhaeuser Kriegshilfswerk); petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Kyffhaeuser War Relief has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about February 1942. There is no record of any known activity since that date.

The last known address of the abovenamed organization was 3827 North 13th Street, Philadelphia, PA.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Kyffhaeuser War Relief has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Kyffhaeuser War Relief, at the following last known address: 3827 North 13th Street, Philadelphia, PA.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72-144]

In regard Labor Council for Negro Rights; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Labor Council for Negro Rights has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1953. There is no record of any known activity since that date.

The last known address of the abovenamed organization was 1809 Jackson Street, Seattle, WA.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Labor Council for Negro Rights has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Labor Council for Negro Rights, at the following last known address: 1809 Jackson Street, Seattle, WA.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72-145]

In regard Labor Youth League; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as Amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Labor Youth League has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1957. There is no record of any known activity since that date.

The last known address of the abovenamed organization was c/o Samuel Gruber, 322 Main Street, Stamford, CO.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Labor Youth League has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Labor Youth League, at the following last known address: c/o Samuel Gruber, 322 Main Street, Stamford, CT.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72-146]

In regard League for Common Sense; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the League for Common Sense has ceased to exist.

Records of the Department of Justice reflect, that the aforementioned organization ceased to exist on or about July 1954. There is no record of any known activity since that date.

The last known address of the abovenamed organization was c/o June Isenberg, 2262 Ramona Avenue, Salt Lake City, UT.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the League for Common Sense has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the League for Common Sense, at the following last known address: c/o June Isenberg, 2262 Ramona Avenue, Salt Lake City, UT.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72-147]

In regard League of American Writers; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the League of American Writers has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about December 1943. There is no record of any known activity since that date.

The last known address of the abovenamed organization was 381 Fourth Avenue, New York City, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the League of American Writers has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the League of American Writers, at the following last known address: 381 Fourth Avenue, New York City, NY.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72-148]

In regard Lictor Society (Italian Black Shirts) AKA: Littorio Library; Library of the Lictor Association; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(1) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Lictor Society has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1939. There is no record of any known activity since that date.

The last known address of the above-named organization was 75 East Fourth Street, New York City, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(1) of Executive Order 10450, as amended, that the Lictor Society has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March, 1972, to the Lictor Society, at the following last known address: 75 East Fourth Street, New York City, NY.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72-149]

In regard Macedonian-American People's League; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(1) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Macedonian-American People's League has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about September 1951. There is no record of any known activity since that date.

The last known address of the above-named organization was 5856 Chene Street, Detroit, MI.

Therefore, the Government petitions this Board for a determination in accordance with section 12(1) of Executive Order 10450, as amended, that the Macedonian-American People's League has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Macedonian-American People's League, at the following last known address: 5856 Chene Street, Detroit, MI.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72-150]

In regard Maritime Labor Committee to Defend Al Lannon; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(1) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Maritime Labor Committee to Defend Al Lannon has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about December 1953. There is no record of any known activity since that date.

The last known address of the above-named organization was 80 East 11th Street, New York City, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(1) of Executive Order 10450, as amended, that the Maritime Labor Committee to Defend Al Lannon has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Maritime Labor Committee to Defend Al Lannon, at the following last known address: 80 East 11th Street, New York City, NY.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72-151]

In regard Maryland Congress Against Discrimination; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(1) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Maryland Congress Against Discrimination has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1948. There is no record of any known activity since that date.

The last known address of the above-named organization was 326 West Franklin Street, Baltimore, MD.

Therefore, the Government petitions this Board for a determination in accordance with section 12(1) of Executive Order 10450, as amended, that the Maryland Congress Against Discrimination has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Maryland Congress Against Discrimination, at the following last known address: 326 West Franklin Street, Baltimore, MD.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72-152]

[Docket No. E72-152]

In regard Massachusetts Committee for the Bill of Rights; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(1) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Massachusetts Committee for the Bill of Rights has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about June 1956. There is no record of any known activity since that date.

The last known address of the above-named organization was Room 23, 169 Massachusetts Avenue, Boston, MA.

Therefore the Government petitions this Board for a determination in accordance with section 12(1) of Executive Order 10450, as amended, that the Massachusetts Committee for the Bill of Rights has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Massachusetts Committee for the Bill of Rights, at the following last known address: Room 23, 169 Massachusetts Avenue, Boston, MA.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72–153]

In regard Massachusetts Minute Women for Peace (not connected with the Minute Women of the U.S.A., Inc.); petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Massachusetts Minute Women for Peace has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1953. There is no record of any known activity since that date.

The last known address of the above-named organization was c/o Helen Johnson, 360 Walnut Avenue, Roxbury, MA.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Massachusetts Minute Women for Peace has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Massachusetts Minute Women for Peace, at the following last known address: c/o Helen Johnson, 360 Walnut Avenue, Roxbury, MA.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72–154]

In regard Maurice Braverman Defense Committee; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Maurice Braverman Defense Committee has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about March 1952. There is no record of any known activity since that date.

The last known address of the above-named organization was Box 2616, Arlington Station, Baltimore 15, MD.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Maurice Braverman Defense Committee has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street, NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Maurice Braverman Defense Committee, at the following last known address: Box 2616, Arlington Station, Baltimore 15, MD.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72–155]

In regard Michigan Civil Rights Federation; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Michigan Civil Rights Federation has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1946. There is no record of any known activity since that date.

The last known address of the above-named organization was 1001 Hofmann Building, 2539 Woodworth Avenue, Detroit, MI.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Michigan Civil Rights Federation has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Michigan Civil Rights Federation, at the following last known address: 1001 Hofmann Building, 2539 Woodworth Avenue, Detroit, MI.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72–156]

In regard Michigan Council for Peace; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Michigan Council for Peace has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about October 29, 1953. There is no record of any known activity since that date.

The last known address of the above-named organization was 5811 Rohns Street, Detroit, MI.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Michigan Council for Peace has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March, 1972, to the Michigan Council for Peace, at the following last known address: 5811 Rohns Street, Detroit, MI.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72–157]

In regard Michigan School of Social Science; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Michigan School of Social Science has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about June 27, 1950. There is no record of any known activity since that date.

The last known address of the above-named organization was 2419 Grand River, Detroit, MI.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Michigan School of Social Science has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037) on Proceedings Under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Michigan School of Social Science, at the following last known address: 2419 Grand River, Detroit, MI.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72–158]

In regard Nanka Teikoku Gunyudan (Imperial Military Friends Group or Southern California War Veterans); petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Nanka Teikoku Gunyudan has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about December 1941. There is no record of any known activity since that date and there is no known address.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the Nanka Teikoku Gunyudan has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72–159]

In regard National Association of Mexican Americans (AKA: Asociacion Nacional Mexico-Americana); petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the National Association of Mexican Americans has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about November 1, 1953. There is no record of any known activity since that date.

The last known address of the above named organization was 409½ Tabor Building, Denver, Colo.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the National Association of Mexican Americans has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037) on Proceedings Under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the National Association of Mexican Americans, at the following last known address: 409½ Tabor Building, Denver, Colo.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72–160]

In regard National Blue Star Mothers of America (not to be confused with the Blue Star Mothers of America organized in February 1942); petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12231, the Attorney General, by counsel, petitions this Board for a determination that the National Blue Star Mothers of America has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about August 1953. There is no record of any known activity since that date.

The last known address of the abovenamed organization was 5200 Warren Street, Philadelphia, PA.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the National Blue Star Mothers of America has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on Proceedings Under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the National Blue Star Mothers of America, at the following last known address: 5200 Warren Street, Philadelphia, Pa.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72–161]

In regard National Committee for the Defense of Political Prisoners AKA: National Committee for People's Rights; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the National Committee for the Defense of Political Prisoners has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1942. There is no record of any known activity since that date.

The last known address of the abovenamed organization was 112 East 19th Street, New York City, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the National Committee for the Defense of Political Prisoners has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037) on Proceedings Under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the National Committee for the Defense of Political Prisoners, at the following last known address: 112 East 19th Street, New York City, N.Y.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72–162]

In regard National Committee to Win Amnesty for Smith Act Victims; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the National Committee to Win Amnesty for Smith Act Victims has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about March 1955. There is no record of any known activity since that date.

The last known address of the abovenamed organization was Room 611, 667 Madison Avenue, New York City, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the National Committee to Win Amnesty for Smith Act Victims has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the National Committee To Win Amnesty for Smith Act Victims, at the following last known address: Room 611, 667 Madison Avenue, New York City, NY.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72–163]

In regard National Committee to Win the Peace; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the National Committee to Win the Peace has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about February 1947. There is no record of any known activity since that date.

The last known address of the above-named organization was 23 West 26th Street, New York City, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the National Committee to Win the Peace has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street, NW., Washington, DC 20037), on proceedings under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the National Committee to Win the Peace, at the following last known address: 23 West 26th Street, New York City, NY.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72–164]

In regard National Conference on American Policy in China and the Far East; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the National Conference on American Policy in China and the Far East has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about August 31, 1952. There is no record of any known activity since that date.

The last known address of the above-named organization was 80 East 11th Street, New York, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the National Conference on American Policy in China and the Far East has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037), on proceedings under Executive tive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the National Conference on American Policy in China and the Far East, at the following last known address: 80 East 11th Street, New York, NY.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72–165]

In regard National Council of Americans of Croatian Descent AKA: Union of American Croatians; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the National Council of Amercans of Croatian Descent has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about May 1949. There is no record of any known activity since that date.

The last known address of the above-named organization was 434 Diamond Street, Pittsburgh, PA.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the National Council of Americans of Croatian Descent has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037) on Proceedings Under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the National Council of Americans of Croatian Descent, at the following last known address: 434 Diamond Street, Pittsburgh, PA.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72–166]

In regard National Federation for Constitutional Liberties; petition for a determination pursuant to section 12(i) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the National Federation for Constitutional Liberties has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about April 1946. There is no record of any known activity since that date.

The last known address of the above-named organization was Room 907, 1123 Broadway, New York City, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the National Federation for Constitutional Liberties has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037) on Proceedings Under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the National Federation for Constitutional Liberties, at the following last known address: Room 907, 1123 Broadway, New York City, NY.

For the Attorney General.

ORAN H. WATERMAN,
Attorney, Department of Justice.

[Docket No. E72–167]

In regard National Labor Conference for Peace; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(i) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the National Labor Conference for Peace has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1953. There is no record of any known activity since that date.

The last known address of the above-named organization was 125 West 72d Street, New York City, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(i) of Executive Order 10450, as amended, that the National Labor Conference for Peace has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037) on Proceedings Under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the National Labor Conference for Peace, at the following last known address: 125 West 72d Street, New York City, NY.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72-168]

In regard National Negro Congress; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(1) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the National Negro Congress has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about November 22, 1947. There is no record of any known activity since that date.

The last known address of the above-named organization was 607 Lenox Avenue New York City, NY.

Therefore, the Government petitions this Board for a determination in accordance with section 12(1) of Executive Order 10450, as amended, that the National Negro Congress has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037) on Proceedings Under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the National Negro Congress, at the following last known address: 607 Lenox Avenue, New York City, NY.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[Docket No. E72-169]

In regard Washington Committee For Democratic Action; petition for a determination pursuant to section 12(1) of Executive Order No. 10450 as amended by Executive Order 11605.

Pursuant to section 12(1) of Executive Order 10450 as amended by Executive Order No. 11605, issued July 2, 1971, 36 F.R. 12831, the Attorney General, by counsel, petitions this Board for a determination that the Washington Committee For Democratic Action has ceased to exist.

Records of the Department of Justice reflect that the aforementioned organization ceased to exist on or about 1946. There is no record of any known activity since that date.

The last known address of the above-named organization was 1410 H Street NW., Washington, DC.

Therefore, the Government petitions this Board for a determination in accordance with section 12(1) of Executive Order 10450, as amended, that the Washington Committee For Democratic Action has ceased to exist on or about the above date.

In the absence of a specific request from the Board, at least 10 days prior to any hearing date that may be set for this matter, the Department of Justice does not plan to make any further factual showing with respect to this petition.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

CERTIFICATE OF SERVICE

Pursuant to § 201.56 of the regulations of the Subversive Activities Control Board (Room 500, 2120 L Street NW., Washington, DC 20037) on Proceedings Under Executive Order No. 11605, issued July 2, 1971, a copy of the attached petition has been mailed this 30th day of March 1972 to the Washington Committee For Democratic Action, at the following last known address: 1410 H Street NW., Washington, DC.

For the Attorney General.

THOMAS E. MARUM,
Attorney, Department of Justice.

[FR Doc.72-8532 Filed 6-6-72;8:46 am]

DEPARTMENT OF THE TREASURY

Office of the Secretary

INSTANT POTATO GRANULES FROM CANADA

Determination of Sales at Less Than Fair Value

JUNE 5, 1972.

Information was received on August 27, 1971, that instant potato granules from Canada were being sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act").

A "Withholding of Appraisement Notice" issued by the Commissioner of Customs was published in the FEDERAL REGISTER of March 4, 1972.

I hereby determine that for the reasons stated below, instant potato granules from Canada are being, or are likely to be, sold at less than fair value within the meaning of section 201(a) of the Act (19 U.S.C. 160(a)).

Statement of reasons on which this determination is based. Analysis of information from all sources revealed that the proper basis of comparison for fair value purposes is between purchase price or exporter's sales price, as appropriate, and the adjusted home market price of such or similar merchandise.

Purchase price was calculated on either a duty-paid f.o.b. factory price or duty-paid delivered customer's premises price. Deductions were made for U.S. duty and transportation charges, and for discounts, where appropriate. Canadian import duties refunded upon exportation were added back as appropriate.

Exporter's sales price was calculated by deducting from the resale price of the related firm to purchasers in the United States selling expenses and other distribution costs incurred in the United States. Deductions were also made for cash discounts, Canadian and United States transportation charges, and for U.S. duty.

Home market price was calculated on the basis of a f.o.b. delivered price, with deductions for discounts and inland freight charges. Adjustments were made for selling expenses and commissions, where appropriate.

Using the above criteria, purchase price or exporter's sales price, as appropriate, was found to be lower than the adjusted home market price of such or similar merchandise.

The U.S. Tariff Commission is being advised of this determination.

This determination is being published pursuant to section 201(c) of the Act (19 U.S.C. 160(c)).

[SEAL] EUGENE T. ROSSIDES,
Assistant Secretary of the Treasury.

[FR Doc.72-8684 Filed 6-6-72;10:01 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., July 14, 1972.

COPPER RIVER MERIDIAN, ALASKA

T. 6 N., R. 1 W.,
Sec. 1: Lots 1, 2, 3, 4, S½N½, S½;
Sec. 2: Lots 1 through 14, S½NE¼, SE¼ NW¼, S½NE¼SW¼, N½SE¼SW¼, SE¼;
Sec. 3: Lots 1 and 2;
Sec. 11: Lots 1 through 14, E½NE¼, SW¼ NE¼, S½NE¼NW¼, W½SW¼, E½ SE¼;
Sec. 12: All;
Sec. 13: Lots 1 through 5, N½, N½SW¼, SW¼SW¼, N½SE¼SW¼, SW¼SE¼ SW¼, N½NW¼SE¼;
Sec. 14: Lots 1 through 13, E½;
Sec. 22: Lots 1 through 5;
Sec. 23: Lots 1 through 7, N½NE¼, SE¼ NE¼, S½NW¼, NW¼NE¼SW¼, S½ NE¼SW¼, NW¼SW¼, S½SW¼, NE¼ SE¼, NE¼NW¼SE¼, S½NW¼SE¼, S½SE¼;
Sec. 24: Lots 1 through 5, NW¼NW¼, NE¼SW¼NW¼, W½SW¼NW¼, W½ NW¼SW¼;
Sec. 25: Lots 1 and 2;
Sec. 26: Lots 1 through 6, N½N½, N½SW¼ NW½;
Sec. 27: Lots 1 through 13, W½W½, SE¼ SW¼;
Sec. 28: Lots 1 and 2, N½, SW¼, N½SE¼, N½S½SE¼, S½SW¼SE¼;
Sec. 33: Lots 1, 2, 3, S½NE¼NE¼, NW¼ NE¼, S½NE¼, W½, NE¼SE¼, W½ SE¼;
Sec. 34: Lots 1 through 14, N½NW¼, SW¼ NW¼, N½SE¼NW¼, N½SE¼, SW¼ SE¼;
Sec. 35: Lots 1, 2, 3, 4;
Tract A;
Tract B;

Containing 21,848.51 Acres.

2. The land is situated about 12 miles northeast of Glennallen, Alaska. The native townsite of Gulkana is situated in

sections 26, 27, 34, and 35 and Gakona Junction in section 23.

Access in the area is via the Richardson Highway which extends generally north and south through the east half of the township. The Tok Cut-Off Highway extends from the Richardson Highway at Gakona Junction to its exit on the east township boundary in section 13.

The land is generally level extending in elevation from about 1,850 feet in the northwest corner of the township to about 1,350 feet along the south boundary of section 35.

The land is drained by the Copper River, crossing southwesterly through the southeast corner of the township and the Gulkana River, which flows generally southerly through the east half of the township into the Copper River.

The soil is a sandy loam interspersed with patches of permafrost in dense spruce areas and black muck in swampy areas. Gravel bars occur in and along the margin of the Copper and Gulkana Rivers. Vegetation is spruce and aspen on the higher plateau lands, with alder, cottonwood, and willow brush along the margin of the rivers.

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 provisions of existing withdrawals, 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.

Dated: May 30, 1972.

Land Office, Anchorage, Alaska.

CLARK R. NOBLE,
Land Office Manager.

[FR Doc.72-8519 Filed 6-6-72;8:45 am]

[Wyoming 34551]

WYOMING

Notice of Proposed Withdrawal and Reservation of Lands

MAY 31, 1972.

The Bureau of Land Management, U.S. Department of the Interior, has filed an application, Serial No. Wyoming 34551, for the withdrawal of lands described below, from all forms of appropriation under the public land laws, including the mining but not the mineral leasing laws, pursuant to authority of Executive Order 10355 and subject to valid existing rights.

The applicant desires the land for the protection of the Middle Fork of Powder River 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 the Interior, 2120 Capitol Avenue, Cheyenne, WY 82001.

If circumstances warrant, 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 of record.

The lands involved in the application are:

SIXTH PRINCIPAL MERIDIAN, WYOMING

JOHNSON COUNTY

T. 42 N., R. 84 W.,
Sec. 15;
Sec. 17;
Sec. 18, E½NE¼ and S½SE¼;
Sec. 19, lots 3, 4, SE¼SW¼, and S½SE¼;
Sec. 20: E½, E½W½, and W½SW¼;
Sec. 21: N½;
Sec. 22, N½NW¼, E½SE¼, and SW¼SE¼;
Sec. 23, S½N½, N½S½, S½SW¼, and SW¼SE¼;
Sec. 26, NW¼;
Sec. 27, N½;
Sec. 28, N½ and N½SW¼;
Sec. 29;
Sec. 30, lots 1, 2, E½, and E½NW¼.
T. 41 N., R. 85 W.,
Sec. 3, lots 8, 9, 12, 13, N½SW¼, and S½S½.
T. 42 N., R. 85 W.,
Sec. 2, NE¼SE¼;
Sec. 11, NW¼SW¼, and SE¼;
Sec. 12, S½;
Sec. 13, E½SW¼ and S½SE¼;
Sec. 14, S½NW¼, W½SW¼, and SE¼SE¼;
Sec. 15, SE¼NE¼, E½SW¼, SW¼SE¼, and E½SE¼;
Sec. 19, lot 3, S½NE¼, SE¼NW¼, NE¼SW¼, and SE¼;
Sec. 20, SW¼NW¼, W½SW¼, and E½SE¼;
Sec. 21, S½;
Sec. 22, NE¼, E½NW¼, and S½;
Sec. 23, NW¼ and NW¼SW¼;
Sec. 24, W½NE¼, N½NW¼, N½SE¼, and SE¼SE¼;
Sec. 25, N½N½;
Sec. 26, SE¼NE¼;
Sec. 27, SW¼SE¼;
Sec. 28, NW¼, N½SW¼, SE¼SW¼, and SE¼;
Sec. 29, NE¼, E½NW¼, SW¼NW¼, N½SW¼, and SE¼;
Sec. 30, lot 1, NE¼NW¼, N½NE¼, and SE¼;
Sec. 34, W½NE¼, E½NW¼, SW¼NW¼, N½SW¼, and NW¼SE¼;
Sec. 35, S½N½ and S½.

WASHAKIE COUNTY

T. 42 N., R. 86 W.,
Sec. 26, S½NE¼, SE¼NW¼, and SE¼.

The area described contains 10,950.34 acres.

JESSE R. LOWE,
Acting State Director.

[FR Doc.72-8569 Filed 6-6-72;8:49 am]

DEPARTMENT OF COMMERCE

Maritime Administration

[Docket No. S-284]

AMERICAN PRESIDENT LINES, LTD.

Notice of Application

Notice is hereby given that American President Lines, Ltd., has filed an application for a waiver under the provisions of section 804 of the Merchant Marine Act, 1936, as amended, to permit the following activities:

To act as agent for any and all foreign-flag passenger vessel operators who may be willing to undertake contractual arrangements with American President Lines for general agency service in the United States and abroad, including but not limited to solicitation, husbanding, and terminal activities, in connection with such passenger vessels.

Any person, firm, or corporation having an interest in such application, within the meaning of section 804 of the Merchant Marine Act, 1936, as amended, who desires to offer data, views, or arguments with respect thereto should submit the same in writing, in triplicate, to the Secretary, Maritime Administration, Washington, D.C. 20235, by the close of business on Monday, June 26, 1972.

In the event an opportunity to present oral argument is also desired, specific reason for such request should be included. The Maritime Administration will consider these comments and views and take such action with respect thereto as in its discretion it deems warranted.

By order of the Assistant Secretary of Commerce for Maritime Affairs.

Dated: June 2, 1972.

AARON SILVERMAN,
Assistant Secretary.

[FR Doc.72-8594 Filed 6-6-72;8:46 am]

MERCANTILE NATIONAL BANK OF MIAMI BEACH

Notice of Approval of Applicant as Trustee

Notice is hereby given that Mercantile National Bank of Miami Beach, with offices at 420 Lincoln Road, Miami Beach, FL, has been approved as trustee pursuant to Public Law 89-346 and 46 CFR 221.21-221.30.

Dated: May 30, 1972.

BURT KYLE,
Chief, Office of Domestic Shipping.

[FR Doc.72-8595 Filed 6-6-72;8:46 am]

Office of the Secretary

MATTRESSES

Notice of Standard

On September 9, 1971, there was published in the FEDERAL REGISTER (36 F.R. 18095) a notice of finding that a flammability standard was needed for mattresses to protect the public against unreasonable risk of the occurrence of fire leading to death, injury, or significant property damage, arising from such hazards as continuous slow burning or smoldering of mattresses and the resultant production of smoke or toxic atmospheres. A proposed standard, which was preliminarily found to protect the public against this unreasonable risk, was published in the same FEDERAL REGISTER notice. It was also preliminarily found

that the proposed standard was reasonable, technologically practicable, and appropriate, and stated in objective terms, and that the proposed standard was limited to mattresses which presented such unreasonable risk.

Comments received in response to the above referenced publication of the proposed standard for the flammability of mattresses have been reviewed and analyzed. The reports of the members of the National Advisory Committee for the Flammable Fabrics Act on the proposed standard have also been reviewed and considered. Appropriate changes in the proposed standard for the flammability of mattresses based on those reviews, considerations, and analyses and based also on additional investigations and research have been made. Based on these actions, it is hereby found that the flammability standard as set out in full at the end hereof:

(a) Is needed for mattresses to protect the public against unreasonable risk of the occurrence of fire arising from such hazards as continuous slow burning or smoldering and the resultant production of smoke or toxic atmospheres leading to death, personal injury, or significant property damage;

(b) Is reasonable, technologically practicable, and appropriate, and is stated in objective terms; and

(c) Is limited to mattresses which have been determined to present such unreasonable risk.

Intent of the standard. Research and data indicate that the cigarette is the principal ignition source of mattress fires. Mattresses may be produced currently which do not protect the public against the unreasonable risk of the occurrence of mattress fires ignited by cigarettes. This standard will provide protection to the public in that mattresses which are produced after the effective date of the standard will not sustain ignition from burning cigarettes. The National Fire Protection Association has reported that burning cigarettes are one of the largest causes of single fatality fires involving bedding.

The standard also contains a sampling plan which involves prototype and production testing to assure flammability control in both design and manufacture. The plan thus provides for premarket testing and will assist greatly in detecting noncomplying mattresses before they are placed on the market.

The standard contains a detailed glossary of the items covered under the standard. Included are such items as mattress pads, mattresses of all sizes, and mattresses used in sofa, day, and roll-away beds. Excluded are water beds and air mattresses because no evidence was found that these types of mattresses presented any unreasonable risk of flammability. Also excluded are items of upholstered furniture which do not contain a detachable mattress. Although some items of upholstered furniture could be used for sleeping, this separate class of interior furnishings presents other considerations and preliminary investigations indicate that a completely separate standard may be needed for upholstered furniture. Excluded also are those mattresses subject to Motor Vehicle Safety Standard No. 302, issued by the National Highway Traffic Safety Administration, "Flammability of Interior Materials—Passenger cars, Multipurpose Passenger Vehicles, Trucks, and Buses."

Effective date. The appended standard, DOC FF 4–72, Flammability Standard for Mattresses, shall become effective 12 months from the date of its publication in the FEDERAL REGISTER, and all mattresses as defined in the standard manufactured for sale on or after that date shall comply with the standard. Mattresses which are in inventory or with the trade on the effective date shall be exempt from the standard. All concerned parties shall maintain records proving that mattresses offered for sale after the effective date are eligible for the exemption in accordance with rules and regulations established by the Federal Trade Commission.

Issued: May 31, 1972.

PETER G. PETERSON,
Secretary of Commerce.

[DOC FF 4–72]

MATTRESSES

FLAMMABILITY STANDARD FOR MATTRESSES

.1 *Definitions.* In addition to the definitions given in section 2 of the Flammable Fabrics Act as amended (sec. 1, 81 Stat. 568; 15 U.S.C. 1191) and § 7.2 of the procedures (33 F.R. 14642, October 1, 1968), the following definitions apply for the purpose of this standard:

(a) "Mattress" means a ticking filled with a resilient material used alone or in combination with other products and intended or promoted for sleeping upon. This definition includes, but is not limited to, mattress pads, adult mattresses, youth mattresses, crib mattresses including portable crib mattresses, bunk bed mattresses, convertible sofa bed mattresses, corner group mattresses, day bed mattresses, roll-a-way bed mattresses, high risers, and trundle bed mattresses. This definition excludes sleeping bags, pillows, mattress foundations such as box springs, liquid and gaseous filled tickings such as water beds and air mattresses, upholstered furniture such as chaise lounges, drop-arm love seats, press-back lounges, push-back sofas, sleep lounges, sofa beds (including jack-knife sofa beds), sofa lounges (including glide-outs), studio couches, and studio divans (including twin studio divans and studio beds), and juvenile product pads such as car bed pads, carriage pads, basket pads, infant carrier and lounge pads, dressing table pads, stroller pads, crib bumpers, and playpen pads.

See. 6 Glossary of Terms for definitions of the above.

(b) "Ticking" means the outermost layer of fabric or related material that encloses the mattress core and upholstery materials.

(c) "Core" means the main support system that may be present in a mattress, such as springs, foam, or hair block.

(d) "Upholstery material" means all material, either loose or attached, between the ticking or between the ticking and the core of the mattress, if a core is present.

(e) "Tape edge" (edge) means the seam or border edge of a mattress.

(f) "Quilted" means stitched through the ticking and one or more layers of upholstery material.

(g) "Tufted" means buttoned or laced through the ticking and upholstery materials and/or core.

(h) "Mattress prototype" means mattresses of a particular design, sharing all materials (excluding differences in metallic core materials) and methods of assembly, but excluding differences in mattress size.

(i) "Mattress type" means mattresses sharing a method of assembly such as tufted, multineedle continuous quilt, deep panel quilt, and smooth top, and all materials affecting cigarette ignition, but excluding differences in mattress size. More than one mattress prototype may be included in a single mattress type, provided each protoype has the same method of assembly.

(j) "Production unit" (unit) means a quantity of mattresses of one mattress type. This quantity is predetermined by the mattress manufacturer subject to the maximum number specified in the applicable parts of .4(b) Specimens and sampling. No mattress completed while other mattresses of the same type are in production shall be excluded from the production unit to which such other mattresses are assigned.

(k) "Surface" means one side of a mattress which is intended for sleeping upon and which can be tested.

.2 *Scope and application.* (a) This standard provides a test method to determine the ignition resistance of a mattress when exposed to a lighted cigarette.

(b) All mattresses, as defined in .1(a), are subject to the requirements of this standard.

(c) Mattresses which are subject to the coverage of the Motor Vehicle Safety Standard, No. 302, subject: "Flammability of Interior Materials—Passenger Cars, Multipurpose Passenger Vehicles, Trucks, and Busses" (36 F.R. 290), issued by the National Highway Traffic Safety Administration, are excluded from coverage under this standard, unless also intended or promoted for uses included in .1(a).

(d) One-of-a-kind mattress, such as nonstandard sizes or shapes, may be excluded from testing under this standard pursuant to rules and regulations established by the Federal Trade Commission.

.3 *General requirements*—(a) *Summary of test method.*—The method involves the exposure of the mattress surface to lighted cigarettes as the standard igniting source in a draft-protected environment and the measurement of the ignition resistance of the mattress. These

exposures include smooth, tape edge, and quilted or tufted locations, if they exist on the mattress surface. Two-sheet tests are also conducted on similar surface locations. In the latter test, the burning cigarette is placed between the sheets.

(b) *Test criterion.* Testing the mattress surface in accordance with the testing procedure set forth in .4 Test procedure, individual cigarette test locations pass the test if the char length on the mattress surface is not more than 5.1 cm. (2 in.) in any direction from the nearest point of the cigarette. (In the interest of safety, the test operator should discontinue the test and record a failure before reaching the 2-inch char length if, in his opinion, an obvious ignition has occurred.)

.4 *Test procedure*—(a) *Apparatus*—(1) *Test room.* The test room shall be large enough to accommodate a full-scale mattress in a horizontal position and to allow for free movement of personnel and air around the test mattress. The room shall be equipped with a support system (platform, bench, etc.) upon which a mattress may be placed flat in a horizontal position at a reasonable height for making observations. For thin, flexible mattresses and mattress pads, the top surface of the support system shall be nonmetallic. The test area shall be draft protected and equipped with a suitable system for exhausting smoke and/or noxious gases produced by testing. The test room atmospheric conditions shall be between 18°–27° C. (65°–80° F.) and at less than 55 percent relative humidity.

(2) *Ignition source.* The ignition source shall be cigarettes without filter tips made from natural tobacco, 85±2 mm. long with a tobacco packing density of 0.270±0.020 g./cm.^{3} and a total weight of 1.1±0.1 gm.

(3) *Fire extinguisher.* A pressurized water fire extinguisher, or other suitable fire extinguishing equipment, shall be immediately available.

(4) *Water bottle.* A water bottle fitted with a spray nozzle shall be used to extinguish the ignited portions of the mattress.

(5) *Scale.* A linear scale graduated in millimeters, 0.1 inch, or 1/16-inch divisions shall be used to measure char length.

(6) *Other apparatus.* In addition to the above, a thermometer, a relative humidity measuring instrument, a knife or scissors, and tongs are required to carry out the testing.

(b) *Specimens and sampling*—(1) *General.* The test criterion of .3(b) shall be used in conjunction with the following mattress sampling plan, or any other approved by the Department of Commerce that provides at least the equivalent level of fire safety to the consumer. Alternate sampling plans submitted for approval shall have operating characteristics such that the probability of unit acceptance at any percentage defective does not exceed the corresponding probability of unit acceptance of the following sampling plan in the region of the latter's operating characteristic curves that lies between 5 and 95 percent acceptance probability.

(2) *Mattress sampling.* The basic mattress sampling plan is made up of two parts: (1) Prototype qualification, and (2) production testing. In addition, a batch sampling plan is given which may be used for small production quantities, when shipping requirements prohibit the use of the basic plan, or for other reasons at the discretion of the manufacturer.

a. *Basic sampling plan.* A production unit in the basic sampling plan shall consist of not more than 500 mattresses of a mattress type or the quantity produced in 3 consecutive calendar months, whichever is smaller. This unit size may be increased to the quantity produced in 3 consecutive calendar months or less: *Provided,* That it is either documented that each of the materials contributing to the cigarette ignition characteristics of all the mattresses in the unit came from a single manufacturing lot of such material or 50 consecutive production units, at least 20,000 mattresses, have all been accepted in production testing as set forth in .4(b)(2)a2.

1. *Prototype qualification.* For prototype qualification, the term "manufacturer" shall mean (a) with respect to a company having one manufacturing facility, that company, (b) with respect to a company having two or more manufacturing facilities, either that company or one or more of its manufacturing facilities as it elects, and (c) with respect to a company that is part of a group of companies that normally sell mattresses under a group name, either that group of companies or a portion of that group or (a) or (b) above, as that company elects.

Select enough mattress prototypes from preproduction or current production to provide six surfaces for test (three mattresses if both sides can be tested or six mattresses if only one side can be tested). Test each of the six surfaces according to .4(d) testing. If all the cigarette test locations on all six surfaces satisfy the test criterion of .3(b), accept the mattress prototype. If one or more of the cigarette test locations on the six surfaces fail the test criterion of .3(b), reject the mattress prototype.

Mattress prototype qualification may be repeated after the manufacturer has taken action to improve the resistance of the mattress prototype to ignition by cigarettes through mattress design, production, or materials selection.

Each mattress prototype must be accepted in prototype qualification prior to shipping any mattresses to customers and prior to producing significant quantities of mattresses. The first production unit not to exceed 500 mattresses, manufactured immediately after successful prototype qualification or the production unit from which the mattresses were selected for the successful prototype qualification may be accepted and shipped to customers without further testing if all mattresses in the production unit are the same as the prototype except for size.

2. *Production testing.* For production testing, the term "manufacturer" shall mean each manufacturing facility. Random selection for production testing shall be accomplished by use of random number tables or equivalent means as determined by the Federal Trade Commission. If it is desired to use only mattresses of a specified size (e.g., "twin") for testing, the drawing may be repeated until sufficient mattresses of that size have been selected.

A production unit, except for the first production unit following successful prototype qualification as specified in .4(b)(2)a1, is either accepted or rejected according to the following plan:

(*a*) *Normal sampling.* From each unit, randomly select enough mattresses to provide two surfaces for test (one mattress if both sides can be tested or two mattresses if only one side can be tested). Test each of the two surfaces according to .4(d) testing. If all the cigarette test locations on both surfaces meet the test criterion of .3(b), accept the unit. If two or more individual cigarette test locations fail the test criterion of .3(b), reject the unit. If only one individual cigarette test location fails the test criterion of .3(b), select enough additional mattresses to provide four additional surfaces for test. Test each of the four additional surfaces according to .4(d) testing. If all the cigarette test locations on the four additional surfaces meet the test criterion of .3(b), accept the unit. If one or more of the individual cigarette test locations on the four additional surfaces fail the test criterion of .3(b), reject the unit.

Unit rejection shall include all mattresses in the particular unit under test. Unit rejection also results in the loss of prototype qualification for all prototypes included in the unit under test.

(*b*) *Reduced sampling.* The level of sampling required for mattress production acceptance may be reduced provided the preceding 15 consecutive units of mattresses, at least 500 mattresses, have all been accepted using the normal sampling plan. In this case, the production quantity for reduced sampling may be increased to up to two units, still not to exceed the production of 3 consecutive calendar months.

From this production quantity, randomly select enough mattresses to provide two surfaces for test. Test each of the two surfaces according to .4(d) testing. If all the cigarette test locations on both surfaces meet the test criterion of .3(b), accept this production quantity. If two or more individual cigarette test locations fail the test criterion of .3(b), reject this production quantity. If only one individual cigarette test location fails the test criterion of .3(b), accept this production quantity.

Rejection shall include all mattresses in the production quantity under test. Rejection also results in the loss of prototype qualification for all prototypes included in the production quantity under test. Testing after the new type qualification shall be according to the normal sampling plan.

b. *Batch sampling plan.* For the batch sampling plan, the term "manufacturer" shall mean each manufacturing facility.

A production unit in the batch sampling plan shall consist of not more than 250 mattresses or the quantity produced in one period of 30 consecutive calendar days, whichever is smaller.

1. *Batch unit qualification and acceptance.* Select enough mattresses from the initial production of the unit to provide four surfaces for test (two mattresses if both sides can be tested or four mattresses if only one side can be tested). Test each of the four surfaces according to .4(d) testing. If all the cigarette test locations on the four surfaces meet the test criterion of .3(b), accept the unit. If one or more of the cigarette test locations on the four surfaces fail the test criterion of .3(b), reject the unit.

After rejection, unit qualification and acceptance under this batch sampling plan may be repeated after the resistance of the mattress to ignition by cigarettes is improved by the manufacturer taking corrective action in mattress design, production, or materials selection.

Acceptance of any production unit under this batch sampling plan shall not have any effect on prototype qualification or unit acceptance of any other production unit.

(3) *Disposition of rejected units.* Rejected units shall not be retested, offered for sale, sold, or promoted for use as a mattress as defined in .1(a) except after reworking to improve the resistance to ignition by cigarettes and subsequent retesting in accordance with the procedures set forth in .4(b)(2)a basic sampling plan.

(4) *Records.* Records of all unit sizes, test results, and the disposition of rejected units shall be maintained by the manufacturer, in accordance with rules and regulations established by the Federal Trade Commission.

(5) *Preparation of mattress samples.* The mattress surface shall be divided laterally into two sections (see Figure 1), one section for the bare mattress tests and the other for the two-sheet tests.

(6) *Sheet selection.* The sheets shall be white, 100 percent combed cotton percale, not treated with a chemical finish which imparts a characteristic such as permanent press or flame resistance, with 170–200 threads per square inch and a fabric weight of 115±14 gm./sq. m. (3.4±0.4 oz./sq. yd.). Size of sheet shall be appropriate for the mattress being tested.

(7) *Sheet preparation.* The sheets shall be laundered once before use in an automatic home washer using the hot water setting and longest normal cycle with the manufacturer's recommended quantity of a commercial detergent, and dried in an automatic home tumble dryer. The sheet shall be cut across the width into two equal parts after washing.

(8) *Cigarettes.* Unopened packages of cigarettes shall be selected for each series of tests.

(c) *Conditioning.* The mattresses, washed sheets, and cigarettes shall be conditioned at a temperature of 18–27° C (65–80° F) and a relative humidity less than 55 percent for at least 48 hours prior to test. The mattresses, washed sheets, and cigarettes shall be removed from any packaging and supported in a suitable manner to permit free movement of air around them during conditioning. The mattress meets this conditioning requirement if the mattress and/or all its component materials have been exposed only to the above temperature and humidity conditions for at least 48 hours prior to testing the mattress.

(d) *Testing*—(1) *General.* a. Light and place one cigarette at a time on the mattress surface. (If previous experience with the same type of mattress has indicated that ignition is not likely, the number of cigarettes which may be lighted and placed on the mattress at one time is left to the test operator's judgment. The number of cigarettes must be carefully considered because a smoldering or burning mattress is extremely hazardous and difficult to extinguish.) If more than one cigarette is burning at one time, the cigarettes must be positioned no less than 6 inches apart on the mattress surface. Each cigarette used as an ignition source shall be well lighted but not burned more than 4 mm. (0.16 in.) when placed on the mattress. (Fire extinguishing equipment must be readily available at all times.)

b. If a cigarette extinguishes before burning its full length, the test must be repeated with a freshly lit cigarette on a different portion of the same type of location on the mattress surface until either (a) the number of cigarettes specified in .4(d)(1)c have burned their full lengths, (b) the number of cigarettes specified have extinguished before burning their full lengths, or (c) the number of cigarettes specified have resulted in failures according to .3(b) test criterion.

c. At least 18 cigarettes shall be burned on each mattress test surface, nine in the bare mattress tests and nine in the two-sheet tests. If three or more mattress surface locations (smooth surface, tape edge, quilted, or tufted areas) exist in the particular mattress surface under test, three cigarettes shall be burned on each different surface location. If only two mattress surface locations exist in the particular mattress surface under test (tape edge and smooth surface), four cigarettes shall be burned on the smooth surface and five cigarettes shall be burned on the tape edge.

(2) *Bare mattress tests*—a. *Smooth surfaces.* Each burning cigarette shall be placed directly on a smooth surface location on the test surface on the half reserved for bare mattress tests. The cigarettes should burn their full lengths on a smooth surface without burning across a tuft or stitching of a quilted area. However, if this is not possible because of mattress design, then the cigarettes shall be positioned on the mattress in a manner which will allow as much of the butt ends as possible to burn on smooth surfaces. Report results for each cigarette as pass or fail as defined in the test criterion.

CAUTION: Even under the most carefully observed conditions, smoldering combustion can progress to the point where it cannot be readily extinguished. It is imperative that a test be discontinued as soon as ignition has definitely occurred. Immediately wet the exposed area with a water spray (from water bottle), cut around the burning material with a knife or scissors and pull the material out of the mattress with tongs. Make sure that all charred or burned material is removed. Ventilate the room.

b. *Tape edge.* Each burning cigarette shall be placed in the depression between the mattress top surface and the tape edge, parallel to the tape edge on the half of the test surface reserved for bare mattress tests. If there is no depression at the edge, support the cigarettes in place along the edge and parallel to the edge with straight pins. Three straight pins may be inserted through the edge at a 45° angle such that one pin supports the cigarette at the burning end, one at the center, and one at the butt. The heads of the pins must be below the upper surface of the cigarette (see Figure 2). Report results for each cigarette as pass or fail as defined in the test criterion.

c. *Quilted location.* If quilting exists on the test surface, each burning cigarette shall be placed on quilted locations of the test surface. The cigarettes shall be positioned directly over the thread in the depression created by the quilting process on the half of the test surface reserved for bare mattress tests. If the quilt design is such that the cigarettes cannot burn their full lengths over the thread, then the cigarettes shall be positioned in a manner which will allow as much of the butt ends as possible to burn on the thread. Report results for each cigarette as pass or fail as defined in the test criterion.

d. *Tufted location.* If tufting exists on the test surface, each burning cigarette shall be placed on tufted locations of the test surface. The cigarettes shall be positioned so that they burn down into the depression caused by the tufts and so that the butt ends of the cigarettes burn out over the buttons or laces used in the tufts on the half of the test surface reserved for bare mattress tests. Report results for each cigarette as pass or fail as defined in the test criterion.

(3) *Two-sheet tests.* Spread a section of sheet smoothly over the mattress surface and tuck under the mattress on the second half of the test surface, which has been reserved for the two-sheet test. Care must be taken that hems or any other portion of the sheet which is more than one fabric thickness, is neither directly under nor directly over the test cigarette in the two-sheet test.

a. *Smooth surfaces.* Each burning cigarette shall be placed directly on the sheet covered mattress in a smooth surface location as defined in the bare mattress test. Immediately cover the first sheet and the burning cigarettes loosely with a second, or top, sheet (see Figure 2). Do not raise or lift the top sheet during testing unless obvious ignition has occurred or until the cigarette has burned out. (The extinguishment of the cigarette may be determined by holding the hand near the surface of the top sheet over the test location. If neither heat is

felt nor smoke observed, the cigarette has burned out.) If ignition occurs, immediately remove the sheets and cigarette and follow the cautionary procedures outlined in the bare mattress test. Report results for each cigarette as pass or fail as defined in the test criterion.

b. *Tape edge.* Each burning cigarette shall be placed in the depression between the top surface and the tape edge on top of the sheet, and immediately covered with a second sheet. It is important that the air space be eliminated, as much as possible, between the mattress and the bottom sheet at the test location before testing. Depress the bottom sheet into the depression using a thin rod or other suitable instrument. In most cases, the cigarettes will remain in place throughout the test; however, if the cigarettes show a marked tendency to roll off the tape edge location, they may be supported with straight pins. Three straight pins may be inserted through the bottom sheet and tape at a 45° angle such that one pin supports the cigarette at the burning end, one at the center, and one at the butt. The heads of the pins must be below the upper surface of the cigarette (see Figure 2). Report results for each cigarette as pass or fail as defined in the test criterion.

c. *Quilted locations.* If quilting exists on the test surface, each burning cigarette shall be placed in a depression caused by quilting, directly over the thread and on the bottom sheet, and immediately covered with the top sheet. It is important that the air space be eliminated, as much as possible, between the mattress and the bottom sheet at the test location before testing. Depress the bottom sheet into the depression using a thin rod or other suitable instrument. If the quilt design is such that the cigarettes cannot burn their full lengths over the thread, then the cigarettes shall be positioned in a manner which will allow as much of the butt tends as possible to burn on the thread. Report results for each cigarette as pass or fail as defined in the test criterion.

d. *Tufted locations.* If tufting exists on the test surface, each burning cigarette shall be placed in the depression caused by tufting, directly over the tuft and on the bottom sheet, and immediately covered with the top sheet. It is important that the air space be eliminated, as much as possible, between the mattress and the bottom sheet at the test location before testing. Depress the bottom sheet into the depression using a thin rod or other suitable instrument. The cigarettes shall be positioned so that they burn down into the depression caused by the tuft and so that the butt ends of the cigarettes burn out over the buttons or laces used in the tufts. Report results for each cigarette as pass or fail as defined in the acceptance criterion.

.5 *Mattress pads*—(a) *Testing.* Mattress pads shall be tested in the same manner as mattresses according to .4 test procedure except for laundering.

(b) *Laundering.* Mattress pads which have had a chemical fire retardant treatment or contain any chemically fire retardant treated components, shall be tested in accordance with .4 test procedure in the condition in which they are intended to be sold, and after they have been washed and dried 10 times according to the procedure prescribed in method 124–1969 of the American Association of Textile Chemists and Colorists washing procedure 6.2 (III), with a water temperature of 60°±2.8° C. (140°±5° F.), and drying procedure 6.3.2(B). Maximum load shall be 3.64 kg. (8 pounds) and may consist of any combination of test items and dummy pieces. Alternately, a different number of times under another washing and drying procedure may be specified and used, if that procedure has previously been found to be equivalent by the Federal Trade Commission.

Such laundering is not required of mattress pads which are not intended to be laundered, as determined by the Federal Trade Commission.

Mattress pads which are not susceptible to being laundered and are labeled "dry-clean only" shall be dry-cleaned by a procedure which has previously been found acceptable by the Federal Trade Commission.

(c) *Labeling*—(1) *Treatment label.* If a mattress pad has had a chemical fire retardant treatment or contains any fire retardant treated components, it shall be labeled with the letter "T" pursuant to rules and regulations established by the Federal Trade Commission.

(2) *Care label.* All mattress pads which have had a chemical fire retardant treatment or contain any fire retardant treated components shall be labeled with precautionary instructions to protect the pads from agents or treatments which are known to cause deterioration of their flame resistance. Such labels shall be permanent and otherwise in accordance with rules and regulations established by the Federal Trade Commission.

.6 *Glossary of terms*—(a) *Basket pad.* Cushion for use in an infant basket.

(b) *Box spring.* A bedspring that consists of springs attached to a foundation and enclosed in a cloth covered, upholstered frame.

(c) *Bunk beds.* A tier of beds, usually two or three, in a high frame complete with mattresses (see Figure 3).

(d) *Car bed.* Portable bed used to carry a baby in an automobile.

(e) *Carriage pad.* Cushion to go into a baby carriage.

(f) *Chaise lounge.* An upholstered couch chair or a couch with a chair back. It has a permanent back rest, no arms, and sleeps one (see Figure 3).

(g) *Convertible sofa.* An upholstered sofa that converts into an adult sized bed. Mattress unfolds out and up from under the seat cushioning (see Figure 3).

(h) *Corner groups.* Two twin size bedding sets on frames, usually slipcovered, and abutted to a corner table. They also no back rests, and sleeps one (see Figure 3).

(i) *Crib bumper.* Padded cushion which goes around three or four sides inside a crib to protect the baby. Can also be used in a playpen.

(j) *Day bed.* Day bed has foundation, usually supported by coil or flat springs, mounted between arms on which mattress is placed. It has permanent arms, no back rests, and sleeps one (see Figure 3).

(k) *Dressing table pad.* Pad to cushion a baby on top of a dressing table.

(l) *Drop-arm love seat.* When side arms are in vertical position, this piece is a love seat. The adjustable arms can be lowered to one of four positions for a chaise lounge effect or a single sleeper. The vertical back support always remains upright and stationary (see Figure 3).

(m) *High risers.* This is a frame of sofa seating height with two equal size mattresses without a backrest. The frame slides out with the lower bed and rises to form a double or two single beds (see Figure 3).

(n) *Infant Carrier and lounge pad.* Pad to cushion a baby in an infant carrier.

(o) *Mattress foundation.* Consists of any surface upon which a mattress is placed to lend it support for use in sleeping upon.

(p) *Mattress pads.* A thin, flat mat or cushion for use on top of a mattress.

(q) *Pillows.* Cloth bag filled with resilient material such as feathers, down, sponge rubber, urethane, or fiber used as the support for the head of a person.

(r) *Playpen pad.* Cushion used on the bottom of a playpen.

(s) *Portable crib.* Smaller size than a conventional crib. Can usually be converted into a playpen.

(t) *Press-back lounges.* Longer and wider than conventional sofa beds. When the lounge seat is pressed lightly, it levels off to form, with the seat, a flat sleeping surface. The seat slopes, in the sitting position, for added comfort (see Figure 3).

(u) *Push-back sofa.* When you push on the back of the sofa, it becomes a bed. Lift the back and it is a sofa again. Styled in tight or loose cushions (see Figure 3).

(v) *Roll-away beds.* Portable bed which has frame which folds in half with the mattress for compact storage.

(w) *Sleep lounge.* Upholstered seating section is mounted on a sturdy frame. May have bolster pillows along the wall as backrests or may have attached headrests (see Figure 3).

(x) *Stroller pad.* Cushion used in a baby stroller.

(y) *Sofa bed.* These are pieces in which the back of the sofa swings down flat with the seat to form the sleeping surface. All upholstered. Some sofa beds have bedding boxes for storage of bedding. There are two types: The one-piece, where the back and seat are upholstered as a unit, supplying an unbroken sleeping surface; and the two-piece, where back and seat are upholstered separately (see Figure 3).

(z) *Sofa lounge (includes glide-outs).* Upholstered seating section is mounted on springs and in a special frame that permits it to be pulled out for sleeping. Has upholstered backrest bedding box that is hinged. Glide-outs are single sleepers with sloping seats and backrests.

Seat pulls out from beneath back and evens up to supply level sleeping surface (see Figure 3).

(aa) *Studio couch.* Consists of upholstered seating section on upholstered foundation. Many types convert to twin beds (see Figure 3).

(bb) *Studio divan.* Twin size upholstered seating section with foundation is mounted on metal bed frame. Has no arms or backrest, and sleeps one (see Figure 3).

(cc) *Trundle bed.* A low bed which is rolled under a larger bed. In some lines, the lower bed springs up to form a double or two single beds as in a High Riser (see Figure 3).

(dd) *Twin studio divan.* Frames which glide out (but not up) and use seat cushions, in addition to upholstered foundation to sleep two. Has neither arms nor backrest (see Figure 3).

MATTRESS PREPARATION

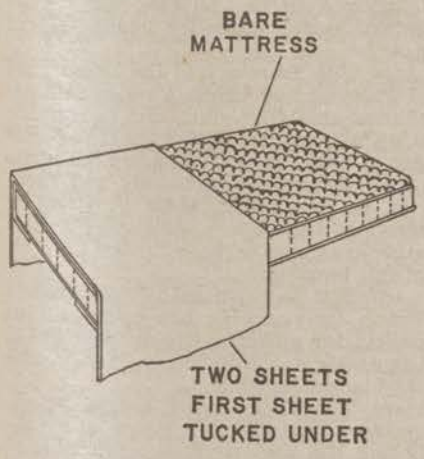


FIGURE 1

CIGARETTE LOCATION

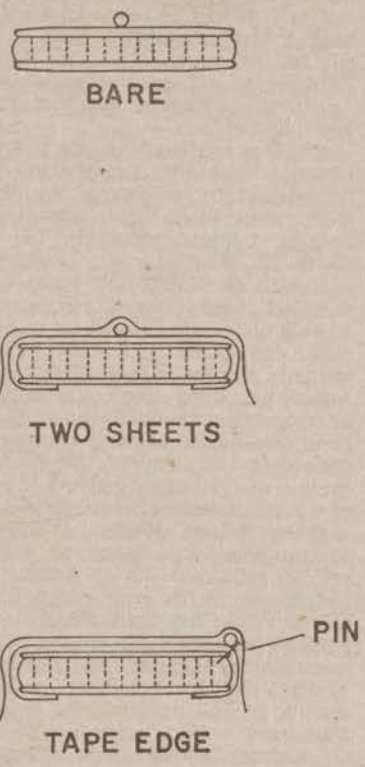


FIGURE 2

FIGURE 3

[FR Doc. 72-8458 Filed 6-6-72;8:45 am]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Secretary

[Docket No. N-72-106]

NEW AND RELOCATING FEDERAL FACILITIES

Procedures for Assuring Availability of Housing on Nondiscriminatory Basis for Low- and Moderate-Income Employees

Notice of the Department of Housing and Urban Development's proposed procedures for implementing the Memorandum of Understanding Between HUD and GSA Concerning Low- and Moderate-Income Housing was published in the FEDERAL REGISTER on December 11, 1971 (36 F.R. 23642). Comments were received from ten interested organizations and consideration has been given to each comment. The procedures have been revised as set forth below, and are effective on publication.

Several comments criticized the threshold levels for application of the procedures (25 low- and moderate-income employees for site selections for public buildings and 100 such employees for lease actions) as not being sufficiently inclusive. One of the comments suggested that there did not appear to be adequate justification for different threshold levels, and another comment proposed 25 for both types of actions. In view of the large volume of GSA construction and lease actions it is deemed a more effective utilization of the resources of the two Departments to concentrate on the more significant actions, i.e., those involving a substantial number of low- and moderate-income employees. The thresholds have been changed to be 100 for both lease and new construction, and paragraph 5(d) has been added to cover actions of special importance where fewer than 100 low- and moderate-income employees will be involved.

There were a number of comments to the effect that GSA should not be permitted to select a site which HUD has reported inadequate with respect to the accessibility of the location to low- and moderate-income housing on a nondiscriminatory basis. This criticism must be rejected, since by statute and Executive order GSA has the authority and responsibility for making location determinations with respect to the construction of Federal buildings and the acquisition of leased space and must take into account factors other than those which are the subject of the Memorandum of Understanding. It was in recognition of the fact that some selections may be made contrary to the recommendation of HUD that the Memorandum of Understanding included a provision for a written Affirmative Action Plan to ensure that an adequate supply of low- and moderate-income housing on a nondiscriminatory basis will be available no later than 6 months after the building or space is to be occupied. In this connection, it was asserted in some of the comments that

the housing should be made available before the building or space is to be occupied. The 6-month period is provided for in the Memorandum of Understanding, and it is appropriate to permit this leeway in these initial procedures. The Memorandum of Understanding does provide that the Memorandum will be reviewed at the end of each year and modified to incorporate any provision necessary to improve its effectiveness in light of actual experience. The validity of the 6-month period will be examined at the time the Memorandum is reviewed.

Several of the comments suggested that the procedures provide for more assurance that an Affirmative Action Plan will be carried out. The provisions relating to the Affirmative Action Plan have been revised to provide that all agreements which constitute the Plan will be signed not only by the appropriate representatives of HUD, GSA, and the Federal agency involved, but also by community bodies and agencies and other interests whose cooperation and/or participation will be necessary to fulfill the requirements of the Plan. In addition, the Plan will provide assurance by the relocating agency that, when the old and new facilities are within the same metropolitan area, transportation will be provided for the agency's low- and moderate-income employees between the old facility or other suitable location and the new facility at the beginning and end of the scheduled workday until sufficient new housing is built accessible to the new facility as provided in the Plan. Since several of the other provisions of the Plan set forth in the proposed procedures were adopted verbatim from the provisions of the Memorandum of Understanding, it is considered unnecessary to repeat these provisions, and they have instead been incorporated by reference to section 9(g) of the Memorandum of Understanding.

Several other comments criticized the procedures for not addressing the issue of nondiscrimination in the sale and rental of housing, in addition to the matter of an adequate supply of low- and moderate-income housing on a nondiscriminatory basis, since discrimination in housing can occur at higher levels as well. Revisions have been made in the procedures to include a determination by HUD of the extent of discrimination in sales or rentals in all housing, not just low- and moderate-income housing. Affirmative action plans will contain appropriate provisions designed affirmatively to further nondiscrimination in the sale or rental of housing.

The definition of "low- and moderate-income" has been revised to take into account the variations in income levels in different housing market areas.

There were several comments with respect to transportation standards, and there was criticism particularly of the difference in travel time permitted between that of low- and moderate-income employees and that of higher-income employees. The criticism is well taken, and the 15-minute difference has been deleted. In addition, the travel time requirements for lease actions were inadvertently omitted from the proposed procedures and they have now been included. Also, with respect to transportation, the revised procedures provide that the Affirmative Action Plan will insure that there is adequate transportation from housing to the site.

In response to a comment requesting particularity with respect to information which will be made available to the public, the procedures now contain a specific provision that the Affirmative Action Plan will be made public after the final site selection decision has been made by GSA.

These procedures provide the elements essential for implementation of the Memorandum of Understanding and were never intended to contain all the details of implementation. The Department has initiated the preparation of a Handbook which will include a more detailed explanation of the procedures. In this connection, there were numerous other comments suggesting inclusion of items in the procedures. The suggestions raised by these comments will instead be considered for inclusion in the Handbook. Examples of such comments are: Consideration of restrictive zoning ordinances and building codes and existence of an adequate local fair housing law in making determinations regarding discrimination in housing as well as in setting requirements of Affirmative Action Plans; provision of counselling services for the involved Federal agency's employees; consultation with outside organizations, such as civil rights groups, during the investigation period; and standards and methods for determining that there is nondiscrimination in housing and that an adequate supply of low- and moderate-income housing is available on a nondiscriminatory basis.

One comment suggested that a general area survey be done for the Washington Metropolitan Area as soon as the procedures are implemented, in light of the high concentration of Government facilities in the area. Priorities for the conduct of general area surveys will be determined and surveys will be conducted in accordance with the priorities by the appropriate regional offices as soon as feasible. The Washington Metropolitan Area will be among the earliest areas surveyed.

The procedures are as follows:

1. *Purpose.* This notice establishes the procedures by which the Department of Housing and Urban Development (HUD) will implement the Memorandum of Understanding between the Department of Housing and Urban Development and the General Services Administration Concerning Low- and Moderate-Income Housing executed on June 12, 1971, and published in the FEDERAL REGISTER on December 1, 1971 (36 F.R. 22873). The Memorandum of Understanding is intended to insure the availability of housing on a nondiscriminatory basis for low- and moderate-income employees of new and relocating Federal facilities. For the purpose of these procedures, "low- and moderate-income" is defined as income up to and including the median family income established by HUD for the housing market area under consideration. In the case of General Salary Schedule employees: "low- and moderate-income" is inclusive of all grade levels from GS–1 through that grade level the midpoint of which is nearest to the dollar figure of the median family income for the area; "high-income" is defined as all General Salary Schedule grade levels above such grade level.

2. *Background.* (a) Decisions of the Federal Government concerning location or relocation of Federal facilities may have a major impact on Federal employees, particularly lower grade and minority employees.

(1) The impact on employees can be seriously adverse if facilities are established in areas with an inadequate supply of low- and moderate-income housing.

(2) The problem is even more acute for minority employees if problems of racial and ethnic discrimination further constrain the housing supply near a new or relocated facility.

(b) The General Services Administration (GSA) has responsibility for planning, developing, and constructing Government-owned public buildings for housing Federal agencies, and for acquiring leased space for Federal agency use.

(c) The Secretary of the Department of Housing and Urban Development has the responsibility under the Federal fair housing law (title VIII of the Civil Rights Act of 1968) for coordinating the efforts of all Federal Departments and Agencies to administer their programs of housing and urban development in a manner affirmatively to further the goals of fair housing.

(d) The Department of Housing and Urban Development has prime responsibility for assisting the development of the nation's supply of low- and moderate-income housing.

(e) The Memorandum of Understanding was agreed to as a means of coordinating the respective responsibilities of GSA and HUD.

3. *Responsibility.* (a) The Department of Housing and Urban Development has the responsibility:

(1) To investigate, determine, and report findings to GSA on the availability of low- and moderate-income housing to Federal employees on a nondiscriminatory basis to serve proposed locations for a federally constructed building or a major lease action.

(2) To participate in site investigations for the purpose of providing a report to GSA on the availability of low- and moderate-income housing on a nondiscriminatory basis in or readily accessible to the delineated area within which specific sites will be considered.

(3) To develop jointly with GSA, the Federal agency involved and the community, an Affirmative Action Plan where HUD has determined that GSA's preferred location for the federally constructed building or leased space is not readily accessible to an adequate supply of low- and moderate-income housing on

a nondiscriminatory basis in accordance with the HUD–GSA Memorandum of Understanding.

(4) To give priority consideration to applications for assistance under HUD housing programs for housing proposed to be provided in accordance with the Plan.

(b) *The General Services Administration has the responsibility:*

(1) To consider the availability of low- and moderate-income housing on a nondiscriminatory basis to the maximum possible extent compatible with other considerations in making determinations with respect to the location of federally constructed buildings and the acquisition of leased space.

(2) To provide HUD with the information necessary to carry out its responsibilities, including, but not limited to, notice that GSA is undertaking a project development investigation, notice of the time and place for site investigations, copies of the prospectus for each public building or lease-construction project, and any pertinent information supplied to GSA by the agency involved in the relocation, including number of low- and moderate-income employees expected to be employed at the new location.

(3) To advise HUD when the GSA site investigators recommend a site for selection which HUD has reported unsuitable because it is not reasonably accessible to an adequate supply of low- and moderate-income housing on a nondiscriminatory basis.

(4) To provide HUD with a written explanation when, after headquarters' review, a location is selected which HUD has reported unsuitable because it is not reasonably accessible to an adequate supply of low- and moderate-income housing on a nondiscriminatory basis.

(5) To develop jointly with HUD, the Federal agency involved and the community, an Affirmative Action Plan where HUD has determined that GSA's preferred location for the federally constructed building or leased space is not readily accessible to an adequate supply of low- and moderate-income housing on a nondiscriminatory basis in accordance with the HUD–GSA Memorandum of Understanding.

(c) Federal agencies considering relocation have the responsibility:

(1) To consider to the maximum possible extent the availability of low- and moderate-income housing on a nondiscriminatory basis to employees likely to be employed at a new site.

(2) To provide such data with respect to employees being relocated as may be requested by GSA and HUD.

(3) To develop jointly with HUD, GSA and the community, an Affirmative Action Plan where HUD has determined that GSA's preferred location for the federally constructed building or leased space is not readily accessible to an adequate supply of low- and moderate-income housing on a nondiscriminatory basis in accordance with the HUD–GSA Memorandum of Understanding.

4. *Responsibilities within HUD for implementation of the HUD–GSA Memorandum of Understanding.* (a) The Assistant Secretary for Equal Opportunity is responsible for the implementation of the Department's responsibilities under the Memorandum of Understanding. He will maintain liaison at the national level with the Commissioner, Public Buildings Service, GSA, concerning questions of policy and overall implementation.

(b) The HUD Regional Administrator is responsible for coordinating the implementation of this program in the Region, and for providing GSA with HUD's recommendation on specific sites.

(c) The Assistant Regional Administrator for Equal Opportunity is responsible for consolidating information and recommendations to the HUD Regional Administrator including any Affirmative Action Plans that may be required. In this connection, he shall be assisted by the Assistant Regional Administrators for Housing Production and Mortgage Credit and for Community Planning and Management, the Regional Economist and other appropriate staff.

(d) Directors of Area Offices are responsible for providing the data needed for making recommendations to the HUD Regional Administrator concerning the adequacy of specific sites with respect to the availability of low- and moderate-income housing on a nondiscriminatory basis for the Federal employees that will occupy the facility at such location.

(e) The Director of the Equal Opportunity Division in the Area Office will serve as the Department's representative on site investigation teams.

5. *Actions subject to the procedures in this notice.*

(a) All project development investigations are subject to the procedures herein.

(b) Site selections for public buildings (or leased space in buildings to be erected by the lessor) are subject to the procedures herein in all cases in which 100 or more low- or moderate-income employees are expected to be employed in the new building.

(c) Lease actions (other than those included in (b) above) are subject to the procedures herein where:

(1) 100 or more low- or moderate-income employees are expected to be employed in the space to be leased, and

(2) If the lease involves residential relocation of a majority of the existing low- and moderate-income work force at a presently existing facility, or a significant increase in their transportation or parking costs, or travel time to the new location will exceed 45 minutes or a 20-percent increase if travel time to the present facility already exceeds an average of 45 minutes.

(d) GSA may request HUD review in actions of special importance not covered by (b) and (c).

6. *Project development investigation.* (a) Project development investigations are general surveys of a metropolitan area conducted by GSA for the purpose of identifying specific needs for Federal or lease construction or major alteration projects for housing Federal activities.

(b) The Regional Director, Public Buildings Service (PBS), will inform the HUD Regional Administrator of the initiation of a project development investigation and the area being surveyed.

(c) The HUD Regional Administrator will develop and transmit to the Regional Director, PBS, a report on the survey area which includes the following information:

(1) Summary information on general type, location, cost, and vacancy rates for all low- and moderate-income housing in the survey area. Recent FHA market analyses are acceptable for this purpose.

(2) A listing, by location, of all HUD subsidized housing in the survey area. The racial occupancy of such housing and its vacancy rate should be included. (Use data from HUD Forms 9801 and 51235.)

(3) An estimate, by general location, of the supply of other low- and moderate-income housing in the survey area which would meet the standards for relocation housing contained in the HUD Relocation Handbook (1371.1) Chapters 2 and 4. The estimated racial occupancy of such housing, or the neighborhood in which it is located, should be included, as well as vacancy rates.

(4) A listing, by location, of all subsidized housing planned within the survey area for the 1-year period following the survey.

(5) A listing of competing displacement needs for the subsidized housing planned in (4), above.

(6) A delineation of the geographic boundaries of all urban renewal, neighborhood development project, code enforcement, and model cities areas.

(7) A delineation of those subareas within the survey area which appear accessible to a supply of low- and moderate-income housing on a nondiscriminatory basis, and those which do not so appear.

(8) A determination of the extent of discrimination in the sale and rental of housing.

7. *Site investigation and selection for new construction.* (a) In cases where the Regional Office of GSA is investigating sites for construction of a specific proposed facility, the Regional Director, PBS, will transmit to the HUD Regional Administrator in whose region the facility is to be located the following information:

(1) The number of low- and moderate-income jobs anticipated at the new or relocated facility when fully staffed.

(2) The delineated area within which specific sites will be considered or, if available, the sites under consideration.

(b) The HUD Regional Administrator, within a time period mutually agreed upon with the Regional Director, PBS, will:

(1) If there exists a General Area Survey (see 6(c), above), completed within the preceding 12 months,

(a) Review the delineated areas against affirmative or negative recommendations in the General Area Survey and update judgments pertaining to the extent of discrimination in the sale and

rental of housing and the availability on a nondiscriminatory basis of low- and moderate-income housing in or readily accessible to the delineated areas.

(B) Make recommendations to the Regional Director, PBS, as to those areas reviewed, with respect to the matters referenced in (b)(1)(A).

(2) In the absence of a current General Area Survey, the HUD Regional Administrator will:

(A) Develop a survey of the delineated area similar to the General Area Survey described in 6(c), above.

(B) Make recommendations to the Regional Director, PBS, as to those areas reviewed, with respect to the matters referenced in (b)(1)(A).

(c) Where specific sites are identified, the HUD Regional Administrator will examine them in the light of the General Area Survey and the transportation linkages between the specific sites and any housing deemed available.

(1) *Public transportation.* Public transportation should be available to the facility from any low- or moderate-income housing available on a nondiscriminatory basis on a regular schedule providing arrival and departure conveniently close to the opening and closing of business. Travel time should not exceed the estimated travel time from housing for higher-income employees.

(2) *Private transportation and parking.* Where public transportation is unavailable, or does not meet the standard of (c)(1), above, travel time by automobile to the facility from any low- or moderate-income housing available on a nondiscriminatory basis should not exceed the estimated travel time from housing for higher-income employees. In addition, parking should be available and accessible to the facility for low- and moderate-income employees at a monthly cost not exceeding the average eight hours' wage of low- and moderate-income employees at the facility.

(d) The HUD Regional Administrator will transmit to the Regional Director, PBS, his evaluation of the sites being considered. In any case in which a proposed site is deemed inadequate on one or more grounds, i.e., supply of low- and moderate-income housing on a nondiscriminatory basis, nondiscrimination in the sale and rental of housing on the basis of race, color, religion, or national origin, or availability of transportation from housing to site, the HUD Regional Administrator shall include an outline of corrective actions which, in his judgment, will be required to overcome the inadequacies noted.

(e) The Regional Director, PBS, shall promptly notify the HUD Regional Administrator after reaching a decision on the sites to be recommended for a facility and their priority. In the event any of the preferred sites are identified by HUD as inadequate on one or more of the grounds set forth in (d), the HUD Regional Administrator shall promptly so advise the Assistant Secretary for Equal Opportunity. The Assistant Secretary will notify the Commissioner, Public Buildings Service, GSA, of HUD's concerns within 5 workdays after notification to the HUD Regional Administrator. The Assistant Secretary and the Commissioner will agree on the time required to properly present HUD's views.

(f) GSA will provide a written explanation when, after Headquarters' review, a location is selected which HUD reported inadequate with respect to one or more of the grounds set forth in (d), in accordance with the HUD–GSA Memorandum of Understanding.

(g) Prior to the announcement of a site selected contrary to the recommendation of HUD, the involved Federal Agency, GSA, HUD, and the community in which the proposed site is located will utilize the items indicated in the report of the HUD Regional Administrator as a basis for developing a written Affirmative Action Plan.

The Affirmative Action Plan will ensure that an adequate supply of low- and moderate-income housing will be available on a nondiscriminatory basis, and that there is adequate transportation from housing to the site, before the building or space is to be occupied or within a period of 6 months thereafter. Such a plan will also contain appropriate provisions designed affirmatively to further nondiscrimination in the sale and rental of housing on the basis of race, color, religion, or national origin. The Affirmative Action Plan will be prepared in accordance with section 9(g) of the HUD–GSA Memorandum of Understanding, and will include, but not be limited to, the following points:

(1) The corrective actions specified by HUD under (d).

(2) Assurance of the relocating agency that, when the old and new facilities are within the same metropolitan area, transportation will be provided for its low- and moderate-income employees between the old facility or other suitable location and the new facility at the beginning and end of the scheduled workday until sufficient new housing is built accessible to the new facility, as provided in the Affirmative Action Plan.

(3) All agreements which constitute an Affirmative Action Plan will be set forth in writing and will be signed by the appropriate representatives of HUD, GSA, the Federal Agency involved, community bodies and agencies and other interests whose cooperation and/or participation will be necessary to fulfill the requirements of the plan.

(h) The contents of the Affirmative Action Plan will be made public after the final site selection decision has been made by GSA.

(i) The HUD Regional Administrator shall be responsible for monitoring compliance with the written Affirmative Action Plan. In the event of noncompliance HUD and GSA shall undertake appropriate action to secure compliance.

8. *Site investigation and selection for lease actions.* (a) In cases where the Regional Office of GSA is seeking to lease space meeting the tests set forth in 5(c) of this Circular, the Regional Director, PBS, will transmit to the HUD Regional Administrator in whose region the leased space is to be located the following information:

(1) The number of low- and moderate-income jobs anticipated at the new or relocated facility when fully staffed.

(2) The delineated area within which lease action is anticipated.

(b) The HUD Regional Administrator, within 4 weeks or such time period as may be mutually agreed upon with the Regional Director, PBS, will:

(1) If there exists a General Area Survey (see 6(c), above), completed within the preceding 12 months.

(A) Review the delineated areas against affirmative or negative recommendations in the General Area Survey and update judgments pertaining to the extent of discrimination in the sale and rental of housing and the availability on a nondiscriminatory basis of low- and moderate-income housing in or readily accessible to the delineated areas.

(B) Make recommendations to the Regional Director, PBS, as to those areas reviewed, with respect to the matters referenced in (b)(1)(A).

(2) In the absence of a current General Area Survey the HUD Regional Administrator will:

(A) Develop a survey of the delineated area similar to the General Area Survey described in 6(c), above.

(B) Make recommendations to the Regional Director, PBS, as to those areas reviewed, with respect to the matters referenced in (b)(1)(A).

(c) Where specific sites are identified, the HUD Regional Administrator will examine them in the light of the General Area Survey and the transportation linkages between the specific sites and any housing deemed available.

(1) *Public transportation.* Public transportation should be available to the facility from any low- or moderate-income housing available on a nondiscriminatory basis on a regular schedule providing arrival and departure conveniently close to the opening and closing of business. Travel time should not exceed the estimated travel time from housing for higher-income employees.

(2) *Private transportation and parking.* Where public transportation is unavailable, or does not meet the standard of (c)(1), above, travel time by automobile to the facility from any low- or moderate-income housing available on a nondiscriminatory basis should not exceed the estimated travel time from housing for higher-income employees. In addition, parking should be available and accessible to the facility for low- and moderate-income employees at a monthly cost not exceeding the average 8 hours' wages of low- and moderate-income employees at the facility.

(d) The HUD Regional Administrator will transmit to the Regional Director, PBS, his evaluation of the delineated area. Where the delineated area (or subareas within it) is deemed inadequate on one or more grounds, i.e., supply of low- and moderate-income housing on a nondiscriminatory basis, nondiscrimination in the sale and rental of housing

on the basis of race, color, religion, or national origin, or availability of transportation from housing to site, the HUD Regional Administrator shall include an outline of corrective actions which, in his judgment, will be required to overcome the inadequacies noted.

(e) The Regional Director, PBS, shall promptly notify the HUD Regional Administrator after reaching a decision on the delineated area in which lease action will be undertaken. In the event that the area delineated (or sub-areas within it) is identified by HUD as inadequate on one or more of the grounds set forth in (d), the HUD Regional Administrator shall promptly so advise the Assistant Secretary for Equal Opportunity. The Assistant Secretary will notify the Commissioner, Public Buildings Service, GSA, of HUD's concerns within five workdays after notification to the HUD Regional Administrator. The Assistant Secretary and the Commissioner will agree on the time required to properly present HUD's views.

(f) GSA will provide a written explanation when, after Headquarters' review, GSA selects a delineated area which was wholly or in part reported by HUD as inadequate on one or more of the grounds set forth in (d), in accordance with the HUD–GSA Memorandum of Understanding.

(g) Prior to the award of a lease contract, where the entire delineated area is deemed inadequate by HUD, or the space to be leased is located within a sub-area deemed inadequate by HUD, the involved Federal Agency, GSA, HUD, and the community in which the space to be leased is located will utilize the items indicated in the report of the HUD Regional Administrator as a basis for developing a written Affirmative Action Plan.

The Affirmative Action Plan will ensure that an adequate supply of low- and moderate-income housing will be available on a nondiscriminatory basis, and that there is adequate transportation from housing to the site, before the building or space is to be occupied or within a period of six months thereafter. Such a plan will also contain appropriate provisions designed affirmatively to further nondiscrimination in the sale and rental of housing on the basis of race, color, religion, or national origin. The Affirmative Action Plan will be prepared in accordance with section 9(g) of the HUD–GSA Memorandum of Understanding and will include, but not be limited to, the following points:

(1) The corrective actions specified by HUD under (d).

(2) Assurance of the relocating agency that, when the old and new facilities are within the same metropolitan area, transportation will be provided for its low- and moderate-income employees between the old facility or other suitable location and the new facility at the beginning and end of the scheduled workday until sufficient new housing is built accessible to the new facility, as provided in the Affirmative Action Plan.

(3) All agreements which constitute an Affirmative Action Plan will be set forth in writing and will be signed by the designated representatives of HUD, GSA, the Federal agency involved, the lessor, community bodies and agencies and other interests whose cooperation and/or participation will be necessary to fulfill the requirements of the plan.

(h) The contents of the Affirmative Action Plan will be made public after the final site selection decision has been made by GSA.

(i) The HUD Regional Administrator shall be responsible for monitoring compliance with the written Affirmative Action Plan. In the event of noncompliance HUD and GSA shall undertake appropriate action to secure compliance.

(Sec. 7(d), Department of HUD Act, 42 U.S.C. 3535(d); title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3601; sec. 2 of the Housing Act of 1949, 42 U.S.C. 1441)

Effective date: These procedures are effective upon publication in the FEDERAL REGISTER (6–7–72).

GEORGE ROMNEY,
Secretary of Housing and Urban Development.

[FR Doc.72-8537 Filed 6-6-72; 8:50 am]

GENERAL SERVICES ADMINISTRATION

SELECTION OF SITES FOR FEDERAL BUILDINGS

Consideration of Socioeconomic Impact

Notice is hereby given that the Public Buildings Service has issued the following procedures to its employees for implementing the Memorandum of Understanding Between the Department of Housing and Urban Development (HUD) and the General Services Administration (GSA) Concerning Low and Moderate Income Housing. Proposed procedures were published in the FEDERAL REGISTER December 1, 1971, 36 F.R. 22873.

Comments were received from the Department of Housing and Urban Development, the U.S. Commission on Civil Rights and from four other non-Federal organizations. Many comments related to the necessity for procedures to be issued by the Department of Housing and Urban Development, and those comments, as well as all others received by GSA, were referred to that Department for appropriate action. The HUD procedures have been developed and are also published.

A comment was received recommending that the procedures apply to all lease and utilization actions. GSA and HUD agreed that this was administratively impossible and instead adopted rules for determining which cases are significant, thus permitting more effective utilization of the resources of the two departments to concentrate on the more significant actions, that is, those involving a substantial number of low- and moderate-income employees. Comments were received which suggested that discriminatory housing practices in the area should be reported to GSA and HUD. The revised procedures provide for such investigations and call for a report by HUD to GSA on such practices.

Comments were received recommending that GSA should not be permitted to proceed when HUD has reported inadequacy of low- and moderate-income housing. This comment must be rejected, since by statute and Executive order, GSA has the authority and responsibility for making final location determinations for the construction of Federal buildings and the acquisition of leased space and must take into acount factors other than those which are the subject of the memorandum of understanding.

A recommendation was received which proposed making the employees participants in the location of selecting decisions. This recommendation was rejected on the basis that such decisions are management prerogatives. However, the memorandum of understanding provides for provision of special employee counseling and referral service by the agencies involved.

Dated: June 2, 1972.

A. F. SAMPSON,
Commissioner, Public Building Service.

[PBS 7000.11]

GSA ORDER

JUNE 2, 1972.

SUBJECT: Availability of low- and moderate-income housing—DHUD/GSA Memorandum of Understanding of June 12, 1971.

1. *Purpose.* This order provides procedures for implementing the memorandum agreement between the Department of Housing and Urban Development (HUD) and the General Services Administration (GSA).

2. *Background.* Executive Order 11512 of February 27, 1970, provides guidance for the planning, acquisition, and management of Federal space. Executive Order No. 11512 supersedes Executive Order No. 11035 of July 9, 1962.

3. *Agreement with Secretary of Housing and Urban Development.* In further implementation of sections 2(a) (2) and (6) of Executive Order 11512, the Administrator, General Services Administration, entered into an agreement with the Secretary of Housing and Urban Development (HUD) to utilize the Department of Housing and Urban Development (HUD) to investigate, determine, and report findings to GSA on the availability of low- and moderate-income housing on a nondiscriminatory basis with respect to site selections and major lease actions having a significant socioeconomic impact on a community. Under the agreement, HUD will advise GSA on the availability of low- and moderate-income housing in connection with locating Federal facilities. HUD will also advise GSA and other Federal agencies with respect to actions which would increase the availability of low- and moderate-income housing on a nondiscriminatory basis, as well as to assist in increasing the availability of such housing through its own programs. The text of the agreement is included in figure 1.

4. *Definitions*—a. *Low and moderate income.* Equal to or less than the median family income established by HUD for the housing market area under consideration. In the case of General Salary Schedule employees: "low and moderate income" is inclusive of all grade levels from GS–1 through that grade

level the midpoint of which is nearest to the dollar figure of the median family income for the area.

b. *Regional Director, PBS.* References to the Regional Director, PBS, shall be construed to mean, also, the Assistant Commissioner for Operating Programs for all actions to acquire space in the States of Pennsylvania, Maryland, Delaware, Virginia, West Virginia, and the District of Columbia.

5. *Obtaining socioeconomic data.* a. The Regional Director, PBS, is responsible for obtaining data and advice from the regional offices of the Department of Housing and Urban Development; Health, Education, and Welfare; Commerce; and others, as appropriate.

b. GSA regional requests for consultation, advice, or reports shall be in writing and shall request a reply in writing. Requests to HUD shall be directed to the Regional Administrator, HUD.

6. *Classifications for actions to which HUD–GSA Memorandum of Understanding applies.* The actions described in this paragraph are subject to the provisions of the HUD–GSA Memorandum of Understanding and the procedures which follow.

a. All project development investigations.

b. Site selections for public buildings (or leased space in buildings to be erected by the lessor) in which 100 or more low- or moderate-income employees are expected to be employed in the new building.

c. Lease actions (other than those included in b.) where:

(1) One hundred or more low- or moderate-income employees are expected to be employed in the space to be leased; and

(2) The lease involves residential relocation of a majority of the existing low- and moderate-income work force; a significant increase in their transportation or parking costs; or travel time to the new location will exceed 45 minutes, or a twenty-percent increase if travel time to the present facility already exceeds an average of 45 minutes.

d. GSA requests HUD review in lease actions of special importance not covered by (b) and (c).

7. *Project development investigation.* a. Prior to undertaking project development surveys for the purpose of identifying specific needs for Federal or lease construction or major alteration for housing Federal activities, the Regional Director, PBS, will inform the Regional Administrator, HUD, of the initiation of a project development investigation and the areas being surveyed and request information relating to present and planned availability of low- and moderate-income housing on a nondiscriminatory basis in the area where such a project might be located. This data will constitute the basic information concerning housing considerations at this stage of project planning. The HUD Regional Administrator will develop and transmit to the Regional Director, PBS, a report on the survey area which includes the following information:

(1) Summary information on general type, location, cost, and vacancy rates for all housing in the survey area. Recent FHA market analyses are acceptable for this purpose.

(2) A listing, by location, of all HUD subsidized housing in the survey area. The racial occupancy of such housing and its vacancy rate should be included. (Use data from HUD Forms 9801 and 51235.)

(3) An estimate, by location, of all other low- and moderate-income housing in the survey area which would meet the standards for relocation housing contained in the HUD Relocation Handbook (1371.1) chapters 2 and 4. The racial occupancy of such housing, or the neighborhood in which it is located, should be included, as well as vacancy rates.

(4) A listing, by location, of all subsidized housing planned within the survey area for the 1-year period following the survey.

(5) A listing of competing displacement needs for the subsidized housing planned in (4).

(6) A delineation of the geographic boundaries of all urban renewal, neighborhood development project, code enforcement, and model cities areas.

(7) A delineation of those subareas within the survey area which appear accessible to a supply of low- and moderate-income housing on a nondiscriminatory basis, and those which do not so appear.

(8) A determination of the extent of discrimination in the sale and rental of housing.

b. The PBS regional Operational Planning staff will prepare the Project Development Report which will delineate the general area or areas for the project. The Regional Administrator of HUD will be advised at the earliest possible time with respect to such decision.

c. The Office of Operational Planning shall be responsible for providing to the Headquarters office of HUD copies of all prospectuses approved by the Public Works Committees of the Congress.

8. *Site investigation and selection for new construction.* a. Upon receipt of a site investigation directive, the Regional Director, PBS, shall initiate necessary actions in accordance with other PBS directives. The site investigation directive will delineate the area or areas in which the proposed project will be located. The Regional Director, PBS, is required to provide advance notice of the site investigation to State and local governments, clearinghouses, and local elected officials. At the same time, the Regional Administrator, HUD, in whose region the facility is to be located will be informed of the planned site investigation, will be provided with a copy of the site investigation directive, and will be requested to designate an appropriate HUD official to participate in the site investigation work. The HUD representative will be required to survey, determine, and furnish GSA with a written report on availability of low- and moderate-income housing on a nondiscriminatory basis and the accessibility of such housing to the delineated area(s) in which the proposed building will be located. The Regional Director, PBS, will transmit to the HUD Regional Administrator in whose region the facility is to be located the following information:

(1) The number of low- and moderate-income jobs anticipated at new or relocated facilities when fully staffed.

(2) The delineated area within which specific sites will be considered or the sites under consideration.

b. The HUD Regional Administrator, within a time period mutually agreed upon with the Regional Director, PBS, will:

(1) Upon the existence of a current General Area Survey (See 7a) (completed within the preceding 12 months):

(a) Review the delineated areas against affirmative or negative recommendations in the General Area Survey and update judgments pertaining to the extent of discrimination in the sale and rental of housing and the availability on a nondiscriminatory basis of low- and moderate-income housing in or readily accessible to the delineated areas.

(b) Make recommendations to the Regional Director, PBS, as to those areas reviewed, with respect to the matters referenced in b(1)(a).

(2) In the absence of a current General Area Survey the HUD Regional Administrator will:

(a) Develop a survey of the delineated area similar to the General Area Survey described in 7a.

(b) Make recommendations to the Regional Director, PBS, as to those areas reviewed, with respect to the matters referenced in b(1)(a).

c. Where specific sites are identified, the HUD Regional Administrator will examine them in the light of the General Area Survey and the transportation linkages between the specific sites and any housing deemed available.

(1) *Public transportation.* Public transportation should be available to the facility from any low- or moderate-income housing deemed nondiscriminatory on a scheduled basis providing arrival and departure conveniently close to the opening and closing of business. Travel time should not exceed the estimated travel time from housing for higher-income employees.

(2) *Private transportation and parking.* Where public transportation is unavailable, or does not meet the standard of c(1), travel time by automobile to the facility from any low- or moderate-income housing deemed nondiscriminatory should not exceed the estimated travel time from housing for higher-income employees. In addition, parking should be available and accessible to the facility for low- and moderate-income employees at a monthly cost not exceeding the average 8 hours' wage of low- and moderate-income employees at the facility.

d. The HUD Regional Administrator will transmit to the Regional Director, PBS, his evaluation of the sites being considered. In any case in which a proposed site is deemed inadequate on one or more grounds, i.e., supply of low- and moderate-income housing on a nondiscriminatory basis, nondiscrimination in the sale and rental of housing on the basis of race, color, religion, or national origin, or availability of transportation from housing to site, the HUD Regional Administrator shall include an outline of corrective actions which, in his judgment, will be required to overcome the inadequacies noted.

e. The Regional Director, PBS, shall promptly notify the HUD Regional Administrator after reaching a decision on the sites to be recommended for a facility and their priority. In the event any of the preferred sites are identified by HUD as inadequate on one or more of the grounds set forth in d, the HUD Regional Administrator shall so advise the Assistant Secretary for Equal Opportunity. The Assistant Secretary will notify the Commissioner, Public Buildings Service, GSA, of HUD's concerns within 5 workdays after notification to the HUD Regional Administrator and agree on the time required to properly present HUD's views.

f. GSA will provide a written explanation when, after Headquarters' review, a location is selected which HUD reported inadequate with respect to one or more of the grounds set forth in d, in accordance with the HUD–GSA Memorandum of Understanding.

g. Prior to the announcement of a site selected contrary to the recommendation of HUD, the involved Federal agency, GSA, HUD, and the community in which the proposed site is located will utilize the items indicated in the report of the HUD Regional Administrator as a basis for developing a written Affirmative Action Plan. The Affirmative Action Plan will ensure that an adequate supply of low- and moderate-income housing will be available on a nondiscriminatory basis, and that there is adequate transportation from housing to the site, before the building or space is to be occupied or within a period of 6 months thereafter. Such a plan will also contain appropriate provisions designed affirmatively to further nondiscrimination in the sale and rental of housing on the basis of race, color, religion or national origin. The Affirmative Action Plan will be prepared in accordance with section 9(g) of the HUD–GSA Memorandum of Understanding, and will include, but not be limited to, the following points:

(1) The corrective actions specified by HUD under d;

(2) Assurance of the relocating agency that when the old and new facilities are

within the same metropolitan area transportation will be provided for their low- and moderate-income employees between the old facility or other suitable location and the new facility at the beginning and end of the scheduled workday until sufficient new housing is built accessible to the new facility, as provided in the Affirmative Action Plan; and

(3) All agreements which constitute an Affirmative Action Plan will be set forth in writing and will be signed by the appropriate representatives of HUD, GSA, the Federal agency involved, community bodies and agencies, and other interests whose cooperation and/or participation will be necessary to fulfill the requirements of the plan.

h. The contents of the Affirmative Action Plan will be made public after the final site selection decision has been made by GSA.

i. The HUD Regional Administrator shall be responsible for monitoring compliance with the written Affirmative Action Plan. In the event of non-compliance HUD and GSA shall undertake appropriate action to secure compliance.

9. *Lease actions.* a. For lease actions where the regional office of GSA or the Office of Operating Programs is seeking to lease space meeting the tests set forth in 6c, the Regional Director, PBS, and the regional Assignment and Utilization (A&U) Branch shall be responsible for delineating the area for lease actions consistent with 41 CFR 101–18.102, so as to exert, to the greatest extent practicable, a positive economic and social influence on the development and redevelopment of areas in which such facilities are to be located. The area circumscribed thereby shall be sufficiently large to assure full and free participation by potential offerors. In determining this area, A&U shall consult with the agency to be housed, the Acquisition Branch, and the Operational Planning staff.

b. Whenever an agency initiates a space request which will result in a lease action as defined in 6c, the GSA Regional Director, PBS, shall contact the HUD Regional Administrator in whose region the leased space is to be located and provide the following information if available:

(1) The number of low- and moderate-income jobs anticipated at the new or relocated facility when fully staffed; and

(2) The delineated area within which lease action is anticipated.

c. The HUD Regional Administrator, within 4 weeks, or such time period as may be mutually agreed upon with the Regional Director, PBS, will:

(1) Upon the existence of a current General Area Survey (see 7a) completed within the preceding 12 months:

(a) Review the delineated areas against affirmative or negative recommendations in the General Area Survey and update judgments pertaining to the extent of discrimination in the sale and rental of housing and the availability on a nondiscriminatory basis of low- and moderate-income housing in or readily accessible to the delineated areas; and

(b) Make recommendations to the Regional Director, PBS as to those areas reviewed, with respect to the matters referenced in 8b(1)(a),

(2) In the absence of a current General Area Survey the HUD Regional Administrator will:

(a) Develop a survey of the delineated area similar to the General Area Survey described in 7a; and

(b) Make recommendation to the Regional Director, PBS, as to those areas reviewed, with respect to the matters referenced in 8b(1)(a).

d. Where specific sites are identified, the HUD Regional Administrator will examine them in the light of the General Area Survey and the transportation linkages between the specific sites and any housing deemed available.

(1) *Public transportation.* Public transportation should be available to the facility from any low- or moderate-income housing deemed nondiscriminatory on a scheduled basis providing arrival and departure conveniently close to the opening and closing of business. Travel time should not exceed the estimated travel time from housing for higher income employees.

(2) *Private transportation and parking.* Where public transportation is unavailable, or does not meet the standard of d(1), travel time by automobile to the facility from any low- or moderate-income housing deemed nondiscriminatory should not exceed the estimated travel time from housing for higher income employees. In addition, parking should be available and accessible to the facility for low- and moderate-income employees at a monthly cost not exceeding the average 8 hours' wage of low- and moderate-income employees at the facility.

e. The HUD Regional Administrator will transmit to the Regional Director, PBS, his evaluation of the delineated area. Where the delineated area (or subareas within it) is deemed inadequate on one or more grounds, i.e., supply of low- and moderate-income housing on a nondiscriminatory basis, nondiscrimination in the sale and rental of housing on the basis of race, color, religion, or national origin, or availability of transportation from housing to site, the HUD Regional Administrator shall include an outline of corrective actions which, in his judgment, will be required to overcome the inadequacies noted.

f. The Regional Director, PBS, shall promptly notify the HUD Regional Administrator after reaching a decision on the delineated area in which lease action will be undertaken. In the event that the area delineated (or subareas within it) is identified by HUD as inadequate on one or more of the grounds set forth in e, the HUD Regional Administrator shall so advise the Assistant Secretary for Equal Opportunity. The Assistant Secretary will notify the Commissioner, Public Buildings Service, GSA, of HUD's concerns within 5 workdays after notification by GSA to the HUD Regional Administrator, agree on the time required to properly present HUD's views.

g. GSA will provide a written explanation when, after headquarters' review, GSA selects a delineated area which was wholly or in part reported by HUD as inadequate on one or more of the grounds set forth in e, in accordance with the HUD–GSA Memorandum of Understanding.

h. Prior to the award of a lease contract, where the entire delineated area is deemed inadequate by HUD, or the space to be leased is located within a subarea deemed inadequate by HUD, the involved Federal agency, GSA, HUD, and the community in which the space to be leased is located will utilize the items indicated in the report of the HUD Regional Administrator as a basis for developing a written Affirmative Action Plan. The Affirmative Action Plan will insure that an adequate supply of low- and moderate-income housing will be available on a nondiscriminatory basis, and that there is adequate transportation from housing to the site, before the building or space is to be occupied or within a period of 6 months thereafter. Such a plan will also contain appropriate provisions designed affirmatively to further nondiscrimination in the sale and rental of housing on the basis of race, color, religion, or national origin. The affirmative Action Plan will be prepared in accordance with section 9(g) of the HUD–GSA Memorandum of Understanding, and will include, but not be limited to, the following points:

(1) The corrective actions specified by HUD under *d*;

(2) Assurance of the relocating agency that when the old and new facilities are within the same metropolitan area, transportation will be provided for their low- and moderate-income employees between the old facility or other suitable location and the new facility at the beginning and end of the scheduled workday until sufficient new housing is built accessible to the new facility, as provided in the Affirmative Action Plan; and

(3) All agreements which constitute an Affirmative Action Plan will be set forth in writing and will be signed by the designated representatives of HUD, GSA, the Federal agency involved, the lessor, community bodies and agencies, and other interests whose cooperation and/or participation will be necessary to fulfill the requirements of the plan.

i. The contents of the Affirmative Action Plan will be made public after the final site selection decision has been made by GSA.

j. The HUD Regional Administrator shall be responsible for monitoring compliance with the written Affirmative Action Plan. In the event of noncompliance HUD and GSA shall undertake appropriate action to secure compliance.

A. F. SAMPSON,
Commissioner,
Public Buildings Service.

PURPOSE: The purpose of the Memorandum of Understanding is to provide an effective, systematic arrangement under which the Federal Government, acting through HUD and GSA, will fulfill its responsibilities under law, and, as a major employer, in accordance with the concepts of good management, to assure for its employees the availability of low- and moderate-income housing without discrimination because of race, color, religion, or national origin, and to consider the need for development and redevelopment of areas and the development of new communities and the impact on improving social and economic conditions in the area, whenever Federal Government facilities locate or relocate at new sites, and to use its resources and authority to aid in the achievement of these objectives.

1. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601) states, in section 801, that "It is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States." Section 808(a) places the authority and responsibility for administering the Act in the Secretary of Housing and Urban Development. Section 808(d) requires all executive departments and agencies to administer their programs and activities relating to housing and urban development in a manner affirmatively to further the purposes of title VIII (fair housing) and to cooperate with the Secretary to further such purposes. Section 808(e)(5) provides that the Secretary of HUD shall administer the programs and activities relating to housing and urban development in a manner affirmatively to further the policies of title VIII.

2. Section 2 of the Housing Act of 1949 (42 U.S.C. 1441) declares the national policy of * * * "the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family * * *." This goal was reaffirmed in the Housing and Urban Development Act of 1968 (secs. 2 and 1601; 12 U.S.C. 1701t and 42 U.S.C. 1441a).

3. By virtue of the Public Buildings Act of 1959, as amended; the Federal Property and Administrative Services Act of 1949, as amended; and Reorganization Plan No. 18 of 1950, the Administrator of General Services is given certain authority and responsibility in connection with planning, developing, and constructing Government-owned public buildings for housing Federal agencies, and for acquiring leased space for Federal agency use.

4. Executive Order No. 11512, February 27, 1970, sets forth the policies by which the Administrator of General Services and the heads of executive agencies will be guided in the acquisition of both federally owned and leased office buildings and space.

5. While Executive Order No. 11512 provides that material consideration will be given to the efficient performance of the missions and programs of the executive agencies and the nature and functions of the facilities involved, there are six other guidelines set forth, including:

The need for development and redevelopment of areas and the development of new communities, and the impact a selection will have on improving social and economic conditions in the area; and

The availability of adequate low and moderate income housing, adequate access from other areas of the urban center, and adequacy of parking.

6. General Services Administration (GSA) recognizes its responsibility, in all its determinations with respect to the construction of Federal buildings and the acquisition of leased space, to consider to the maximum possible extent the availability of low and moderate income housing without discrimination because of race, color, religion, or national origin, in accordance with its duty affirmatively to further the purposes of Title VIII of the Civil Rights Act of 1968 and with the authorities referred to in paragraph 2 above, and the guidelines referred to in paragraph 5 above, and consistent with the authorities cited in paragraphs 3 and 4 above. In connection with the foregoing statement, it is recognized that all the guidelines must be considered in each case, with the ultimate decision to be made by the Administrator of General Services upon his determination that such decision will improve the management and administration of governmental activities and services, and will foster the programs and policies of the Federal Government.

7. In addition to its fair housing responsibilities, the responsibilities of HUD include assisting in the development of the Nation's housing supply through programs of mortgage insurance, home ownership and rental housing assistance, rent supplements, below market interest rates, and low-rent public housing. Additional HUD program responsibilities which relate or impinge upon housing and community development include comprehensive planning assistance, metropolitan area planning coordination, new communities, relocation, urban renewal, model cities, rehabilitation loans and grants, neighborhood facilities grants, water and sewer grants, open space, public facilities loans, Operation Breakthrough, code enforcement, workable programs, and others.

8. In view of its responsibilities described in paragraphs 1 and 7 above, HUD possesses the necessary expertise to investigate, determine, and report to GSA on the availability of low and moderate income housing on a nondiscriminatory basis and to make findings as to such availability with respect to proposed locations for a federally constructed building of leased space which would be consistent with such reports. HUD also possesses the necessary expertise to advise GSA and other Federal agencies with respect to actions which would increase the availability of low and moderate income housing on a nondiscriminatory basis, once a site has been selected for a federally constructed building or a lease executed for space, as well as to assist in increasing the availability of such housing through its own programs such as those described in paragraph 7 above.

9. HUD and GSA agree that:

(a) GSA will pursue the achievement of low- and moderate-income housing objectives and fair housing objectives, in accordance with its responsibilities recognized in paragraph 6 above, in all determinations, tentative and final, with respect to the location of both federally constructed buildings and leased buildings and space, and will make all reasonable efforts to make this policy known to all persons, organizations, agencies and others concerned with federally owned and leased buildings and space in a manner which will aid in achieving such objectives.

(b) In view of the importance to the achievement of the objectives of this memorandum of agreement of the initial selection of a city of delineation of a general area for location of public buildings of leased space, GSA will provide the earliest possible notice to HUD of information with respect to such decisions so that HUD can carry out its responsibilities under this memorandum of agreement as effectively as possible.

(c) Government-owned Public Buildings Projects:

(1) In the planning for each new public buildings project under the Public Buildings Act of 1959, during the survey preliminary to the preparation and submission of a project development report, representatives of the regional office of GSA in which the project is proposed will consult with, and receive advice from, the regional office of HUD, and local planning and housing authorities concerning the present and planned availability of low- and moderate-income housing on a nondiscriminatory basis in the area where the project is to be located. Such advice will constitute the principal basis for GSA's consideration of the availability of such housing in accordance with paragraphs 6 and 9(a). A copy of the prospectus for each project which is authorized by the Committee on Public Works of the Congress in accordance with the requirements of section 7(a) of the Public Buildings Act of 1959, will be provided to HUD.

(2) When a site investigation for an authorized public buildings project is conducted by regional representatives of GSA to identify a site on which the public building will be constructed, a representative from the regional office of HUD will participate in the site investigation for the purposes of providing a report on the availability of low- and moderate-income housing on a nondiscriminatory basis in the area of the investigation. Such report will constitute the principal basis for GSA's consideration of the availability of such housing in accordance with paragraphs 6 and 9(a).

(d) *Major lease actions having a significant socioeconomic impact on a community.* At the time GSA and the agencies who will occupy the space have tentatively delineated the general area in which the leased space must be located in order that the agencies may effectively perform their missions and programs, the regional representative of HUD will be consulted by the regional representative of GSA who is responsible for the leasing action to obtain advice from HUD concerning the availability of low- and moderate-income housing on a nondiscriminatory basis to the delineated area. Such advice will constitute the principal basis for GSA's consideration of the availability of such housing in accordance with paragraphs 6 and 9(a). Copies of lease-construction prospectuses approved by the Committee on Public Works of the Congress in conformity with the provisions of the Independent Offices and Department of Housing and Urban Development appropriation acts, will be provided to HUD.

(e) GSA and HUD will each issue internal operating procedures to implement this memorandum of understanding within a reasonable time after its execution. These procedures shall recognize the right of HUD, in the event of a disagreement between HUD and GSA representatives at the area or regional level, to bring such disagreement to the attention of GSA officials at headquarters in sufficient time to assure full consideration of HUD's views, prior to the making of a determination by GSA.

(f) In the event a decision is made by GSA as to the location of a federally constructed building or leased space, and HUD has made findings, expressed in the advice given or a report made to GSA, that the availability to such location of low and moderate income housing on a nondiscriminatory basis is inadequate, the GSA shall provide the DHUD with a written explanation why the location was selected.

(g) Whenever the advice or report provided by HUD in accordance with paragraph 9(c)(1), 9(c)(2), or 9d with respect to an area or site indicates that the supply of low and moderate income housing on a nondiscriminatory basis is inadequate to meet the needs of the personnel of the agency involved, GSA and HUD will develop an affirmative action plan designed to insure that an adequate supply of such housing will be available before the building or space is to be occupied or within a period of 6 months thereafter. The plan should provide for commitments from the community involved to initiate and carry out all feasible efforts to obtain a sufficient quantity of low and moderate income housing available to the agency's personnel on a nondiscriminatory basis with adequate access to the location of the building or space. It should include commitments by the local officials having the authority to remove obstacles to the provisions of such housing, when such obstacles exist, and to take effective steps to assure its provision. The plan should also set forth the steps proposed by the agency to develop and implement a counseling and referral service to seek out and assist its personnel to obtain such housing. As part of any plan during, as well as after its development, HUD agrees to give priority consideration to application for assistance under its housing programs for the housing proposed to be provided in accordance with the plan.

10. This memorandum will be reviewed at the end of 1 year, and modified to incorporate any provision necessary to improve its effectiveness in light of actual experience.

Dated: June 11, 1971.

ROBERT L. KUNZIG,
Administrator,
General Services Administration.

Dated: June 12, 1971.

GEORGE ROMNEY,
Secretary, Department of Housing and Urban Development.

[FR Doc.72-8536 Filed 6-5-72;10:02 am]

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[Notice 72-8]

EARTH RESOURCES SURVEY IMAGERY POLICY

Public Availability of Photographic Products

The following NASA policy with respect to earth resources survey imagery has been agreed to by the Departments of Interior, Commerce, Agriculture, and Navy, and the Environmental Protection Agency.

Certificate No.	Owner/operator and vessels
06924---	Marcresta Armadora S.A.: Illustrious Colocotronis.
06930---	Thermaikos Shipping Co.: Rea.
06935---	Peonia Compania Naviera S.A.: Vergo.
06938---	Protransco, Inc.: Hosco No. 2. Ett 112.
06939---	Naftilos Shipping Co.: Frankrig.
06948---	Berard Brothers, Inc.: BB-22. BB-15. BB-12.
06949---	Mickie B. Jones: Double Star. Polar Bear.
06950---	Syra Compania Maritima S.A.: Syra.
06952---	Far East Shipping Co., Ltd.: Shizuura Maru.
06956---	Crystal Pinus, Inc.: Crystal Pinus.
06957---	Crystal Kobus, Inc.: Crystal Kobus.
06958---	Crystal Magnolia, Inc.: Crystal Magnolia.
06959---	Crystal Camellia, Inc.: Crystal Camellia.
06960---	Crystal Margaret, Inc.: Crystal Margaret.
06961---	Union Fair Shipping Co., Inc., Panama: Grand Apollo.
06962---	Navexport, S.A.: Copacabana. Sol de Ipanema.
06963---	Societe Francaise de Transports Maritimes A.T.A. Walon: Monza. Montlhery.
06971---	Elmini Life, Inc.: Mini Life.

By the Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.72-8514 Filed 6-6-72;8:45 am]

CERTIFICATES OF FINANCIAL RESPONSIBILITY FOR OIL POLLUTION

Notice of Certificates Revoked

Notice of voluntary revocation is hereby given with respect to Certificates of Financial Responsibility (Oil Pollution) which had been issued by the Federal Maritime Commission, covering the below-indicated vessels, pursuant to 46 CFR Part 542, and section 11(p)(1) of the Federal Water Pollution Control Act, as amended.

Certificate No.	Owner/operator and vessels
01082---	New Zealand Shipping Co., Ltd.: Piako. Somerset. Turakina. Dorset. Northumberland. Taupo. Tekoa. Westmorland. Tongariro. Mataura. Manapouri. Otaki. Essex. Sussex. Hinakura. Hauraki. Hurunui. Hertford. Huntingdon. Haparangi. Cumberland. Otaio.
01134---	Ev Barge Co.: Ev.
01138---	Jack Barge Co.: Jack.
01198---	A/S Docrefjell & A/S Falkefjell: Makefjell.
01330---	Shell Tankers (U.K.), Ltd.: Vibex.
01334---	American President Lines, Ltd.: President Monroe.
01716---	Achille Lauro—Napoli: Tenacia.
01836---	Avenue Shipping Co., Ltd.: Antrim. Galway. Donegal.
01861---	BP Tanker Co., Ltd.: British Corporal.
01879---	"San Francesco" Societa di Navigazione, S.P.A.: Santa Lucia. San Francesco.
02053---	Lozan Corp.: Lozan.
02198---	The Peninsular & Oriental Steam Navigation Co.: Juwara. Tanda. Chinkoa. Pando Head.
02293---	China Marine Investment Co., Ltd.: Loyal Ivory. Loyal Echoes.
02341---	Koninklijke Nederlandsche Stoomboot Maatschappij N.V.: Maron.
02551---	Ellerman Lines Ltd.: City of Karachi.
02553---	City Line, Ltd.: City of Colombo.
02731---	Halcyon Lijn N.V.: Stad Vlaardingen.
03147---	Fourkero Shipping Corp.: Diamantis Pateras.
03176---	Spartan Compania Maritima S.A.: Ilkon Aya.
03255---	Port Line, Ltd.: Port Nelson.
03468---	Nihonkai Kisen K.K.: Tenkai Maru.
03470---	Nikko Kaiji K.K.: Toyo Maru.
03841---	American Export Isbrandtsen: Flying Enterprise II.
03915---	Mobil Oil Corp.: Barge Mobil 125.
04076---	Reliable Fuel Supply Co., Inc.: Mary A. Whalen. John J. Tabeling. Reliable.
04273---	Caribbean Real Estate: Timberjack.
04299---	Erie Navigation Co.: Peerless.
04398---	Hapag-Lloyd Aktiengesellschaft: Siegstein. Spreestein.
04441---	Pacific Hawaiian Line, Inc.: Diamond Head.
04601---	American Tunaboat Association: Puritan. Ronnie S. Elizabeth. Coimbra.
04617---	Inland Waterways, Inc.: Mary Ellen.
04876---	Argus Steamship Co., Inc.: Portalon.
05253---	Drake Shipping, Ltd.: Golden Drake.
05472---	National Shipping Corp.: Mainamati.

By the Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.72-8515 Filed 6-6-72;8:45 am]

FEDERAL POWER COMMISSION

[Docket No. G-7522]

AMOCO PRODUCTION CO.

Notice of Petition To Amend

JUNE 1, 1972.

Take notice that on May 17, 1972, Amoco Production Co. (petitioner), Post Office Box 3092, Houston, TX 77001, filed in Docket No. G-7522 a petition to amend the order of the Commission issuing a certificate of public convenience and necessity in said docket pursuant to section 7(c) of the Natural Gas Act by authorizing the continuation of a sale of natural gas under a new contract to Tennessee Gas Pipeline Co., a division of Tenneco, Inc. (Tennessee), from acreage in the Chesterville area, Colorado County, Tex., all as more fully set forth in the petition to amend which is on file with the Commission and open to public inspection.

Applicant states that it has entered into an agreement dated April 1, 1972, with Tennessee for the sale of natural gas from the Chesterville area of Colorado County, Tex., which was previously sold under a contract dated December 1, 1946. The new agreement supersedes and terminates the December 1, 1946, contract. The new agreement provides that Tennessee shall purchase and receive, or pay for if available and not taken, a daily contract quantity of gas well gas equal to 90 percent of the total deliverability owned or controlled by applicant from gas wells subject to the agreement, and all casinghead gas which applicant shall make available for delivery. Applicant indicates that this is an increase in the quantity of gas which Buyer will have to purchase.

The new contract dedicates, subject to its terms and provisions, all acreage included in the old contract with the exception of acreage which has been nonproductive or released and in which applicant does not have a working interest at this time.

The contract provides for a rate of 25 cents per Mcf at 14.65 p.s.i.a. subject to B.t.u. adjustment. On May 11, 1972, applicant filed a rate increase under its FPC Gas Rate Schedule No. 98 from 15.0558 to 19 cents per Mcf and submitted the April 1, 1972, agreement along with the rate filing. The term of the agreement is to end January 1, 1984.

Any person desiring to be heard or to make any protest with reference to said petition to amend should on or before June 20, 1972, 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). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

KENNETH F. PLUMB,
Secretary.

[FR Doc.72-8555 Filed 6-6-72;8:48 am]

[Docket No. RP72-122]

COLORADO INTERSTATE GAS CO.

Order Suspending Proposed Tariff Sheets

MAY 31, 1972.

On May 2, 1972, Colorado Interstate Gas Co., a division of Colorado Interstate Corp. (CIG), tendered for filing proposed changes to its FPC Gas Tariff, consisting of Second Revised Volume No. 1, Original Sheets Nos. 1–74 inclusive, to become effective June 1, 1972, or if suspended, CIG requests the suspension period to be no longer than 4 months.[1]

CIG states that it is unable to add natural gas reserves rapidly enough to satisfy the annual requirements of its current customers. Consequently, it decided to revise its tariff in order to allocate its supply of natural gas to assure an adequate and reliable service to its customers for their firm markets. The instant filing sets forth CIG's proposed curtailment plan. Additionally, CIG's tender proposes to make other changes in its present tariff, which, among other things, proposes deletion of four rate schedules and an addition of one rate schedule, an increase in overrun penalty, and a change in its lateral line policy.

The Commission finds:

(1) The proposed changes in CIG's tariff have not been shown to be justified and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful under the Natural Gas Act.

(2) It is necessary and appropriate for the purposes of enforcing the Natural Gas Act, particularly sections 4, 5, and 16 thereof, that the operation of the proposed revised tariff sheets tendered by CIG on May 2, 1972, and identified above, be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Original Sheets Nos. 1–74 inclusive to CIG's FPC Gas Tariff, Second Revised Volume No. 1, are hereby suspended and the use thereof deferred until October 1, 1972, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(B) This order does not relieve CIG of any responsibility imposed by, and is expressly subject to, the Commission's Statement of Policy Implementing the Economic Stabilization Act of 1970 (Public Law 91–379, 84 Stat. 799, as amended) including such amendments as this Commission may require.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.72-8556 Filed 6-6-72;8:48 am]

[1] The submittal includes portions of CIG's present FPC Gas Tariff under consideration in Docket No. RP72-113. These are Sheets Nos. 5 and 6, "Statement of Rates," and Sheets Nos. 63 through 67, "Purchased Gas Cost Adjustment" and "Gas Supplier Refunds" of the proposed Second Revised Volume No. 1. CIG states, that, whereas the dates above mentioned are proposed for the remainder of the submitted revised tariff, these sheets are submitted Pro Forma and proposed to become effective subject to the final determination in Docket No. RP72-113. CIG also states that certain facilities relied upon in the submittal herein are pending certification in Docket No. CP72-170 but that the proposed revised tariff will not be affected by the outcome of that proceeding.

[Dockets Nos. RP71-77, RP71-126]

CONSOLIDATED GAS SUPPLY CORP.

Notice of Petition for Extension of Tracking Authority

MAY 31, 1972.

Take notice that on May 11, 1972, Consolidated Gas Supply Corp. (Consolidated) filed a petition requesting the Commission to extend its presently effective authority to track supplier rate increases from July 1, 1972, until the Commission approves a PGA clause in Consolidated's FPC Gas Tariff. This authority was granted by order issued July 8, 1971, which prescribed that the tracking method approved in Docket No. RP70-2 be utilized. Consolidated tendered a PGA clause in Docket No. RP72-104 on January 31, 1972, and it was suspended with other tariff changes until August 17, 1972.

Any person desiring to submit comment on Consolidated's petition herein may do so by filing them with the Federal Power Commission, 441 G Street NW., Washington, DC 20426, on or before June 16, 1972.

KENNETH F. PLUMB,
Secretary.

[FR Doc.72-8557 Filed 6-6-72;8:48 am]

[Docket No. E-7720]

DUKE POWER CO.

Order Providing for Hearing, Suspending Proposed Fuel Adjustment Clause, Permitting Interventions and Denying Motions To Reject

MAY 31, 1972.

Duke Power Co. (Duke) on March 30, 1972, filed changes in its Wholesale Rate Schedules proposing a fuel cost adjustment clause to be effective June 1, 1972. The proposed clause would increase or decrease monthly bills for service rendered pursuant to these schedules as the cost of fossil fuels burned rises above or falls below 35.2 cents per million B.t.u.

In connection with the proposed clause, Duke also petitioned the Commission to: (1) Fix the time within which answers to its petition may be filed at no later date than April 20, 1972, (2) waive the requirement that the cost of service and testimony required by § 35.12(b) (4) and (5) of the Commission's regulations be filed and accept the attached fuel cost adjustment clause for filing, (3) waive the requirement of § 1.7(b) that the 30-day notice required by section 205(d) of the Federal Power Act not begin to run until after the Commission's acted upon the foregoing request for waiver of its rules (or in the alternative waive the 30-day notice requirement of section 205(d) pursuant to its terms); and (4) permit the fuel cost adjustment clause to become effective on June 1, 1972, after a 30-day suspension and subject to refund.

This proposal was noticed on April 11, 1972, with petitions to intervene or protest due on or before April 20, 1972, which date was subsequently extended to May 1, 1972.

Petitions to intervene and motions to reject were timely filed by the petitioners listed in Appendix A. Protests and comments without request for intervention were also timely filed by those listed in Appendix B.

The motions to reject are predicated on allegations of non-conformance with § 35.13(b) (4) and (5) of Commission regulations requiring cost of service and testimony; and that the proposed fuel clause does not, inter alia, properly provide for improvements in efficiency.

Duke has made a complete filing in compliance with § 35.13(b) (4) and (5) in Docket No. E-7557 for the test year 1969. This information has been updated by the company by submitting current billing data and statements of expense in support for the proposed fuel clause. In view of the foregoing and the necessity for an evidentiary hearing to resolve the allegations of the parties, the motion to reject should be denied. The Company's request for waiver of the requirement of § 1.7(b) of the rules of practice and procedure for a 30-day notice period is reasonable under the foregoing circumstances.

Duke requests a June 1, 1972, effective date after a 30-day suspension. A suspension period is effective from the proposed effective date; however, Duke's application was found deficient with a resultant May 5, 1972, filing date which extends the proposed effective date to June 6, 1972. Although most of the protestors have requested a full five month statutory suspension, the company's allegations show a continuing deficiency in revenues for increasing fuel costs. A 45-day suspension period would allow Duke's customers some time for adjustment of their rates to pass on the increase.

Our review of the proposed fuel clause indicates that certain issues are raised which require development in evidentiary

proceedings. The proposed fuel adjustment clause has 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 to aid in the enforcement of the provisions of the Federal Power Act that the Commission enter upon a hearing concerning the lawfulness of proposed fuel cost adjustment clause, as proposed herein, and that it be suspended and the use thereof deferred as herein provided.

(2) Good cause has been shown for the waiver of § 1.7(b) of the rules of practice and procedure requiring 30 days' notice to run from the time the request for waiver of rules is granted.

(3) Participation by the petitioners for leave to intervene in this proceeding listed in Appendix A may be in the public interest.

The Commission orders:

(A) Pursuant to the authority of the Federal Power Act, including sections 205, 206, 308, and 309 thereof, the Commission's rules of practice and procedure, and the regulations under the Federal Power Act, a public hearing shall be held in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, DC 20426, concerning the lawfulness of the fuel cost adjustment clause as proposed herein.

(B) Pending such hearing and decision thereon, Duke's proposed fuel cost adjustment clause is hereby suspended and the use deferred until July 21, 1972.

(C) Duke's request for waiver of § 35.13(b) (4) and (5) of the Commission's regulations and the requirement of § 1.7(b) of the rules of practice and procedure are hereby granted.

(D) Duke will serve its direct case no later than June 28, 1972. Staff will serve its direct case no later than July 28, 1972. Intervenors will serve their direct cases no later than August 28, 1972. Duke's rebuttal evidence shall be served no later than September 11, 1972. Cross examination of all evidence shall commence September 26, 1972.

(E) Increased charges found by the Commission in this proceeding to be unjustified shall be refunded and shall bear interest at 7 percent per annum. Duke shall bear all costs of refunding; shall keep accurate accounts in detail of all amounts received by reason of the increased charges effective at the termination of the suspension period, and shall file with the Commission a monthly written report which shall set forth: (1) The billing determinants of electric power and energy sold and delivered during the billing period; (2) the revenues resulting from such sale and delivery computed under Duke's present rate schedules and under its proposed rate schedules and shall show the differences in the revenues so computed.

(F) The 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 procedures.

(G) Each of the petitioners for intervention listed in Appendix A is hereby permitted to intervene in this proceeding subject to the rules and regulations of the Commission: *Provided, however,* That participation of such intervenors shall be limited to the matters affecting asserted rights and interests specifically set forth in the petitions to intervene: *And provided, further,* That the admission of such intervenors 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.

(H) This order is without prejudice to any findings or orders which have been made or may hereafter be made by this Commission in this proceeding.

(I) This order is subject to our Statement of Policy Implementing the Economic Stabilization Act of 1970 (Public Law 91-379, 84 Stat. 799, as amended by Public Law 92-15, 85 Stat. 38) and Executive Order No. 11615, including such amendments as the Commission may require.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

APPENDIX A

Electricities of North Carolina Piedmont Municipal Power Systems municipalities of: Abbeville, Clinton, Due West, Easley, Gaffney, Greenwood, Greer, Laurens, Newberry, Prosperity, and Rock Hill (all of South Carolina); North Carolina Electric Membership Corp.; Blue Ridge Electric Membership Corp.; Saluda River Electric Cooperative, Inc.; Laurens Electric Cooperative, Inc.; and Sprague Electric Co.[1]

APPENDIX B

Abbeville Water and Electric Plant, City of Morgantown, City of Laurens (Commission of Public Works), City of Newberry, Gaffney (Board of Public Works), York Electric Cooperative, Inc., Easley City Water and Light Plant, City of Clinton, City of Greenwood (Commission of Public Works), and New River Light & Power Co.

[FR Doc.72-8558 Filed 6-6-72;8:48 am]

[Docket No. CI72-772]

EXCHANGE OIL & GAS CORP.

Notice of Application

JUNE 2, 1972.

Take notice that on May 26, 1972, Exchange Oil & Gas Corp. (applicant), 1010 Common Street, New Orleans, LA 70112, filed in Docket No. CI72-772 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the sale for resale and delivery of natural gas in interstate commerce to Trunkline Gas Co. (Trunkline) from the Orange Grove Field, Terrebonne Parish, La., all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant states that it commenced the sale of gas to Trunkline on or about May 23, 1972, within the contemplation of § 157.29 of the regulations under the Natural Gas Act (18 CFR 157.29) and that it proposes to continue said sale until January 1, 1973, at the rate of 35 cents per Mcf at 15.025 p.s.i.a., subject to downward B.t.u. adjustment, within the contemplation of § 2.70 of the Commission's General Policy and Interpretations (18 CFR 2.70). The estimated monthly volume of gas to be delivered is 75,000 Mcf.

It appears reasonable and consistent with the public interest in this case to prescribe a period shorter than 15 days for the filing of protests and petitions to intervene. Therefore, any person desiring to be heard or to make any protest with reference to said application should on or before June 12, 1972, 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). 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.72-8550 Filed 6-6-72;8:47 am]

[Docket No. RP72-124]

GRAND VALLEY TRANSMISSION CO.

Order Accepting for Filing, Suspending Revised Tariff and Providing for Hearing and Hearing Procedures

MAY 31, 1972.

On May 9, 1972, Grand Valley Transmission Co. (Grand Valley) tendered for

[1] Filed petition to intervene only without motion to reject. All other intervenors filed motions to reject.

filing Supplement No. 5 of its FPC Rate Schedule No. 1 to become effective June 1, 1972. The Company proposes an increase in rates which would add $174,900 annually to its jurisdictional revenues based on sales for the 12 months ended December 31, 1971, as adjusted. Grand Valley requests waiver of the notice requirements of the Commission's regulations to permit the proposed tariff sheets to become effective less than 30 days from the date of its filing. The test period utilized by Grand Valley for the cost data submitted to support its filing ends more than 4 months prior to the date of filing and thus does not comply with § 154.63 (e) (2) (i) of the regulations. It appears that good cause exists to waive both these requirements. In our opinion rejection of the filing for noncompliance with test period requirements may have adverse effects on the company's operations.

Grand Valley states that 6 cents per Mc.f. of the proposed increase is tracking of increases in the cost of gas and it alleges that it cannot absorb this increase from its producer for even 1 day.[1] The remaining 0.5 cents per Mc.f. increase claimed by the Company results from a proposed increase in return.

Review of the filing indicates that certain 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.

In view of the fact that a substantial portion of Grand Valley's proposed increase represents an increase in purchased gas costs it appears reasonable and appropriate to suspend the filing for only 1 day.

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 rates and charges contained in Grand Valley's FPC Gas Tariff, as proposed to be amended in this docket, and that the tendered tariff sheets be suspended as hereinafter provided.

(2) The disposition of this proceeding should be expedited in accordance with the procedure set forth below.

(3) In the event this proceeding is not concluded prior to the termination of the suspension period herein ordered, the placing of the tariff changes applied for in this proceeding into effect, subject to refund with interest while pending Commission determination as to their justness and reasonableness, is consistent with the purposes of the Economic Stabilization Act of 1970, as amended.

The Commission orders:

(A) The notice requirements of the Commission's regulations under the Natural Gas Act are waived.

(B) Section 154.63(e)(2)(i) of the Commission's regulations under the Natural Gas Act is waived to permit this filing containing a test period ending more than 4 months prior to the date of filing.

(C) 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 shall be held, commencing with a prehearing conference on September 19, 1972, at 10 a.m., e.d.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, DC 20426, concerning the lawfulness of the rates, charges, classifications, and services contained in Grand Valley's FPC Gas Tariff, as proposed to be revised herein.

(D) Pending hearing and decision thereon Grand Valley's proposed revised tariff sheets are suspended for 1 day and the use thereof deferred until June 2, 1972, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(E) At the hearing on September 19, 1972, Grand Valley's prepared testimony (Statement P), together with its entire rate filing as submitted and served on May 9, 1972, be admitted to the record as Grand Valley'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.

(F) On or before September 1, 1972, the Commission Staff shall serve its prepared testimony and exhibits. The prepared testimony and exhibits of all interveners shall be served on or before September 13, 1972. Any rebuttal evidence by Grand Valley shall be served on or before September 26, 1972. The public hearing ordered shall convene on October 3, 1972, at 10 a.m., e.d.t.

(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.72-8559 Filed 6-6-72;8:48 am]

[1] Net profit for Grand Valley in 1971 was $19,000 and the estimated increase cost of gas is $165,000.

[Docket No. CI72-766]

JAMES M. FORGOTSON, SR.

Notice of Application

JUNE 2, 1972.

Take notice that on May 25, 1972, James M. Forgotson, Sr. (applicant), 409 Beck Building, Shreveport, LA 71101, filed in Docket No. CI72-766 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the sale for resale and delivery of natural gas in interstate commerce to United Gas Pipe Line Co. (United) from the Southwest Tatum, Hosston-Cotton Valley Field, Rusk County, Tex., all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant is selling natural gas from this area pursuant to the Commission's order issued June 25, 1971, in Docket No. CI71-783 (45 FPC _____) for 1 year from the date of the order within the contemplation of § 2.70 of the Commission's General Policy and Interpretations (18 CFR 2.70) at the rate of 30 cents per Mcf at 14.65 p.s.i.a. subject to upward and downward B.t.u. adjustment. He proposes in the instant application to sell gas to United from unspecified wells within the contemplation of § 2.70 at the rate of 35 cents per Mcf at 14.65 p.s.i.a. subject to upward and downward B.t.u. adjustment. Applicant requests authorization to deliver an average daily quantity of 10,000 Mcf of gas for 1 year commencing on or before June 23, 1972. The contract for the subject sale provides that deliveries shall commence the later of June 25, 1972, or the date of Commission authorization.

It appears reasonable and consistent with the public interest in this case to prescribe a period shorter than 15 days for the filing of protests and petitions to intervene. Therefore, any person desiring to be heard or to make any protest with reference to said application should on or before June 12, 1972, 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). 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.72-8551 Filed 6-6-72;8:48 am]

[Docket No. RP72-119]

McCULLOCH INTERSTATE GAS CORP.

Order Conditionally Accepting for Filing and Suspending Revised Tariff Sheets and Providing for Hearing and Hearing Procedures

MAY 31, 1972.

On May 1, 1972, McCulloch Interstate Gas Corp. (McCullough) tendered for filing proposed changes in its rate schedule PL-1 and second revised sheet No. 11 to its FPC gas tariff original volume No. 1 to become effective on June 1, 1972. The proposed rates constitute an increase in revenues of approximately $589,000 annually based upon sales for the 12 months ending December 31, 1971, as adjusted. McCullough states that the reasons for the proposed rate increase are: (1) Increases in rate base; (2) advance payments for potential gas supplies; (3) increased rate of depreciation; (4) operation and maintenance expenses; (5) taxes; and (6) cost of capital. McCulloch also is proposing a reduction in the useful life of the transmission plant from twenty (20) years to twelve (12) years for depreciation purposes.

McCullouch failed to comply with § 154.63(e)(2)(i) of the Commission's regulations under the Natural Gas Act by filing this proposed change more than 4 months after the close of the test period. Good cause exists for the Commission to waive these regulations since rejection of this filing may adversely affect the company's operations.

The data submitted by McCulloch to support its filing contains costs related to facilities which have not been certificated under the Natural Gas Act and is thus in violation of § 154.63(e)(2)(ii) which prohibits the inclusion of such costs. We will accept McCulloch's filing upon condition that it withdraw the cost data pertaining to those facilities, subject to its resubmission at the time the facilities are certificated.

Review of McCulloch's rate filing indicates that certain issues which it raises may require development in an evidentiary hearing. 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 provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the rates and charges contained in McCulloch's FPC gas tariff, as proposed to be amended in this docket, and that the tendered tariff sheets be suspended as hereinafter provided.

(2) The disposition of this proceeding should be expedited in accordance with the procedure set forth below.

(3) In the event this proceeding is not concluded prior to the termination of the suspension period herein ordered, the placing of the tariff changes applied for in this proceeding into effect, subject to refund with interest while pending Commission determination as to their justness and reasonableness, is consistent with the purpose of the Economic Stabilization Act of 1970, as amended.

The Commission orders:

(A) McCulloch's filing of May 1, 1972, is accepted upon condition that McCulloch withdraw from its supporting data, the costs related to facilities for which it has not received a certificate of public convenience and necessity under the Natural Gas Act, provided that McCulloch may resubmit such cost data at the time the facilities in question are certificated.

(B) 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 shall be held commencing with a prehearing conference on September 5, 1972, at 10 a.m., e.d.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, DC 20426, concerning the lawfulness of the rates, charges, classification, and services contained in McCulloch's FPC gas tariff, as proposed to be amended herein.

(C) Pending such hearing and decision thereon, proposed revised tariff sheets listed above are hereby suspended and the use thereof is deferred until November 1, 1972, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(D) At the prehearing conference on September 5, 1972, McCulloch's prepared testimony (statement P) together with its entire rate filing shall be admitted to the record as its complete case-in-chief subject to appropriate motions, if any, by parties to the proceeding. All parties will be expected to come to the conference fully prepared to effectuate the provisions of §§ 1.18 and 2.59 of the Commission's rules of practice and procedure, including a useful discussion of all problems involved in the proceeding, both procedural and substantive, and fully authorized to make commitments with respect thereto.

(E) On or before August 29, 1972, the Commission staff shall serve its prepared testimony and exhibits. The prepared testimony and exhibits of any or all intervenors shall be served on or before September 12, 1972. Any rebuttal evidence by McCulloch shall be served on or before September 26, 1972. Cross-examination on the evidence filed will commence on October 17, 1972.

(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 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.72-8560 Filed 6-6-72;8:48 am]

[Docket No. RP72-118]

MICHIGAN WISCONSIN PIPE LINE CO.

Order Accepting for Filing and Suspending Proposed Revised Tariff Sheets and Providing for Hearing

MAY 31, 1972.

On April 28, 1972, Michigan Wisconsin Pipe Line Co. filed in Docket No. RP72-118 an application for a general increase in its rates for jurisdictional natural gas service. The proposed increase totals $32.7 million or 7.75 percent per year based on Michigan Wisconsin's sales for the 12 months ended January 31, 1972, as adjusted. The company states the principal reasons for the proposed increased rates are (1) increased costs of capital, (2) increased costs of acquiring gas supplies, (3) increased depreciation and local, State, and Federal taxes, (4) costs related to compliance with Department of Transportation safety standards, and (5) increased costs of labor, supplies, and other expenses of operation. The proposed rate increase is incorporated in revised tariff sheets to Michigan Wisconsin's FPC Gas Tariff, Second Revised Volume No. 1,[1] and First Revised Volume No. 2,[2] to become effective June 1, 1972.

Michigan Wisconsin included in its rate increase application approximately $103 million in facilities for which applications for a certificate of public convenience and necessity have been filed in FPC Dockets Nos. CP72-87, CP72-125, CP72-175, and CP72-185. None of these facilities had been certificated at the time the proposed rate increase was filed on April 28. The filing also includes approximately $2.8 million related to estimated future increases in Michigan Wisconsin's cost of purchased gas, $4.8 million for estimated future advance payments to producers for gas supplies, and $3.5 million of estimated future expenditures for compliance with DOT safety standards.

On May 22, 1972, the Commission issued a certificate authorizing approximately $33.6 million of offshore Louisiana facilities in Dockets Nos. CP72-87 and CP72-125. The remaining facilities in Dockets Nos. CP72-125, CP72-175, and CP72-185 remain uncertificated. On May 26, 1972, Michigan Wisconsin filed a supplement to its rate increase application demonstrating the effect of eliminating the presently uncertificated facilities and

[1] First Revised Sheet No. 27B, Second Revised Sheet No. 27F.

[2] Fourth Revised Sheets Nos. 92, 110, 129, and 130; Third Revised Sheets Nos. 141, 142, 171; First Revised Sheets Nos. 214 and 215.

related revenues. No modification was requested by the company in the proposed higher rates as filed on April 28. Michigan Wisconsin requests waiver of § 154.63(e)(2)(ii) of the Commission's regulations under the Natural Gas Act to the extent required to permit inclusion of the facilities for which authorization is pending. The data submitted by the company on May 26, 1972, purport to show that the proposed increased rates are fully supported whether the unauthorized facilities are included or excluded. Under these circumstances we believe it is reasonable and appropriate to grant the requested waiver.

Review of Michigan Wisconsin's rate filing in this docket indicates the issues raised therein require development in an evidentiary hearing. The proposed increased rates have not been shown to be justified, and may be unjust, unreasonable, unduly discriminatory, preferential, or otherwise unlawful.

Interventions have been filed by a number of State regulatory agencies and Michigan Wisconsin's customers. These interventions will be granted.

The Commission finds:

(1) It is necessary and proper in the public interest and in carrying out the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the rates and charges contained in Michigan Wisconsin's FPC Gas Tariff, as proposed to be amended herein, and that the proposed revised tariff sheets filed herein be suspended, and the use thereof deferred as hereinafter provided.

(2) Section 154.63 of the Commission's regulations should be waived to permit the acceptance for filing of Michigan Wisconsin's rate increase application.

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 regulations under the Natural Gas Act, a public hearing shall be held concerning the lawfulness of the rates, charges, classifications, and services contained in Michigan Wisconsin's FPC Gas Tariff, as proposed to be amended herein, commencing with a prehearing conference to be held on August 15, 1972.

(B) Pending such hearing and decision thereon, Michigan Wisconsin's revised tariff sheets filed herein are suspended and the use thereof deferred until November 1, 1972, and until such further time as they are made effective in the manner prescribed in the Natural Gas Act.

(C) At the prehearing conference on August 15, 1972, procedures shall be adopted for an orderly and expeditious hearing.

(D) Section 154.63(e)(2)(ii) of the Commission's regulations under the Natural Gas Act is waived to permit the acceptance for filing of Wisconsin's rate increase application.

(E) The Michigan Public Service Commission, Iowa State Commerce Commission, Wisconsin Public Service Commission, Administrator of General Services, Wisconsin Public Service Corp., Wisconsin Fuel and Light Co., Wisconsin Michigan Power Co., Wisconsin Natural Gas Co., Arco Chemical Co., Wisconsin Gas Co., Iowa Southern Utilities Co., Public Service Company of Colorado, Michigan Consolidated Gas Co., Michigas Gas Utilities Co., North Central Public Service Co., Michigan Power Co., Texas Gas Transmission Corp., Ohio Valley Gas Corp., Iowa Electric Light and Power Co., Columbia Gas Transmission Corp., Western Slope Gas Co., Pueblo Gas and Fuel Co., Cheyenne Light, Fuel and Power Co., Madison Gas and Electric Co., and Associated Natural Gas Co. are hereby permitted to intervene in this proceeding, subject to the Commission's rules and regulations.

(F) A Presiding Examiner to be designated by the Chief Examiner for that purpose shall preside at the hearing in this proceeding.

By the Commission.

[SEAL] KENNETH F. PLUMB, *Secretary.*

[FR Doc.72-8561 Filed 6-6-72;8:48 am]

[Docket No. RI72-240]

SHELL OIL CO.

Notice of Petition for Waiver and Approval of Rate Increase

MAY 31, 1972.

Take notice that on May 12, 1972, Shell Oil Co. (petitioner), One Shell Plaza, Post Office Box 2463, Houston, TX 77001, filed in Docket No. RI72-240 pursuant to section 4 of the Natural Gas Act and § 1.7(b) of the Commission's rules of practice and procedure, a petition for waiver of § 154.107 (a) and (c)(2) of the Commission's regulations under the Natural Gas Act, so as to authorize petitioner to charge a base rate in excess of the Texas Gulf Coast area ceiling rate for a sale of natural gas to South Texas Natural Gas Gathering Co. (South Texas) from acreage in the McAllen Ranch Field, Hidalgo County, Tex., all as more fully set forth in the petition to amend which is on file with the Commission and open to public inspection.

Applicant presently sells natural gas to South Texas from the McAllen Field pursuant to its FPC Gas Rate Schedule No. 297. South Texas in turn sells this gas to Transcontinental Gas Pipe Line Co. (Transco). On April 20, 1972, applicant filed a contract amendment dated February 8, 1972, as a proposed supplement to its FPC Gas Rate Schedule No. 297 and filed to increase its basic contract rate to 19 cents per Mcf in accordance with Commission Opinion No. 595 (Area Rate Proceeding, et al. (Texas Gulf Coast Area), Docket No. AR64-2 et al.). Said amendment provides for an increase in the contract price to 24 cents per Mcf, subject to B.t.u. adjustments, with subsequent escalations.

Applicant requests waiver of §§ 154.107 (a) and (c)(2)(iii), which limits applicant to a 19-cent per Mcf rate for the subject gas, and authorization to charge a basic rate of 24 cents per Mcf for flowing gas being sold under its FPC Gas Rate Schedule No. 297.

Applicant states that in return for the new pricing provisions contained in the February 8, 1972, amendment, it agreed to undertake an extensive program of drilling and well stimulation, which requires the utilization of new and costly high-volume formulation fracturing techniques and an extra string of protective casing, greater drilling mud densities, higher strength tubulars and surface facilities and greater safety demands because of the extremely high geopressures in the McAllen Field, all of which is aimed at increasing the McAllen Field deliverability to 100,000 Mcf per day and maintaining that level as long as economically feasible. Applicant asserts that the well drilling program requires investments far above the average gas well costs either national or in the Texas Gulf Coast and could not have been justified under the contract price level existing prior to the subject amendment. The total cost of this program is anticipated substantially to exceed $1,500,000.

Applicant further asserts that not only economic costs support the proposed waiver and rate increase but the resulting increase in interstate gas supports the instant proposal since Transco, which has an emergency gas deficiency on its system and has had to contract for a number of emergency purchases of natural gas, will be directly benefited by the increase in deliverability, as it purchases the subject gas from South Texas.

Any person desiring to be heard or to make any protest with reference to said petition should on or before June 20, 1972, 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). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

KENNETH F. PLUMB, *Secretary.*

[FR Doc.72-8562 Filed 6-6-72;8:48 am]

[Project 516—South Carolina]

SOUTH CAROLINA ELECTRIC & GAS CO.

Notice of Availability of Environmental Statement for Inspection

JUNE 1, 1972.

Notice is hereby given that on June 2, 1972, as required by § 2.81(b) of Commission regulations under Order 415-B (36 F.R. 22738, November 30, 1971) a

draft environmental statement containing information comparable to an agency draft statement pursuant to section 7 of the guidelines of the Council on Environmental Quality (36 F.R. 7724, April 23, 1971) was placed in the public files of the Federal Power Commission. This statement deals with an application filed by the South Carolina Electric & Gas Co., licensee for the Saluda Project No. 516, for approval of easements on project lands in Lexington County, S.C.

This statement is available for public inspection in the Commission's Office of Public Information, Room 2523, General Accounting Office, 441 G Street NW., Washington, DC. Copies will be available from the National Technical Information Service, Department of Commerce, Springfield, Va. 22151.

Approval of the easements are for the proposed construction on project lands of nonproject facilities comprising causeways, a bridge, and a pipe for the discharge of treated domestic waste effluent to be constructed as part of the planned community development known as Watergate.

Any person desiring to present evidence regarding environmental matters in this proceeding must file with the Federal Power Commission a petition to intervene, and also file an explanation of their environmental position, specifying any difference with the environmental statement upon which the intervenor wishes to be heard, including therein a discussion of the factors enumerated in § 2.80 of Order 415–B. Written statement by persons not wishing to intervene may be filed for the Commission's consideration. The petitions to intervene or comments should be filed with the Commission on or before 45 days from June 2, 1972. The Commission will consider all response to the statement.

KENNETH F. PLUMB,
Secretary.

[FR Doc.72–8563 Filed 6–6–72;8:49 am]

[Docket No. RP72–71, etc.]

SOUTHWEST GAS CORP.

Order Accepting for Filing and Suspending Proposed Tariff Sheets and Consolidating Proceedings

MAY 31, 1972.

On May 1, 1972, Southwest Gas Corp. (Southwest) tendered for filing proposed changes in its FPC Gas Tariff, Original Volume No. 1,[1] which would incorporate a Purchased Gas Adjustment Clause (PGA Clause) pursuant to § 154.38(d)(4) of the Commission's regulations under the Natural Gas Act and which reflect an increase over presently effective rates of $36,511, the amount of the rate increase currently under suspension in Dockets Nos. RP72–71 and RP72–100.

[1] Original Sheets Nos. 3A and 13B, First Revised Sheet No. 13A, Third Revised Sheet No. 1, and Substitute Sixth Revised Sheets Nos. 4 and 10A to FPC Gas Tariff, Original Volume No. 1.

On February 17, 1972, the Commission issued an order in Docket No. RP72–71 et al., which, inter alia, suspended a proposed rate increase of $36,511 until July 18, 1972, and gave Southwest authority to track increases in purchased gas costs reflecting increases by El Paso, its sole supplier. Pursuant to its tracking authority, Southwest filed two increases of 0.02 cent per therm and 0.06 cent per therm which became effective on March 1, 1972, and April 17, 1972, respectively. The presently effective rates reflect a tracking increase made effective by the February 17, 1972, order plus the two tracking filings mentioned above. Therefore, the rates proposed in this filing reflect the presently effective rates plus $36,511, the amount by which the suspended rates would increase Southwest's revenues.

The filing in Docket No. RP72–121 raises issues of law substantially the same as those in Docket No. RP72–71 et al. Under these circumstances, it is appropriate that the proceedings be consolidated for hearing and decision.

Southwest's proposed PGA Clause provides for increases or decreases in Southwest's rates resulting from changes in El Paso's rates. The purchased gas adjustment will be reflected in Southwest's one part rate, on a cents per therm basis equal to the amount by which El Paso adjusts its one part rate in its Rate Schedule PL–4, and will be filed not more frequently than semiannually and to coincide with the effective date of El Paso's rate changes.

Good cause exists for waiver of the provisions of § 154.66(b) of the Commission's regulations under the Natural Gas Act, in order to permit the filing of the proposed revised tariff sheets. Our acceptance for filing of Southwest's PGA Clause, however, will be made subject to issuance of a final order in Docket No. R–406 and to further orders which may be issued in the proceedings consolidated herein. In view of the fact that the rates contained in the proposed revised tariff sheets reflect the increase presently under suspension until July 18, 1972, in Docket No. RP72–71 et al., we will suspend these sheets until that same date.

The Commission finds:

It is necessary and proper in the public interest and to aid in the enforcement of the Natural Gas Act that:

(1) The provisions of § 154.66(b) of the Commission's regulations be waived and that the tariff sheets described in footnote 1 be accepted for filing and use thereof be deferred as hereinafter provided.

(2) Docket No. RP72–121 be consolidated with Docket No. RP72–71 et al.

The Commission orders:

(A) The tariff sheets described in footnote 1 above are accepted for filing: *Provided, however,* That those sheets are suspended and that the use thereof is deferred until July 18, 1972, or such further date as they are made effective in the manner prescribed by the Natural Gas Act.

(B) The Commission's acceptance for filing of Southwest's PGA Clause is subject to the issuance of a final order in Docket No. R–406 and to further orders which may be issued in these proceedings.

(C) The proceedings in Dockets Nos. RP72–71 et al. and RP72–121 are hereby consolidated.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.72–8564 Filed 6–6–72;8:49 am]

[Docket No. RI72–250]

MOBIL OIL CORP.

Order Providing for Hearing on and Suspension of Proposed Change in Rate, and Allowing Rate Change To Become Effective Subject to Refund

MAY 25, 1972.

Respondent has filed a proposed change in rate and charge for the jurisdictional sale of natural gas, as set forth in Appendix A below.

The proposed changed rate and charge may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds:

It is in the public interest and consistent with the Natural Gas Act that the Commission enter upon a hearing regarding the lawfulness of the proposed change, and that the supplement herein be suspended and its use be deferred as ordered below.

The Commission orders: (A) Under the Natural Gas Act, particularly sections 4 and 15, the regulations pertaining thereto (18 CFR Ch. I), and the Commission's rules of practice and procedure, a public hearing shall be held concerning the lawfulness of the proposed change.

(B) Pending hearing and decision thereon, the rate supplement herein is suspended and its use deferred until date shown in the "Date Suspended Until" column. This supplement shall become effective, subject to refund, as of the expiration of the suspension period without any further action by the respondent or by the Commission. Respondent shall comply with the refunding procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder.

(C) Unless otherwise ordered by the Commission, neither the suspended supplement, nor the rate schedule sought to be altered, shall be changed until disposition of this proceeding or expiration of the suspension period, whichever is earlier.

By the Commission.

KENNETH F. PLUMB,
Secretary.

APPENDIX A

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf* Rate in effect	Cents per Mcf* Proposed increased rate	Rate in effect subject to refund in dockets Nos.
R172-250..	Mobil Oil Corp.	39	19	Natural Gas Pipeline Co. of America (Clayton Field, Live Oak County, Tex., RR. district No. 2).	$94,900	4-27-72		4 5-28-72	3 19.0	1 24.0	
	do	415	13	Natural Gas Pipeline Co. of America (La Gloria Field (T-C-B), Jim Wells County, Tex., RR. district No. 4).	153,150	4-27-72		4 5-28-72	3 19.0	1 24.0	
	do	318	36	Transcontinental Gas Pipe Line Corp. (La Gloria Field, Brooks and Jim Wells Counties, Tex., RR. district No. 4).	934,800	5-1-72		4 6-1-72	3 19.0	1 24.0	

*The pressure base is 14.65 p.s.i.a.
1 Increase to the claimed area rate. Subject to B.t.u. adjustment.
2 Applicable to all gas being sold under this rate schedule except that produced from the 8,100-foot sand reservoir.
3 Applicable to all gas being sold under this rate schedule.
4 One day after the expiration of statutory notice.

The question presented here is whether the subject gas is entitled to an area rate of 19 cents, which is the rate established in Opinion No. 595 for gas sold under contracts dated prior to October 1, 1968, or an area rate of 24 cents which applies to contracts dated on or after October 1, 1968. As justification for the proposed 24-cent rate. Mobil claims that the gas now being delivered under the subject rate schedules was never committed to the expired contracts included in these rate schedules and that such gas therefore qualifies as new gas within the terms of Opinion No. 595. The proposed increase should be suspended for 1 day from the expiration of the statutory notice period, pending determination as to whether the gas involved herein is entitled to the new or old gas price.

The proposed rates and charges exceed the applicable area price levels for increased rates as set forth in the Commission's Statement of General Policy No. 61-1, as amended (18 CFR 2.56).

CERTIFICATION OF ABBREVIATED SUSPENSION

Pursuant to § 300.16(i)(3) of the Price Commission rules and regulations (6 CFR Part 300) 1972, the Federal Power Commission certifies as to the abbreviated suspension period in this order as follows:

(1) This proceeding involves producer rates which are established on an area rather than company basis. This practice was established by Area Rate Proceeding, Docket No. AR61-1, et al., Opinion No. 468, 34 FPC 159 (1965), and affirmed by the Supreme Court in Permian Basin Area Rate Case, 390 U.S. 747 (1968). In such cases as this, producer rates are approved by this Commission if such rates are contractually authorized and are at or below the area ceiling.

(2) In the instant case, the requested increases do not exceed the ceiling rate for a 1-day suspension.

(3) By Order No. 423 (36 F.R. 3464) issued February 18, 1971, this Commission determined as a matter of general policy that it would suspend for only 1 day a change in rate filed by an independent producer under section 4(d) of the Natural Gas Act (15 U.S.C. 717c(d)) in a situation where the proposed rate exceeds the increased rate ceiling, but does not exceed the ceiling for a 1-day suspension.

(4) In the discharge of our responsibilities under the Natural Gas Act, this Commission has been confronted with conclusive evidence demonstrating a natural gas shortage. (See Opinions Nos. 595, 598, and 607, and Order No. 435.) In these circumstances and for the reasons set forth in Order No. 423, the Commission is of the opinion in this case that the abbreviated suspension authorized herein will be consistent with the letter and intent of the Economic Stabilization Act of 1970, as amended, as well as the rules and regulations of the Price Commission (6 CFR Part 300), 1972. Specifically, this Commission is of the opinion that the authorized suspension is required to assure continued, adequate, and safe service and will assist in providing for necessary expansion to meet present and future requirements of natural gas.

[FR Doc.72-8411 Filed 6-6-72;8:45 am]

[Docket No. CI72-301, etc.]

NORTHERN MICHIGAN EXPLORATION CO. ET AL.

Notice of Application and Consolidation of Proceedings

JUNE 2, 1972.

Take notice that on May 22, 1972, Northern Michigan Exploration Co. (applicant), 1945 West Parnall Road, Jackson, MI 49201, filed in Docket No. CI72-770 a conditional application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the sale of natural gas in interstate commerce to Consumers Power Co. from acreage in the Cherokee Field, Terrebonne Parish, La., all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant, which holds a small producer certificate of public convenience and necessity in Docket No. CS71-1138, is a wholly owned subsidiary of Consumers Power Co., the instant buyer and a public utility subject to the jurisdiction of the Michigan Public Service Commission. Consumers Power Co. is the parent company of Michigan Gas Storage Co., an interstate pipeline company.

Applicant, on November 4, 1971, filed in Docket No. CI72-301 an application for a certificate of public convenience and necessity authorizing the sale of natural gas purchased in Louisiana to Trunkline Gas Co. (Trunkline) and Consumers. Applicant proposes to sell 25 percent of the gas, which it will purchase in the South Gibson Field, Terrebonne Parish, La., to Trunkline and sell the remainder of the gas, which it will purchase in the South Gibson Field together with all the gas which it will purchase in the Cherokee Field, as well as any other gas which applicant may become entitled to purchase in the Southern Louisiana area, all up to a maximum of 60,000 Mcf per day, to Consumers. Applicant, in said application, contemplates that the sale of its working interest gas would be made under its small producer certificate issued in Docket No. CS71-1138. Applicant has entered into an agreement with Trunkline whereby Trunkline will transport such gas for applicant and deliver it to Consumers at its existing point of interconnection with the facilities of Consumers on the Michigan-Indiana border near White Pigeon, Mich.

On April 10, 1972, the Commission ordered a formal hearing to be held on the application in Docket No. CI72-301 and consolidated with it two related pipeline applications in Dockets Nos. CP72-122 and CP72-128. The issuance of the small producer certificate in Docket No. CS71-1138 to Applicant is to be reconsidered in the said consolidated proceedings in view of the fact that Michigan Gas Storage Co., an interstate pipeline, is a wholly owned subsidiary of Consumers.

Applicant proposes, under the authorization sought herein, to sell natural gas from its own working interests in acreage in the Cherokee Field to Consumers, if the Commission in the proceedings pending in Dockets Nos. CI72-301 et al., decides to withdraw applicant's small producer certificate issued in Docket No. CS71-1138.

Applicant proposes to charge Consumers an initial rate at 14.73 p.s.i.a. saturated, based upon the following contract pricing provisions:

1. For each Mcf of gas delivered to Consumers, a charge equal to the price allowed by the FPC or any successor agency, to be collected for natural gas in the production area in which Cherokee Field is located;

2. For each Mcf of gas delivered to Consumers, a charge in respect of gas consumed for fuel during transportation equal to one twenty-fourth of the

charge described in subparagraph 1 above; and

3. A monthly transportation charge equal to the monthly charges paid by applicant respecting the transportation of gas attributable to applicant's working interest in the Cherokee Field which is delivered to Consumers hereunder.

Applicant estimates monthly sales volumes at 75,000 Mcf of gas.

Inasmuch as the instant application may involve common questions of law or fact with the applications in the proceeding in Docket No. CI72-301 et al., it is hereby consolidated with said applications for hearing.

It appears reasonable and consistent with the public interest in this case to prescribe a period shorter than 15 days for the filing of protests and petitions to intervene, therefore, any person desiring to be heard or to make any protest with reference to said application should on or before June 4, 1972, 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). 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. Persons who have heretofore filed protests and interventions in the consolidated proceeding need not file again.

KENNETH F. PLUMB,
Secretary.

[FR Doc.72-8613 Filed 6-6-72;8:50 am]

FEDERAL RESERVE SYSTEM

FIRST FLORIDA BANCORPORATION

Merger of Bank Holding Companies

First Florida Bancorporation, Tampa, Fla., has applied for the Board's approval under section 3(a)(5) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to merge with United Bancshares of Florida, Inc., Miami Beach, Fla., under the charter of First Florida Bancorporation and with the name of United First Florida Banks, Inc. The factors that are considered in acting on the application are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

The application may be inspected at the office of the Board of Governors or at the Federal Reserve Bank of Atlanta. Any person wishing to comment on the application should submit his views in writing to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, to be received not later than June 21, 1972.

Board of Governors of the Federal Reserve System, June 1, 1972.

[SEAL] MICHAEL A. GREENSPAN,
Assistant Secretary.

[FR Doc.72-8567 Filed 6-6-72;8:49 am]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGD 72-93N]

BUNGE CORP.

Notice of Qualification as Citizen

This is to give notice that pursuant to 46 CFR 67.23-7, issued under the provisions of section 27A of the Merchant Marine Act, 1920, as added by the Act of September 2, 1958 (46 U.S.C. 883-1), the Bunge Corp. of One Chase Manhattan Plaza, New York, N.Y., incorporated under the laws of the State of New York, did on May 10, 1972, file with the Commandant of the U.S. Coast Guard, in duplicate, an oath for qualification of a corporation as a citizen of the United States following the form of oath prescribed in Form 1260.

The oath shows that:

(a) A majority of the officers and directors of the corporation are citizens of the United States (list of names, home addresses, and citizenship attached to the oath);

(b) Not less than 90 percent of the employees of the corporation are residents of the United States;

(c) The corporation is engaged primarily in a manufacturing or mineral industry in the United States, or in a Territory, District, or possession thereof;

(d) The aggregate book value of the vessels owned by the corporation does not exceed 10 percent of the aggregate book value of the assets of the corporation; and

(e) The corporation purchases or produces in the United States, its Territories or possessions not less than 75 percent of the raw materials used or sold in its operations.

The Commandant, U.S. Coast Guard, having found this oath to be in compliance with the law and regulations, on May 30, 1972, issued to the Bunge Corp., a certificate of compliance on form 1262, as provided in 46 CFR 67.23-7. The certificate and any authorization granted thereunder will expire 3 years from the date thereof unless there first occurs a change in the corporate status requiring a report under 46 CFR 67.23-7.

Dated: May 30, 1972.

W. F. REA, III,
Rear Admiral, U.S. Coast Guard, Chief, Office of Merchant Marine Safety.

[FR Doc.72-8584 Filed 6-6-72;8:47 am]

ATOMIC ENERGY COMMISSION

[Docket No. 50-293]

BOSTON EDISON CO.

Notice of Hearing

JUNE 1, 1972.

In the matter of Boston Edison Co. (Pilgrim Nuclear Power Station).

By memorandum and order dated May 24, 1972, the Board specified the remaining five issues for the evidentiary hearing to be held on a date in June 1972 to be set by further order of the Board.

Notice is hereby given that the hearing will be held at 10 a.m., d.s.t., on Tuesday, June 27, 1972, in the

Probate Court Room, Registry Building, North Russell Street, Plymouth, Mass.

Written testimony will be exchanged on or before June 14, and witness lists will be exchanged at the same time.

Areas of cross-examination will be identified on or before June 21. Rebuttal testimony, if any, will be distributed on or before June 21, accompanied by a list of witnesses sponsoring the same.

Earlier in this proceeding, certain persons were authorized to make limited appearance statements. As announced at the supplementary prehearing conference held on May 5, 1972, this Board will permit persons who have been authorized to make limited appearance statements and who desire to do so to present questions in writing to the Board. To the extent that such questions are found by the Board to be specific, relevant and not repetitious, the Board will submit the questions to the parties to be answered. The Board would contemplate that such questions be answered during the course of the hearing, if time permits.

Issued at Washington, D.C., this 1st day of June 1972.

For the Atomic Safety and Licensing Board.

CHARLES A. HASKINS,
Chairman.

[FR Doc.72-8516 Filed 6-6-72;8:45 am]

CIVIL AERONAUTICS BOARD

[Docket No. 24057]

INTERNATIONAL JET AIR, LTD./GREAT NORTHERN AIRWAYS LTD.

Notice of Postponement of Prehearing Conference Regarding Foreign Air Carrier Permit Transfer and Renewal (Canada-United States Charter Transportation)

Notice is hereby given that the prehearing conference in the above-entitled matter, now assigned to be held on June 6, 1972 (37 F.R. 9355) is indefinitely postponed.

Dated at Washington, D.C., June 1, 1972.

[SEAL] HYMAN GOLDBERG,
Hearing Examiner.

[FR Doc.72-8575 Filed 6-6-72;8:48 am]

[Docket No. 22358]

UNION OF PROFESSIONAL AIRMEN AFFILIATED WITH AIR LINE PILOTS ASSOCIATION, INTERNATIONAL AND SHAWNEE AIRLINES, INC.

Notice of Hearing

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that a hearing in the above-entitled proceeding will be held on June 27, 1972, at 10 a.m., local time, in Room 1027, Universal Building, 1825 Connecticut Avenue NW., Washington, DC, before Examiner Hyman Goldberg.

Dated at Washington, D.C., June 2, 1972.

[SEAL] RALPH L. WISER,
Chief Examiner.

[FR Doc.72-8576 Filed 6-6-72;8:48 am]

[Docket No. 24521; Order 72-6-7]

WARSAW CONVENTION

Order Regarding Liability Limitations

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 2d day of June 1972.

The United States and numerous other countries adhere to the Warsaw Convention,[1] officially designated as the Convention for the Unification of Certain Rules Relating to International Transportation by Air (the Convention). These rules, applicable to "international transportation" as defined therein, govern a very large portion of air transportation of persons and property to and from the United States. Article 22 of the Convention sets forth the maximum limits on liability which the carriers may impose in the transportation of passengers, checked baggage, and goods, as well as objects of which the passenger takes charge himself—hereinafter referred to as unchecked baggage. The liability limits in the Convention are specified in terms of a French franc consisting of 65½ milligrams of gold at a standard of fineness of 900 thousandths. The Article further provides that the sums may be converted into any national currency in round figures. The liability limits set forth in this Article are as follows:

1. For each passenger, 125,000 francs.
2. For checked baggage and goods, 250 francs per kilogram.[2]
3. For unchecked baggage, 5,000 francs per passenger.

The above limitations have been set forth in the tariffs filed by the carriers with the Board expressed in U.S. dollars. The tariffs will typically contain the dollar limitations in terms of both dollars per kilogram and dollars per pound with respect to the liability for baggage and goods, generally rounded downward.[3] Since most carriers have agreed to liability limitations for personal injury or death in an amount of $75,000, the tariff limitations in most cases for personal injury and death are presently above the sum of 125,000 French gold francs, the amount specified in the Convention.[4]

The value of the U.S. dollar has recently fluctuated in relation to other currencies and by an Act passed March 31, 1972, the Secretary of the Treasury was authorized and directed to take steps necessary to establish a new par value of the dollar so that $1 equals one thirty-eighth of a fine troy ounce of gold.[5] This new par value represents a 7.895 percent decline in the value of the dollar below the previous gold value of 15$^{5}/_{21}$ grains, 0.900 fine of gold. Expressed in another way, the dollar value of gold of $35 per ounce has been increased to $38 an ounce, or an increase of 8.571 percent.

In view of the decline in the value of the dollar in relation to gold, the liability limits as set forth in dollars in the tariffs of the air carriers and foreign air carriers on file with the Board no longer meet the minimum liability requirements of the Convention. Accordingly, it is necessary that such tariffs be revised to accurately express the minimum liability limitations allowed by the Convention, subject only to the permissible conversion into United States currency in round figures.[6]

The matter of converting the minimum liability provisions of the Warsaw Convention into U.S. currency in round figures is essentially a matter of convenience for purposes of computation. Because of the relationship of the kilogram to the pound, it is not possible to express identical dollar limitations both in kilograms and pounds in round numbers. In view of the fact that the actual Convention limitations expressed in current dollars per kilogram closely approximate round-dollar figures, and recognizing that the Convention stipulates the limitations in kilograms, the Board concludes that any basic rounding to be permitted should be geared to dollars per kilogram. Carriers will be permitted to continue to express the limitation in dollars per pound, or in both dollars per pound and dollars per kilogram. It will be required, however, that limitations stated in dollars per pound be the exact equivalent of dollars per kilogram.[7] The table below sets forth the basic Convention liability limitations of French gold francs and the previous and current actual dollar equivalent together with the minimum round-dollar amounts which the Board will accept in its tariffs.[8]

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[1] Not the official title but the name applied in common usage (49 Stat. 3000; T.S. 876).

[2] Unless the consignor has made, at the time of tender, a special declaration of the value at delivery and has paid a supplemental sum if so required.

[3] Typical tariffs presently contain a liability limit of $7.48 per pound and $16.50 per kilogram for property and $330 per passenger for unchecked baggage.

[4] By special contract, the carrier and the passenger may agree to a higher limit of liability. Most air carriers and foreign air carriers are now parties to Agreement CAB 18900, wherein the carriers have agreed, inter alia, to stipulate in their tariffs a limit of liability for death or injuries to passengers in the sum of U.S. $75,000 inclusive of legal fees and costs and in case of claims brought in a State where provision is made for separate award of legal fees and costs, the limit shall be the sum of U.S. $58,000 exclusive of legal fees and costs. This agreement was approved by Order E-23680 dated May 13, 1966 (31 F.R. 7302, May 19, 1966).

[5] Public Law 92-268. The devaluation was finalized effective May 8, 1972.

[6] The Board has consistently considered that it may order canceled tariffs in conflict with applicable law or regulations and that such tariffs are subject to rejection. E.g., see Order E-18449, dated June 14, 1962; Order E-18640, dated July 27, 1962; and Order 71-8-78, dated Aug. 17, 1971.

[7] 1 Kilogram = 2.2046 pounds. Source—U.S. Department of Commerce "Units of Measurement," Feb. 1972. Reprinted from "Units of Weight and Measure," MBS Miscellaneous Publication 386 May 1967.

[8] The Board's regulations require a notice of limitation of liability for death or injury under the Warsaw Convention to be contained in the carriers' tariffs (14 CFR 221.38 (j)), although tariff limitations on personal injury or death are not otherwise tariff material (14 CFR 221.38(h)). The Board considers such tariff provisions as well as those stating limitations with respect to property, are a restatement of the applicable law as set forth in the Convention, and serve to advise the public of the Convention limitations, or higher amount agreed to.

Convention and protocol minimum liability	Previous actual	Current	
		Actual	Rounded
125,000 francs (per passenger, convention only)	$8,291.88	$9,002.61	$9,000.00
250,000 francs (per passenger, protocol only)	16,583.76	18,005.22	18,000.00
5,000 francs (per passenger)	331.675	360.104	360.00
250 francs (per kilogram)	16.58376	18.00522	18.00
250 francs per kilogram on a per-pound basis	7.52234	8.16711	8.16

The Board notes that carrier tariffs also contain limitations applicable to "international carriage" as defined by the Hague Protocol, officially designated as the Protocol to Amend the Convention for the Unification of Certain Rules Relating to International Carriage by Air Signed at Warsaw on October 12, 1929. The Protocol establishes a limit of 250,000 French gold francs per passenger rather than the 125,000 francs stipulated in the Convention.[9] While the volume of foreign air transportation subject to the Protocol is undoubtedly small in comparison to that governed by the Convention, the Protocol limitations are also set forth in tariffs filed with the Board. The table therefore sets out the separate limitation per passenger for Protocol traffic.

As shown in this table a liability limitation of $360 per passenger for unchecked baggage and $18 per kilogram closely approximates the actual dollar value of the liability limits of the Convention, and we can find no rational basis to accept a round-dollar figure less than these amounts. By the same token, the rounded limitation of $9,000 per passenger very closely approximates the actual value specified in the Convention which is now equal to $9,002.61. As noted before, however, the liability limitations of most carriers for personal injury or death is by agreement well in excess of the 125,000 French gold francs required by the Convention or the 250,000 French gold francs required by the Protocol. Since the Montreal Agreement is expressed in terms of United States dollars, the change in the value of the dollar does not affect this agreement and accordingly provides no basis at this time for requiring the change in the tariff provisions of those carriers which adhered to the $75,000 limitation. The permissible rounded figure is set forth for the guidance of the very limited number of carriers who do not provide the $75,000 limit.[10]

In view of the foregoing and of other relevant matters officially noticed, the Board finds and concludes:

1. That the dollar limitations stated in the presently effective tariffs of the respondent air carriers and foreign air carriers no longer meet the minimum liability requirements of the Warsaw Convention for "international transportation" or of the Protocol for "international carriage" as defined therein.

2. That in this circumstance such tariff limitations are inconsistent with the applicable law as set forth in the Convention or the Protocol, and the tariff filing requirements in section 403 of the Federal Aviation Act of 1958, and Part 221 of the Board's regulations and they must be canceled.[11]

3. That the minimum acceptable rounded figures in U.S. dollars for liability limits applicable to "international transportation" and "international carriage" are set forth in the table above in the column headed "Rounded."

Accordingly, pursuant to the provisions of the Federal Aviation Act of 1958, particularly sections 204(a), 403, and 1002 thereof:

It is ordered, That:

1. The carriers named in Appendix A, attached hereto,[12] shall revise all liability limitations which may be applicable to "international transportation" or "international carriage" as defined in the Convention or the Protocol which are inconsistent with the rounded figures in U.S. dollars as provided in finding paragraph 3 above, so as to conform with such rounded figures.

2. The tariff cancellations directed in ordering paragraph 1 above shall become effective on or before June 30, 1972, on not less than 10 days' notice.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.72-8577 Filed 6-6-72;8:48 am]

[9] The amount of the Protocol limitations are the same as the Convention limitations for goods and unchecked baggage, although there are differences in the conditions as to liability. The United States has not ratified the Hague Protocol, and its provisions do not normally apply with respect to air transportation.

[10] Practically all trunk, local service, and certificated air carriers are parties to the agreement. In addition, the Board has required adherence to the Montreal Agreement as a condition to the operating authority of air taxi operators (14 CFR Part 298) and the Board has conditioned the permits of foreign air carriers to require such higher limitation. The $9,000 or $18,000 round figure will be of limited application.

[11] ER-708 requires that notice of limited liability for personal injury or death, and for baggage under the Warsaw Convention be displayed at each desk, station, and position in the United States where tickets are sold (14 CFR 221.175, 221.176). The dollar amounts stated in 14 CFR 221.176 of $7.50 per pound for checked baggage, and $330 per passenger for unchecked baggage are now obsolete. In the interim, pending revisions to these regulations, carriers may wish to modify their notices to be consistent with the tariff requirements set forth in this order. Such modifications will not be considered in violation of these regulations.

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

ENVIRONMENTAL PROTECTION AGENCY

MOTOR VEHICLE POLLUTION CONTROL

Suspension Request; Notice of Cancellation of Public Hearing

In a notice published in the FEDERAL REGISTER on May 23, 1972 (37 F.R. 10471), the Administrator of the Environmental Protection Agency announced a public hearing on the request by American Motors Corp. to suspend the effective date of the 1975 hydrocarbon or carbon monoxide (or both) emission standards for light-duty vehicles. The hearing, required by section 202(b)(5)(D) of the Clean Air Act, as amended, was to commence on June 7, 1972, at the Thomas Jefferson Memorial Auditorium, Department of Agriculture, South Agriculture Building, 14th and Independence Avenue NW., Washington, D.C.

The notice also stated that any application for suspension of the 1975 emission standards received by EPA on or before June 1, 1972, would be considered in the June 7 hearing. Lotus Cars Limited of England filed such an application on May 8, 1972.

Requests were received from American Motors Corp. and Lotus Cars Limited on May 24 and May 25, respectively, that the Administrator allow them to withdraw their pending applications. The reason expressed by both companies for wishing to withdraw their applications was that in view of the decision by the Administrator in May 1972, to deny five other applications for suspension based on the failure of the applicants to prove that technology, processes, or other alternatives are not available or have not been available for a sufficient period of time to achieve compliance with the 1975 standards, it is not likely that information contained in the applications presented at this time would be sufficient to compel a different decision. Both companies indicated that they contemplate requesting suspension of the 1975 standards at a future time.

Therefore, I have allowed each company to withdraw its application without prejudice to its right to file such application at a future time, and I have ordered that the hearing described above be canceled.

Dated: June 2, 1972.

WILLIAM D. RUCKELSHAUS,
Administrator.

[FR Doc.72-8653 Filed 6-6-72;8:50 am]

FEDERAL MARITIME COMMISSION

MATSON TERMINAL, INC., AND McCABE, HAMILTON & RENNY, CO., LTD.

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 1015; or may inspect the agreement at the field offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

Mr. Peter P. Wilson, Matson Navigation Co., Law Department, 100 Mission Street, San Francisco, CA 94105.

Agreement No. T-2636, between Matson Terminals, Inc. (Matson), and McCabe, Hamilton & Renny Co., Ltd. (MHR), is a labor loan agreement whereby the parties agree to an exchange of labor and supervisory personnel at the ports of Honolulu and Pearl Harbor for loading and discharge of containers and vehicles from specialized vessels of Matson and for warehouse labor and cargo handling activities in container freight stations operated by Matson or MHR. The parties will agree upon a schedule of rates which will be filed with this Commission. The agreement shall continue indefinitely, provided it may be terminated upon 90 days' notice by either party.

Dated: June 2, 1972.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.72-8544 Filed 6-6-72;8:47 am]

[Independent Ocean Freight Forwarder License 1170]

A. E. DANN & CO.

Order of Revocation

On May 22, 1972, A. E. Dann & Co., 335 West G Street, San Diego, CA 92101, surrendered its Independent Ocean Freight Forwarder License No. 1170 for voluntary revocation, effective immediately.

By virtue of authority vested in me by the Federal Maritime Commission as set forth in Manual of Orders, Commission Order No. 1 (revised) § 7.04(f) (dated May 1, 1972);

It is ordered, That the Independent Ocean Freight Forwarder License No. 1170 of A. E. Dann & Co. be and is hereby revoked effective May 22, 1972, without prejudice to reapply for a license at a later date.

It is further ordered, That a copy of this order be published in the FEDERAL REGISTER and served upon A. E. Dann & Co.

AARON W. REESE,
Managing Director.

[FR Doc.72-8546 Filed 6-6-72;8:47 am]

MAKI INTERNATIONAL & CO. AND JAMES RUSSELL LINNEHAN

Independent Ocean Freight Forwarder License Applicants

Notice is hereby given that the following applicants have filed with the Federal Maritime Commission applications for licenses as independent ocean freight forwarders pursuant to section 44(a) of the Shipping Act, 1916 (75 Stat. 522 and 46 U.S.C. 841(b)).

Persons knowing of any reason why any of the following applicants should not receive a license are requested to communicate with the Director, Bureau of Certification and Licensing, Federal Maritime Commission, Washington, D.C. 20573.

Walter Maki doing business as Maki International & Co., Post Office Box 13049, Port Everglades Station, Fort Lauderdale, FL 33316.

James Russell Linnehan, 4033 Via Marina, Marina Del Rey, CA 90291.

Dated: June 2, 1972.

By the Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.72-8545 Filed 6-6-72;8:47 am]

CERTIFICATES OF FINANCIAL RESPONSIBILITY FOR 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 46 CFR Part 542.

Certificate No.	*Owner/operator and vessels*
01088	Schulte & Bruns: Elisabeth Schulte.[1]
02014	Giovanni di Maio: Maria di Maio.
02266	Marina Mercante Nicaraguense S.A.: Hope.
02524	The Watergate Steam Shipping Co., Ltd.: Oakworth.
02877	Nippon Yusen Kabushiki Kaisha: Tarumi.
02958	Kawasaki Kisen K. K.: Umigawa Maru.
02976	Arthur-Smith Corp.: BW 1934. BW 1933.
03468	Nihonkai Kisen Kabushiki Kaisha: Hamburg Maru.
05515	Henry Gillen's Sons Lighterage, Inc.: Antrim.
06145	Sarsfield Shipping Co., Ltd.: Lewbell.
06429	Ta Cheng Marine Co., Ltd.: Great Producer.
06443	Erjac Ocean Lines, Ltd.: Nordwoge.
06588	Hanover Towing, Inc.: Brazos.
06602	Seahunter Shipping Co., Ltd.: Mimi M.
06734	Cybas Shipping Co., Ltd., and Mr. A. H. Basse: Danesea.
06735	Cybas Shipping Co., Ltd., and A. H. Basse and Kaj Jensen: Danelake.
06736	Cybas Shipping Co., Ltd., and A. H. Basse and E. B. H. Moeller: Daneriver.
06769	W. P. Hunt Co., Inc.: Hunt Bros. No. 12.
06776	Nelson Seeschiffahrts-Agentur and Reederei Ges.m.b.H.: Salzachtal.
06873	Camrose Panama S.A.: Olympic Avenger.
06891	Caribbean Bunkering Co., Inc.: Z-102.
06909	Strofades Shipping Co.: Strofades.
06910	Tai An Steamship Co., Ltd.: Kun An.
06911	Pitria Navigation Co. S.A. Panama: Pitria.
06912	Chevron Tankship (U.K.) Ltd.: James E. O'Brien. E. Hornsby Wasson.
06913	Chevron Marine Corp.: H. J. Haynes. John A. McCone.
06916	Chevron Carriers Corp.: J. T. Higgins. D. L. Bower.
06918	Campbell Logging and Construction Co.: KP 10.
06920	Partrederiet af 5 Marts 1965: Leinster Bay. Botany Bay.
06921	Lee Lai Maritime Co. (Private), Ltd.: Chieh Peng. Chieh Lai.

[1] Certificate effective June 9, 1972.

Photographic products acquired by NASA for research and experimental use in the Earth Resources Survey Program from surface, airborne, or space-borne platforms, will, except as may be prohibited by law or regulation, be freely available for purchase by private and public parties, both foreign and domestic. Such photographic products will be placed in the public domain as soon as practicable after acquisition and before other use is made thereof. All NASA photographic products, whether sold or provided without reimbursement, will be identified as being of NASA origin.

Photographic products will be sold to the public by the Department of Interior's EROS Data Center at Sioux Falls, S. Dak., and the Department of Commerce's NOAA Environmental Data Service. The Department of Agriculture may also elect to sell photographic products through its established outlets. NASA will not establish a Federal outlet for public sale of its photographic products, but such products as are in the public domain may be sold to the public through the Technology and Utilization Program at prices not lower than those charged by the Department of the Interior.

The Departments of Commerce and Interior will make their responsibilities for the sale of photographic products widely known to the public through appropriate media. Both departments will publish regular announcements in the FEDERAL REGISTER covering the procedures for purchase of imagery. Both departments will maintain catalogs of, and price lists for, imagery available for sale. Interior's primary responsibility will be to serve land-oriented users and Commerce's primary responsibility will be to serve oceanic- and atmospheric-oriented users.

After the imagery is in the public domain (imagery is defined as being in the public domain at the point when a Federal outlet has received imagery from which copies for sale can be reproduced), photographic products from the Earth Resources Survey Program may be provided free of charge by NASA and the other Federal agencies engaged in the program under the following conditions:

a. To a limited degree, for purely educational or informational activities in the public interest.

b. Where a binding agreement exists between the Government and a foreign or domestic institution or individual in support of U.S. programs.

c. Where foreign or domestic agreements exist calling for exchange of data.

d. When determined to be in the national interest by a Government agency.

e. When billing costs would exceed the return from charges.

Government agencies that provide imagery without reimbursement to investigators or participants have a responsibility to guard against proprietary exploitation of the results of such investigations until such results have been generally available to the public.

JAMES C. FLETCHER,
Administrator, National Aeronautics and Space Administration.

MAY 30, 1972.

[FR Doc.72-8565 Filed 6-6-72;8:50 am]

PRICE COMMISSION

DEPUTY EXECUTIVE DIRECTOR

Delegation of Authority

Pursuant to the authority delegated to me by the Chairman of the Price Commission in Price Commission Order No. 4 (37 F.R. 7553), I hereby delegate authority to the Deputy Executive Director to—

(a) Administer funds received from the Cost of Living Council or other sources for the purpose of the Price Commission;

(b) Authorize and effect personnel actions, authorize travel and publications, and perform other administrative functions in accordance with the laws and regulations of the Price Commission;

(c) Make decisions and issue orders with respect to individual requests for price or rent increases or adjustments involving a dollar impact of less than $10 million;

(d) Make decisions and issue orders with respect to individual requests for exceptions;

(e) Review and determine correctness of reported price or rent increases or adjustments and issue appropriate orders with respect thereto, in cases involving a dollar impact of less than $10 million;

(f) Order and supervise investigations to determine whether persons are in compliance with the regulations, decisions, and orders of the Price Commission; and

(g) When the Chairman is absent from Washington, D.C., make decisions and issue orders with respect to matters covered by paragraphs (c) and (e) of this order, without regard to impact or amount.

This delegation supersedes the delegation to the Deputy Executive Director issued on April 11, 1972 (37 F.R. 7553).

Issued in Washington, D.C. on May 24, 1972.

BERT LEWIS,
Executive Director.

[FR Doc.72-8539 Filed 6-6-72;8:47 am]

SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

ECOLOGICAL SCIENCE CORP.

Order Suspending Trading

MAY 31, 1972.

The common stock, 2 cents par value, of Ecological Science Corp. being traded on the American Stock Exchange, the Philadelphia - Baltimore - Washington Stock Exchange and Pacific Coast Stock Exchange, pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of Ecological Science Corp. being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such security on such exchange and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 15(c)(5) and 19(a)(4) of the Securities Exchange Act of 1934, that trading in such securities on the above-mentioned exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period June 2, 1972, through June 11, 1972.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-8572 Filed 6-6-72;8:49 am]

[812-3180]

E. F. HUTTON & CO., INC., AND ALEX. BROWN & SONS

Notice of Filing of Application for Exemption

JUNE 1, 1972.

Notice is hereby given that E. F. Hutton & Co., Inc., 1 Battery Park Plaza, New York, NY 10004, and Alex. Brown & Sons (Applicants), 135 East Baltimore Street, Baltimore, MD 21202, prospective representatives of a group of underwriters of a proposed offering of shares of American General Convertible Securities, Inc. (Company), a registered closed-end investment company, have filed an application pursuant to section 6(c) of the Investment Company Act of 1940 (the Act) for an order exempting Applicants and their co-underwriters from section 30(f) of the Act to the extent that section adopts section 16(b) of the Securities Exchange Act of 1934 (the Exchange Act) in respect of their transactions incident to the distribution of Company shares. 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.

Shares of Company are to be purchased by underwriters pursuant to an underwriting agreement to be entered into between Company and the underwriters represented by Applicants. It is intended that the several underwriters will make a public offering of all the ordinary shares of Company which such underwriters are to purchase under the underwriting agreement, at the price therein specified, as soon on or after the effective date of Company's Registration Statement on Form S–4 (the "Form S–4") as the Applicants deem advisable, and such shares are initially to be offered to the public in accordance with the formulae for the determination of the per share public offering price, underwriting commissions, and dealer concessions to be specified in the underwriting agreement, at the time the Form S–4 becomes effective under the Securities Act of 1933.

The overall purpose of the Underwriting Agreement is to enable the Company to issue and sell 3,200,000 shares of its Common Stock to the public and to evolve underwriting arrangements designed to achieve such a result. The Underwriting Agreement therefore contemplates a public distribution of a substantial block of securities effected by the several underwriters, who, in each case, will be engaged in the business of distributing securities and will be participating in this distribution in good faith and in the ordinary course of such business. However, due to the nature of the underwriting business, the Underwriting Agreement provides that individual transactions by the underwriters of purchase and sale will be effected in order to achieve a successful underwriting of this issue for the Company. It is also possible, for the same reasons, that it may be necessary for the several underwriters, or some of them, or either or both of the Applicants, to purchase shares of Common Stock of the Company for the purpose of stabilizing the market price of the shares of Common Stock of the Company being distributed, or to cover an over-allotment or other short position created in connection with such distribution, or to sell shares of Common Stock of the Company purchased in connection with stablizing transactions. Moreover, the Company proposes to grant to the underwriters the right to purchase, on or before 30 days from the effective date of the Form S–4, all or any portion of an additional 320,000 shares of its Common Stock for the sole purpose of covering over-allotments in the sale of the 3,200,000 shares of Common Stock of the Company and, accordingly, upon the exercise of this right by the underwriters, the several underwriters, or some of them, or either or both of the applicants, may purchase up to an additional 320,000 shares of Common Stock of the Company.

Rule 16b–2 under the Exchange Act exempts certain transactions in connection with a distribution of securities from the operation of section 16(b) of the Exchange Act. Applicants state that the purpose of the purchases by Applicants and the other underwriters is for resale in connection with the initial distribution of shares of Company. The purchases and sales will thus be transactions effected in connection with a distribution of a substantial block of securities within the purpose and spirit of Rule 16b–2.

It is possible, however, that Applicants and their co-underwriters will not be exempted from section 16(b) by the operation of Rule 16b–2, as they may fail to meet the requirement stated in paragraph (a)(3) of Rule 16b–2 that the aggregate participation of persons not within the purview of section 16(b) of the Exchange Act be at least equal to the participation of persons receiving the exemption under Rule 16b–2, since it is possible that one or more of the underwriters who pursuant to the underwriting agreement will purchase more than 10 percent of the shares of Company may be obligated to purchase more than 50 percent of the shares of Company being offered pursuant to the underwriting agreement.

Applicants submit that they believe that the exemption requested is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Applicants further state that all information material to investors will be set forth in the final prospectus and, accordingly, Applicants will not be privy to "inside information."

Section 6(c) of the Act authorizes the Commission to exempt any person, security or transaction, or any class or classes of persons, securities or transactions, from any provision or provisions of the Act or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Notice is further given that any interested person may, not later than June 19, 1972, submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicants at the addresses 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 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 postponement thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72–8571 Filed 6–6–72;8:49 am]

[File 500–1]

LEVITZ FURNITURE CORP.

Order Suspending Trading

MAY 31, 1972.

The common stock, 10¢ par value, of Levitz Furniture Corporation being traded on the New York Stock Exchange, the Philadelphia-Baltimore-Washington Stock Exchange and the Pacific Coast Stock Exchange, pursuant to provisions of the Securities Exchange Act of 1934 and such security of Levitz Furniture Corporation being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such security on such exchanges and otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to sections 15(c)(5) and 19(a)(4) of the Securities Exchange Act of 1934, that trading in such security on the above mentioned exchanges and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period June 1, 1972 through June 10, 1972.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72–8573 Filed 6–6–72;8:49 am]

SELECTIVE SERVICE SYSTEM

REGISTRANTS PROCESSING MANUAL

The Registrants Processing Manual is an internal manual of the Selective Service System. Temporary Instructions constitute Appendix 2 of that manual. The material contained in Temporary Instructions 632–5, 632–6, and 660–3 are considered to be of sufficient interest to warrant publication in the FEDERAL REGISTER. Therefore Temporary Instructions 632–5, 632–6, and 660–3 are set forth in full as follows:

[Temporary Instruction 632–5]

INDUCTION PROCESSING FOR JUNE 1972

1. Fully available registrants in Class 1–A or 1–A–O in the First Priority Selection

Group, with RSN 35 or below, are to be ordered to report for induction in June. Induction orders are to be issued as soon as possible. Nonvolunteers will be given at least 30 days' notice. No induction orders for June delivery will be issued after May 31 to nonvolunteers. Volunteers may be ordered at any time, and no minimum notice is required. Registrants who are under a postponement of induction which expires in June shall be issued a letter rescheduling their induction in June, even if special transportation arrangements have to be made. They shall be given 30 to 40 days' notice of their rescheduled reporting date. (Reference Part 1631–SSR, and chapter 631–RPM.)

2. Fully available registrants in Class 1–O in the First Priority Selection Group with RSN 35 or below will be selected for alternate service as soon as possible, but not later than May 31, 1972. (Reference Part 1660–SSR and Temporary Instruction 660–2.)

3. Registrants in the 1972 First Priority Selection Group with RSN 75 or below will be ordered for Armed Forces Examination as soon as possible. (Reference Part 1628–SSR.)

4. You are reminded that Part 1622 of the Selective Service Regulations discontinued Class 1–Y effective December 10, 1971, and Part 1623 requires that every registrant be classified in the lowest existing class for which he qualifies. The processing of registrants in Class 1–Y is to be accomplished as time permits, and reclassification is to be retroactive to December 1971.

5. The temporary 1–H cutoff of RSN 200 for registrants born in 1952 or earlier which was established in Temporary Instruction 631–2 continues in effect. (Reference Part 1622–SSR and chapter 622–RPM.)

This temporary instruction will terminate on June 30, 1972.

Issued: May 5, 1972.

BYRON V. PEPITONE,
Acting Director.

[Temporary Instruction 632–6]

JULY 1972 INDUCTION PERIOD

1. *July 1972 induction call.* Fully available registrants in Classes 1–A and 1–A–O in the 1972 First Priority Selection Group with RSN 50 or below shall be ordered to report for induction in July. State Directors will schedule deliveries so that approximately 40 percent of the deliveries are made in the first week of July, 30 percent in the second week, 20 percent in the third week, and 10 percent in the fourth week, including July 31.

Induction orders for the July induction call are to be issued beginning June 1, 1972. Nonvolunteers will be given at least 30 days' notice. Volunteers may be ordered at any time and no minimum notice is required. Registrants whose inductions have been postponed indefinitely or for a period of more than 40 days, either by authority of the Director or the State Director, or by the local board, to complete an academic term or year, shall be given between 30 and 40 days notice of their rescheduled reporting date. The rescheduled reporting date shall be the earliest possible date following the expiration of the postponement.

In summary, the order is as follows:

(a) Nonvolunteers to whom orders to report for induction have been issued and as to whom the dates on which they were to report for induction have been postponed to a month in which there is an outstanding call will be forwarded for induction in the order of their random sequence number.

(b) Volunteers who have not attained the age of 26 years shall be selected and ordered to report for induction in the sequence in which they have volunteered for induction.

(c) Nonvolunteers in the First Priority Selection Group shall be selected and ordered to report for induction in the order of their random sequence number. (Reference Parts 1631 and 1632, SSR; chapters 631 and 632, RPM.)

2. *Student postponements.* Any registrant who is in attendance in summer school at the time his induction order is issued shall have his induction date postponed until the end of the summer session in which he is enrolled, unless such summer session will end before his scheduled induction date. (Reference Part 1632, SSR; chapter 632, RPM.)

3. *Selections for alternate service.* Fully available registrants in Class 1–O in the First Priority Selection Group with RSN 50 or below will be selected for alternate service. Selection notices will be issued beginning June 1, 1972, and not later than June 30, 1972. (Reference Part 1660, SSR.)

4. *Armed Forces examination.* Registrants in the 1972 First Priority Selection Group with RSN 90 or below shall now be ordered for Armed Forces examination. The rate of deliveries of these registrants to the AFEES shall be coordinated by the State Director with the AFEES Commander. Every effort should be made to examine these registrants as soon as possible. Where it is not possible for the AFEES to immediately accommodate all registrants eligible for examination, the State Director shall insure that registrants are examined in the order of their vulnerability for induction. (Reference Part 1628, SSR; chapter 628, RPM.)

5. *1–H Administrative processing cutoff for 1972 First Priority Selection Group.* The temporary 1–H cutoff of RSN 200 for registrants born in 1952 or earlier which was established in Temporary Instruction 631–2 continues in effect. (Reference Part 1622, SSR; chapter 622, RPM.)

6. *Reclassification out of Class 1–Y.* Reclassification of registrants out of Class 1–Y, retroactive to December 1971, will continue until all such classifications have been completed. (Reference Part 1622, SSR; chapter 622, RPM.)

This temporary instruction will terminate on July 31, 1972.

Issued: May 25, 1972.

BYRON V. PEPITONE,
Acting Director.

[Temporary Instruction 660–3]

MONTHLY REPORT OF AVAILABILITY BY PRIORITY SELECTION GROUPS—CLASS 1–O

A monthly report on the status of 1–O registrants is being instituted so we may know how current policies regarding processing of registrants for alternate service are being implemented throughout the system.

Copies of the special report form "Monthly Report of Availability by Priority Selection Groups—Class 1–O" are being mailed to all states for distribution to local boards. The first monthly report will cover May 1972, and will be due at national headquarters not later than June 20, 1972. Reports will be submitted monthly on this form, in accordance with the printed instructions, until a permanent numbered form is issued.

This temporary instruction will terminate when the permanent numbered form is issued.

Issued: May 17, 1972.

BYRON V. PEPITONE,
Acting Director.

PROCEDURAL DIRECTIVE MONTHLY REPORT OF AVAILABILITY BY PRIORITY SELECTION GROUPS CLASS 1–O

1. *Purpose.* The primary purpose of this report is to provide current information on the status of registrants in Class 1–O.

2. *Preparation and distribution.* a. Do not report a registrant more than once in Items 1 through 35.

b. Prepared in duplicate by the local board as of the last day of each month. The original is sent to State headquarters by the 10th of the month, where a consolidated report is prepared in triplicate. The original and one copy of the consolidated report are sent to National Headquarters, Attention: OOPR, to arrive not later than the 20th of the month.

3. *Explanation of column entries.* a. Column A. Registrants who have been issued an Order to Report for Civilian Work (SSS Form 153) during this reporting period.

b. Column B. Registrants available for alternate service who have been issued a Selection for Alternate Service (SSS Form 155) during this reporting period.

c. Column C. Registrants available for alternate service who have not been issued a Selection for Alternate Service (SSS Form 155).

d. Column D. Registrants whose time periods for requesting a personal appearance and/or appeal have either not expired or they have pending a personal appearance and/or an appeal.

NOTE: Columns A, B, C, and D, respectively consist of registrants who have been examined and found qualified and those who have failed to report for or submit to Armed Forces examination.

e. Column E. Registrants under an Order to Report for Armed Forces Examination (SSS Form 223), whatever their personal appearance or appeal status.

f. Column F. Registrants not under an Order to Report for Armed Forces Examination (SSS Form 223), whatever their personal appearance or appeal status.

g. Column G. Previously examined registrants not under an Order to Report for Armed Forces Examination (SSS Form 223) whose reexaminations are believed justified whatever their personal appearance or appeal status.

4. *Explanation of item entries.* a. Item 1. Registrants in the Extended Priority Selection Group.

b. Items 2 through 33. Registrants in the current year's First Priority Selection Group by random sequence number groupings (1–5, 6–10, 11–15, 16–20, etc.).

c. Item 34. The sum of Items 2 through 33.

d. Item 35. Registrants who are Medical Specialists, all ages. Medical Specialists consist of Doctors of Medicine, Doctors of Optometry, Doctors of Osteopathy, Dentists, Veterinarians and Nurses.

e. Item 36. The number of registrants classified in Class 1–W during the month of the report.

f. Item 37. The total number of registrants in Class 1–W as of the date of the report.

SELECTIVE SERVICE SYSTEM MONTHLY REPORT OF AVAILABILITY BY PRIORITY SELECTION GROUPS CLASS 1-O

LOCAL BOARD NUMBER AND STATE, OR STATE HEADQUARTERS		REPORTING DATE		MAILING DATE				
		EXAMINED AND QUALIFIED				NOT EXAMINED		
	ITEM	SSS Form 153 Issued	Available for Alternate Service: SSS Form 153 Issued	Available for Alternate Service: SSS Form 153 Not Issued	Personal Appearance or Appeal Pending	Ordered For Examination	Not Ordered For Examination	Reexamination Believed Justified
		Column A	Column B	Column C	Column D	Column E	Column F	Column G
1	Extended Priority Selection Group							
	First Priority Selection Group by RSN							
2	1 - 5							
3	6 - 10							
4	11 - 15							
5	16 - 20							
6	21 - 25							
7	26 - 30							
8	31 - 35							
9	36 - 40							
10	41 - 45							
11	46 - 50							
12	51 - 55							
13	56 - 60							
14	61 - 65							
15	66 - 70							
16	71 - 75							
17	76 - 80							
18	81 - 85							
19	86 - 90							
20	91 - 95							
21	96 - 100							
22	101 - 105							
23	106 - 110							
24	111 - 115							
25	116 - 120							
26	121 - 125							
27	126 - 130							
28	131 - 135							
29	136 - 140							
30	141 - 145							
31	146 - 150							
32	151 - 200							
33	201 - 366							
34	Totals (Items 2-33)							
35	Medical Specialists							
36	Number of Registrants Classified in Class 1-W This Month							
37	Number of Registrants in Class 1-W (Total to Date)							

BYRON C. PEPITONE,
Acting Director.

MAY 31, 1972.

[FR Doc.72-8425 Filed 6-6-72;8:45 am]

SMALL BUSINESS ADMINISTRATION

[License 04/05-0101]

ASSOCIATED BUSINESS INVESTMENT CORP.

Notice of Approval of Application for Transfer of Control of a Licensed Small Business Investment Company

On May 6, 1972, a notice of application for transfer of control was published in the FEDERAL REGISTER (37 F.R. 9267) stating that an application had been filed with the Small Business Administration (SBA) pursuant to § 107.701 of the SBA rules and regulations governing small business investment companies (13 CFR 107.701 (1971)), for transfer of control of Associated Business Investment Corporation, Bank for Savings Building, Suite 9267) stating that an application had 735, Birminghom, Ala. 35203, License No. 04/05-0101, a Federal Licensee under the Small Business Investment Act of 1958, as amended (the Act) (15 U.S.C. 661 et seq.).

Interested persons were given until the close of business May 23, 1972, to submit to SBA their written comments. No comments were received. SBA, having considered the application and all pertinent information and facts with regard thereto, hereby approves the application for transfer of control of Associated Business Investment Corporation.

Dated: May 31, 1972.

CLAUDE ALEXANDER,
Associate Administrator for Operations and Investment.

[FR Doc.72-8522 Filed 6-6-72;8:46 am]

[License 03/04-0081]

CAPITAL INVESTMENT COMPANY OF WASHINGTON

Notice of Filing of Application for Approval of Conflict of Interest Transaction

Notice is hereby given that Capital Investment Company of Washington (Capital), 1001 Connecticut Avenue NW., Washington, DC 20036, a Federal licensee under the Small Business Investment Act of 1958, as amended (Act), has filed an application with the Small Business Administration (SBA), pursuant to section 312 of the Act and covered by § 107.1004 of the SBA rules and regulations governing Small Business Investment Companies (13 CFR 107.10004 (1971)), for approval of a conflict of interest transaction falling within the scope of the above sections of the Act and regulations.

Subject to such approval, Capital proposes to invest in Psychiatric Institutes of America, Inc. (PIA). PIA is primarily engaged in the business of providing administrative consulting and related services on a contractual basis to three psychiatric hospitals in which it has or is acquiring an ownership interest. Funds needed by PIA will be used to acquire ninety percent (90%) of the outstanding common stock of Elmcrest Manor Psychiatric Institute, Inc., retire notes payable of Tidewater Psychiatric Institute, Inc., and repay short-term indebtedness to the First Virginia Bank.

The proposed investment is brought within the purview of § 107.1004 of the regulations since Mr. Louis M. Kaplan is an officer, director and less than a 10 percent stockholder of the licensee, a partner of a law firm which by certain of its partners owning stock of the licensee and officers of the licensee collectively own 38.04 percent of the licensee's stock; is Senior Vice President and an owner of 4.293 shares (2.26%) of the issued and outstanding common stock of PIA.

The application represents the following:

1. Capital has no affiliated investments in its portfolio.

2. The terms of the investment in PIA are as set forth in a commitment letter issued by Allied Capital Corporation.

3. The transaction is fair and reasonable to all parties concerned.

Notice is hereby given that any interested person may, not later than 15 days from the date of publication of this notice, submit to SBA, in writing, relevant comments on the proposed transaction. Any such communication should be addressed to the Associate Administrator for Investment, Small Business Administration, 1441 L Street NW., Washington, D.C. 20416. After expiration of the 15 days, SBA may dispose of this application on the basis of the information

contained in the application, the comments (if any) which are received, and other relevant data.

Dated: May 31, 1972.

CLAUDE ALEXANDER,
Associate Administrator for Operations and Investment.

[FR Doc.72-8523 Filed 6-6-72;8:46 am]

[Declaration of Disaster Loan Area 904 (Class B)]

KENTUCKY

Declaration of Disaster Loan Area

Whereas, it has been reported that during the month of April 1972, because of the effects of certain disasters damage resulted to homes and business property located in the State of Kentucky;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the area affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such area constitutes a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Associate Administrator for Operations and Investment of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the office below indicated from persons or firms whose property situated in Wayne, Lincoln, Franklin, Breathitt, Bullitt, Floyd, Knott, Letcher, Madison, and Pike Counties, suffered damage or destruction resulting from floods beginning about April 12, 1972.

OFFICE

Small Business Administration District Office, Federal Office Building, Room 188, 600 Federal Place, Louisville, KY 40202.

2. Applications for disaster loans under the authority of this Declaration will not be accepted subsequent to August 31, 1972.

Dated: May 18, 1972.

CLAUDE ALEXANDER,
Associate Administrator for Operations and Investment.

[FR Doc.72-8524 Filed 6-6-72;8:46 am]

[Declaration of Disaster Loan Area 903 (Class B)]

NEW YORK

Declaration of Disaster Loan Area

Whereas, it has been reported that during the months of April and May 1972, because of the effects of certain disasters damage resulted to homes and business property located in the State of New York;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the area affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such area constitutes a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Associate Administrator for Operations and Investment of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the office below indicated from persons or firms whose property situated in the county of Onondaga, N.Y., suffered damage or destruction resulting from floods occurring during April and May 1972.

OFFICE

Small Business Administration District Office, Fayette and Salina Streets, Syracuse, NY 13202.

2. Applications for disaster loans under the authority of this Declaration will not be accepted subsequent to August 31, 1972.

Dated: May 17, 1972.

CLAUDE ALEXANDER,
Associate Administrator for Operations and Investment.

[FR Doc.72-8525 Filed 6-6-72;8:46 am]

INTERSTATE COMMERCE COMMISSION

[Notice 2]

ASSIGNMENT OF HEARINGS

JUNE 2, 1972.

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 2202 Sub 401, Roadway Express, Inc., now assigned July 10, 1972, at Baltimore, Md., hearing canceled and reassigned July 10, 1972, at the Holiday Inn, North on Route 13, in Salisbury, Md.

No. 35435, freight all kinds, official territory, No. 35435 Sub 1, freight all kinds, official territory, No. 35435 Sub 2, freight all kinds, southern territory, No. 35435 Sub 3, freight all kinds, Louisville & Nashville RR, No. 35435 Sub 4, freight all kinds, between Chicago and Jersey City, No. 35435 Sub 5, freight all kinds, between Maryland, New Jersey and Pennsylvania and Central States, No. 35435 Sub 6, TOFC rates, between the South and IFA territory, No. 35435 Sub 7, freight all kinds, between Boston and Central States, No. 35435 Sub 8, freight all kinds, between southern and official territories, No. 35435 Sub 9, freight all kinds, between Eastern and Central States, No. 35435 Sub 10, freight all kinds, between Ohio and Southern States, now assigned June 26, 1972, at Washington, D.C., postponed to July 31, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

No. MC 129631, Pack Transport, Inc., now assigned July 10, 1972 at Salt Lake City, Utah, will be held in room 314, Federal Annex Building, 135 South State Street.

W-497 Sub 7, United States Lines, Inc., now assigned July 10, 1972, at San Francisco, Calif., will be held in room 503, Customhouse, 555 Battery Street.

MC 133789, Big Sky Farmers and Ranchers Marketing Cooperative of Montana, now assigned July 17, 1972, at Los Angeles, Calif., will be held in room 1534, Courthouse, 312 North Spring Street.

MC-F-11402, Continental Van Lines, Inc.—Purchase (Portion)—Elmer L. Sims, G. Grant Sims-Elmer L. Sims-Trustee, now assigned July 24, 1972, and MC 129631 Sub 25, Pack Transport, Inc., now assigned July 27, 1972, at Salt Lake City, Utah, will be held in room 314, Federal Annex Building, 135 South State Street.

MC 115841 Sub 411, Colonial Refrigerated Transportation, Inc., MC 117883 Sub 159, Subler Transfer, Inc., and MC 119619 Sub 43, Distributors Service Co., assigned July 17, 1972, at Chicago, Ill., will be held in room 286, Everett McKinley Dirksen Building, 219 South Dearborn Street.

MC 136163, Jerome Kelly, Jr., doing business as Jerome Kelly & Son, now assigned June 5, 1972, at Washington, D.C., postponed indefinitely.

MC 111383 Sub 33, Braswell Motor Freight Lines, Inc., now being assigned hearing July 10, 1972 (1 week), at Atlanta, Ga., hearing room to be later designated.

MC 87720 Sub 124, Bass Transportation Co., Inc., now assigned June 7, 1972, at Washington, D.C., postponed indefinitely.

MC 117574 Sub 210, Daily Express, Inc., now assigned June 13, 1972, at Washington, D.C., postponed to July 17, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 116110 Sub 10, P. C. White Truck Line, Inc., now assigned July 24, 1972 (2 weeks), at Atlanta, Ga., Atlanta Cabana Motor Hotel, 870 Peachtree Street Northeast, Atlanta, GA.

MC 72423 Sub 3, R. D. Hounshell, doing business as Sterling Transfer Co., now assigned July 17, 1972 (1 week), at Denver, Colo., will be held in room 1430, Federal Building, 1961 Stout Street, Denver, CO.

MC-F-11345, Brown Transport Corp.—Investigation of Control—Pool Freight Line, Inc., now assigned June 6, 1972, at Atlanta, Ga., canceled.

MC 15859 Sub 7, the Hine Line, MC 123639 Sub 144, J. B. Montgomery, Inc., now being assigned July 20, 1972 (2 days), MC 124211 Sub 204, Hilt Truck Line, Inc., now being assigned hearing July 17, 1972 (1 day), MC 124774 Sub 80, Midwest Refrigerated Express, now being assigned hearing July 18, 1972 (2 days), at Omaha, Nebr., in a hearing room later to be designated.

MC 18088 Sub 54, Floyd & Beasley Transfer Co., Inc., MC 35320 Sub 127, T.I.M.E.-DC, INC., MC 41432 Sub 116, East Texas Motor Freight Lines, Inc., MC 61788 Sub 28, Georgia-Florida-Alabama Transportation Co., MC 65697 Sub 46, Theatres Service Co., MC 105881 Sub 46, M & R Trucking Co., MC 113528 Sub 19, Mercury Freight Lines, Inc., continued to June 27, 1972, in room 305, 1252 West Peachtree Street NW., Atlanta, GA.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-8603 Filed 6-6-72;8:48 am]

[Notice 16]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

JUNE 2, 1972.

The following letter-notices of proposals (except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application), to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules-Motor Carriers of Passengers, 1969 (49 CFR 1042.2(c)(9)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.2(c)(9)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.2(c)(9)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules-Motor Carriers of Property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PASSENGERS

No. MC-1515 (Deviation No. 618), GREYHOUND LINES, INC. (Western Division), 371 Market Street, San Francisco, CA 94106, filed May 24, 1972. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage, and express and newspapers* in the same vehicle with passengers, over a deviation route as follows: From Stockton, Calif., over Interstate Highway 5 to junction unnumbered highway (South French Camp Junction, Calif.), and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over a pertinent service route as follows: From Stockton, Calif., over unnumbered highway to junction Interstate Highway 5, thence over Interstate Highway 5 to junction California Highway 120 (San Joaquin Bridge), and return over the same route.

No. MC-2890 (Deviation No. 91), AMERICAN BUSLINES, INC., 300 South Broadway Avenue, Wichita Falls, KS 67202, filed May 24, 1972. Carrier's representative: H. Van Ingelgum, 1501 South Central Avenue, Los Angeles, CA 90021. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage, and express and newspapers* in the same vehicle with passengers, over a deviation route as follows: From Lake Point Junction, Utah, over Interstate Highway 80 to Timpie, Utah, and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over a pertinent service route as follows: from Salt Lake City, Utah, over U.S. Highway 40 to Lake Point Junction, Utah, thence over Utah Highway 138 (formerly portion U.S. Highway 40) to Timpie, Utah, thence over U.S. Highway 40 to Reno, Nev., and return over the same route.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-8598 Filed 6-6-72;8:47 am]

[Notice 17]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

JUNE 2, 1972.

The following letter-notices of proposals (except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application), to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules-Motor Carriers of Property, 1969 (49 CFR 1042.4(d)(11)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.4(d)(11)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.4(d)(12)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules-Motor Carriers of Property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC-41432 (Deviation No. 16), EAST TEXAS MOTOR FREIGHT LINES, INC., 2355 Stemmons Freeway, Post Office Box 10125, Dallas, TX 75207, filed May 24, 1972. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Dallas, Tex., over U.S. Highway 81 to junction U.S. Highway 287, thence over U.S. Highway 287 via Wichita Falls, Tex., to Amarillo, Tex., thence over U.S. Highway 87 to Denver, Colo., thence over U.S. Highway 40 to Salt Lake City, Utah, thence over U.S. Highway 89 to junction U.S. Highway 30-S, thence over U.S. Highway 30-S to junction U.S. Highway 30, thence over U.S. Highway 30 to Portland, Oreg., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over a pertinent service route as follows: From Dallas, Tex., over U.S. Highway 80 to Las Cruces, N. Mex., thence over U.S. Highway 70 to Los Angeles, Calif., thence over U.S. Highway 99 to Sacramento, Calif., thence over U.S. Highway 99 and Interstate Highway 5 to Portland, Oreg., and return over the same route.

No. MC-48958 (Deviation No. 32), ILLINOIS-CALIFORNIA EXPRESS, INC., Post Office Box 9050, Amarillo, TX 79105, filed May 18, 1972. Carrier's representative: Morris G. Cobb, same address as applicant. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From San Diego, Calif., over U.S. Highway 80 (Interstate Highway 8) to junction Arizona Highway 84, thence over U.S. Highway 80 to Phoenix, Ariz., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From San Diego, Calif., over U.S. Highway 395 to junction California Highway 79, thence over California Highway 79 to Colton, Calif., (2) from Colton, Calif., over U.S. Highway 99 to Indio, Calif., thence over U.S. Highway 60 to Wickenburg, Ariz., thence over U.S. Highway 89 to Ash Fork, Ariz., and (3) from Wickenburg, Ariz., over U.S. Highway 89 to Phoenix, Ariz., and return over the same routes.

No. MC-48958 (Deviation No. 33), ILLINOIS-CALIFORNIA EXPRESS, INC., Post Office Box 9050, Amarillo, TX 79105, filed May 19, 1972. Carrier's representative: Morris G. Cobb, same address as applicant. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Fort Worth, Tex., over Interstate Highway 20 (U.S. Highway 80 where portions of the interstate highway is not completed) to junction Interstate Highway 10, thence over Interstate Highway 10 (U.S. Highway 80 and Arizona Highway 93 where portions of the interstate highway is not completed) to Phoenix, Ariz., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From Amarillo, Tex., over U.S. Highway 287 via Wichita Falls, Tex., to Rhome, Tex., thence over Texas Highway 114 to Dallas, Tex., (2) from Fort Worth, Tex., over U.S. Highway 81 to Rhome, Tex., (3) from Amarillo, Tex., over U.S. Highway 66 to San Jon, N. Mex., (4) from Tucumcari, N. Mex., over U.S. Highway 66 to San Jon, N. Mex., (5) from Moriarty, N. Mex., over U.S. Highway 66 to Tucumcari, N. Mex., (6) from Albuquerque, N. Mex., over U.S. Highway 66 to Moriarty, N. Mex., (7) from Los Angeles, Calif., over U.S. Highway 66 to Albuquerque, N. Mex., and (8) from Flagstaff, Ariz., over Interstate Highway 17 to Phoenix, Ariz., and return over the same routes.

No. MC-59583 (Deviation No. 43), THE MASON & DIXON LINES, INCORPORATED, Post Office Box 969, Kingsport, TN 37662, filed May 9, 1972. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over deviation routes as follows: (1) From Greensburg, Pa., over U.S. Highway 119 to Grafton, W. Va., thence over U.S. Highway 250 to Huttonsville, W. Va., thence over U.S. Highway 250 to junction Interstate Highway 81, thence over U.S. Highway 81 to junction U.S. Highway 11, thence over U.S. Highway 11 to Roanoke, Va., and (2) from Greensburg, Pa., over U.S. Highway 119 to Grafton, W. Va., thence over U.S. Highway 250 to Huttonsville, W. Va., thence over U.S. Highway 219 to junction U.S. Highway 60, thence over U.S. Highway 60 (Interstate Highway 64 where completed) to junction Interstate Highway 81, thence over Interstate Highway 81 to junction U.S. Highway 11, thence over U.S. Highway 11 to Roanoke, Va., and return over the same routes, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From Greensburg, Pa., over U.S. Highway 30 to Breezewood, Pa., thence over Interstate Highway 70 to junction U.S. Highway 522, thence over U.S. Highway 522 to Hancock, Md., thence over U.S. Highway 40 to Hagerstown, Md., thence over U.S. Highway 11 to Roanoke, Va., and (2) from Lancaster, Pa., over U.S. Highway 30 to Mansfield, Ohio, and return over the same routes.

No. MC-71293 (Deviation No. 1), FINAN'S EXPRESS, INC., Town Farm Road, Barre, Mass. 01005, filed May 22, 1972. Carrier representative: Harold G. Danner, 10 Industrial Park Road, Hingham, Mass. 02043. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over deviation routes as follows: (1) From Worcester, Mass., over Interstate Highway 90 (Massachusetts Turnpike) to Boston, Mass., and (2) from junction Massachusetts Highways 12 and 2, near Lancaster, Mass., over Massachusetts Highway 2 to Boston, Mass., and return over the same routes, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From Barre, Mass., over Massachusetts Highway 122 to Worcester, Mass., thence over Massachusetts Highway 9 to Boston, Mass., (2) from Barre, Mass., over Massachusetts Highway 122 to junction Massachusetts Highway 122-A, thence over Massachusetts Highway 122-A to Worcester, Mass., thence over U.S. Highway 20 to Boston, Mass., (3) from Worcester, Mass., over Massachusetts Highway 12 via West Boylston, Mass., to Fitchburg, Mass., thence over Massachusetts Highway 2 via Westminster, Mass., to Greenfield, Mass., and (4) from Worcester, Mass., over Massachusetts Highway 12 to West Boylston, Mass., thence over Massachusetts Highway 140 to Westminster, Mass., thence over Massachusetts Highway 2 to Greenfield, Mass., and return over the same routes.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-8599 Filed 6-6-72;8:47 am]

[Notice 44]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

JUNE 2, 1972.

The following publications are governed by the new § 1.247 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of December 3, 1963, which became effective January 1, 1964.[1]

The publications hereinafter set forth reflect the scope of the applications as filed by applicant, and may include descriptions, restrictions, or limitations which are not in a form acceptable to the Commission. Authority which ultimately may be granted as a result of the applications here noticed will not necessarily reflect the phraseology set forth in the application as filed, but also will eliminate any restrictions which are not acceptable to the Commission.

APPLICATIONS ASSIGNED FOR ORAL HEARING

MOTOR CARRIERS OF PROPERTY

No. MC 21866 (Sub-No. 68) (Republication), filed June 25, 1971, published in the FEDERAL REGISTER issue of July 29, 1971, and republished this issue. Applicant: WEST MOTOR FREIGHT, INC., 740 South Reading Avenue, Boyertown, PA 19512. Applicant's representative: Alan Kahn, 1920 2 Penn Center Plaza, Philadelphia, PA 19102. A report and order of the Commission, Review Board No. 3, decided March 8, 1972, and served April 25, 1972, as amended, finds, that operation by applicant in interstate or foreign commerce, as a common carrier, by motor vehicle, over irregular routes, of foodstuffs, and pet foods (except commodities in bulk, between the storage facilities of Agfoods, Inc., at Fleetwood and Richmond Townships, Pa., on the one hand, and, on the other, points in Connecticut, Rhode Island, Massachusetts, Delaware, Virginia, West Virginia, Ohio, New York, New Jersey, Maryland, Illinois, and Indiana, and the District of Columbia, restricted to the transportation of shipments originating at or destined to the above-described facility, and destined to or originating at points in the specified States and the District of Columbia; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other parties who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority described in the findings in this order, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a certificate in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition or other relief setting forth in detail the precise manner in which it has been so prejudiced.

[1] Except as otherwise specifically noted, each applicant (on applications filed after Mar. 27, 1972) states that there will be no significant effect on the quality of the human environment resulting from approval of its application.

APPLICATIONS FOR FILING OF PETITIONS

No. MC 12731 Sub 1 and Sub 2 (Notice of Filing of Petition for Waiver of Rule 1.101(e) and for Modification of Broker's License), filed April 3, 1972. Petitioner: TEENS N" TOURS, INC., Massapequa, N.Y. Petitioner's representative: William J. Augello, Jr., Horn Professional Center, 103 Fort Salonga Road, Northport, NY 11768. Petitioner holds a license to engage in operations as a broker of "Passengers and their baggage, in all-expense round-trip tours, in special and charter operations, beginning and ending at Merrick, Long Island, and at points in Nassau and Suffolk Counties, N.Y., west of New York Highway 112 and extending to points in the United States (including Alaska but excluding Hawaii)," at Massapequa, N.Y. On August 14, 1969, the Commission granted additional authority to petitioner to operate as a broker at Floral Park, N.Y., for "Passengers and their baggage, both as individuals and in groups, in all-expense round trip tours" between the same territory specified in Sub 1. By the instant petition, petitioner seeks to waive Rule 101(e) of the Commission's general rules of practice and accept this petition for filing, and modify petitioner's broker's licenses in Sub 1 and Sub 2 to read: "Passengers and their baggage, in special and charter service." Any interested person desiring to participate may file an original and six copies of his written representations, views or argument in support of or against the petition within 30 days from the date of publication in the FEDERAL REGISTER.

No. MC 42894 (Notice of Filing of Petition for Reopening and Modification of Certificate), filed May 16, 1972. Petitioner: FRANK M. HERBERT, INC., Brooklyn, N.Y. Petitioners representatives: Edward L. Nehez and William D. Traub, 10 East 40th Street, New York, N.Y. 10016. Petitioner holds authority in No. MC 42894 as a common carrier, over irregular routes, of heavy machinery, factory equipment, and contractors' equipment, between points in Connecticut, Delaware, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island. By the instant petition, petitioner requests that the commodity description be modified to read: "Commodities, the transportation of which because of size or weight requires the use of special

equipment, factory equipment, and contractors' equipment." Any interested person desiring to participate may file an original and six copies of his written representations, views, or argument in support of or against the petition within 30 days from the date of publication in the FEDERAL REGISTER.

No. MC 126034 (Sub Nos. 1, 3, and 4), (NOTICE OF FILING OF PETITION FOR WAIVER OF RULE 1.101(e), FOR CONSIDERATION, AND FOR MODIFICATION OF CERTIFICATES), filed May 8, 1972. Petitioner: BUCKS COUNTY CONSTRUCTION COMPANY, Penndel, Pa. 19047. Petitioner's representatives: John W. Frame, Box 626, Camp Hill, Pa. 17011 and Paul F. Sullivan, 711 Washington Building, Washington, D.C. 20005. This petition is directed to petitioner's interstate operating authority, as contained in its certificates of public convenience and necessity No. MC–126034, Sub 1, MC–126034, Sub No. 3, and MC–126034, Sub No. 4, which authorized the transportation of: *Sub No. 1: Machinery,* including *pumps, condensers, dynamos, motors,* and *parts,* between Philadelphia, Pa., on the one hand, and, on the other, Wilmington, Del., and points in New Jersey. Between points in Philadelphia, Pa. *Sub No. 3: Machinery and boilers,* and *factory equipment,* together with *stocks* and supplies when part of the movement of a factory, between points in New Jersey, on the one hand, and, on the other, Sayre and Erie, Pa., Aberdeen, Md., and Martinsburg, W. Va., and points in Connecticut, Massachusetts, New York, the District of Columbia, and those in Pennsylvania on and east of the Susquehanna River. *Sub No. 4: Construction machinery and equipment,* between points in Pennsylvania, New Jersey, and Delaware within 40 miles of Philadelphia, Pa., including Philadelphia. By the instant petition, petitioner seeks waiver of Rule 1.101(e) of the Commission's General Rules of Practice, for reconsideration, and for modification of its Sub Nos. 1, 3, and 4 certificates, each of which include the term "machinery". Petitioner would have the pertinent commodity description in its Sub No. 1 certificate be modified so as to read as follows:

(1) Commodities, the transportation of which, because of their size or weight, requires the use of special equipment, and related machinery parts and related contractors' materials and supplies when their transportation is incidental to the transportation by said carrier of commodities which by reason of size or weight require special equipment; and (2) of self-propelled articles, each weighing 15,000 pounds or more, and related machinery tools, parts, and supplies moving in connection therewith (restricted to commodities which are transported on trailers). And the pertinent commodity description in its Sub No. 3 certificate be amended to: "(1) Commodities, the transportation of which, because of their size or weight, requires the use of special equipment, and related machinery parts and related contractors' materials and supplies when their transportation is incidental to the transportation by said carrier of commodities which by reason of size or weight require special equipment; and (2) of self-propelled articles, each weighing 15,000 pounds or more, and related machinery tools, parts, and supplies moving in connection therewith (restricted to commodities which are transported on trailers)." And the pertinent commodity descriptions in its Sub No. 4 certificate be amended to: "(1) Commodities, the transportation of which, because of their size or weight, requires the use of special equipment, and related machinery parts and related contractors' materials and supplies when their transportation is incidental to the transportation by said carrier of commodities which by reason of size or weight require special equipment; and (2) of self-propelled articles, each weighing 15,000 pounds or more, and related machinery tools, parts, and supplies moving in connection therewith (restricted to commodities which are transported on trailers)." Any interested person desiring to participate may file an original and six copies of his written representations, views or argument in support of or against the petition within 30 days from the date of publication in the FEDERAL REGISTER.

No. MC 128217 (Notice of Filing of Petition for Modification of Permit to Add Additional Contracting Shipper), filed May 9, 1972. Petitioner: MAYER TRUCK LINE, Jamestown, N. Dak. Petitioner's representative: Thomas J. Van Osdel, 502 First National Bank Building, Fargo, N. Dak. 58102. As is pertinent to the instant petition, petitioner is authorized as a contract carrier, to transport: Iron and steel articles as described in Group III of Appendix V to the report in *Descriptions and Motor Carrier Certificates,* 61 M.C.C. 209, from Minneapolis, Minn., and Chicago, Ill., to points in North Dakota and South Dakota, under continuing contract or contracts with LeFevre Sales, Inc., and Haybuster Manufacturing, Inc., both of Jamestown, N. Dak. By the instant petition, petitioner seeks to add Williams Steel & Hardware Co., Minneapolis, Minn., as an additional contracting shipper. Any interested person desiring to participate may file an original and six copies of his written representations, views or argument in support of or against the petition within 30 days from the date of publication in the FEDERAL REGISTER.

APPLICATION FOR CERTIFICATE OR PERMIT WHICH IS TO BE PROCESSED CONCURRENTLY WITH APPLICATIONS UNDER SECTION 5 GOVERNED BY SPECIAL RULE 240 TO THE EXTENT APPLICABLE

No. MC 43038 (Sub-No. 451), filed May 15, 1972. Applicant: COMMERCIAL CARRIERS, INC., 10701 Middlebelt Road, Romulus, MI 48174. Applicant's representatives: Jack C. Goodman, 39 South La Salle Street, Chicago, IL 60603 and E. P. Malone, 3800 Frederica Street, Owensboro, KY 42301. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: (1) *Automobiles,* in truckaway and driveaway service, in initial movements, from Vernon, Calif., to points in Arizona, Nevada, and in the Los Angeles Harbor, Calif., commercial zone, as defined by the Commission, with no transportation for compensation on return except as otherwise authorized; (2) *automobiles,* in truckaway and driveaway service, in secondary movements, between points in Fresno, Madera, Mono, Kings, Tulare, and Inyo Counties, Calif., and points in that part of California south of the northern boundaries of San Luis Obispo, Kern, and San Bernardino Counties, Calif., on the one hand, and, on the other, points in Arizona and Nevada, and (3) *motor vehicles* (except trailers), in initial movements, by truckaway service, from Vernon, Calif., and the plantsite of the Willys Overland Motors Corp. near Maywood, Calif., to points in Utah, Idaho, Oregon, and Washington, and those in Teton, Sublette, Sweetwater, Unita, and Lincoln Counties, Wyo., with no transportation for compensation on return except as otherwise authorized. NOTE: The instant application is a matter directly related to MC–F–11539 published in the FEDERAL REGISTER issue of May 24, 1972. Common control may be involved. Applicant states that the requested authority can be tacked with its existing authority to serve authorized destination points in Nevada, Utah, Colorado, Washington, Idaho, Wyoming, Iowa, Arizona, and New Mexico. If a hearing is deemed necessary, applicant requests it be held at Los Angeles, Calif., or Detroit, Mich.

APPLICATIONS UNDER SECTIONS 5 AND 210a(b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers under sections 5(a) and 210a(b) of the Interstate Commerce Act and certain other proceedings with respect thereto (49 CFR 1.240).

MOTOR CARRIERS OF PROPERTY

MOTOR CARRIER PASSENGER

No. MC–F–11551. Authority sought for purchase by PHILBORO COACH CORP., North Broadway, Post Office Box 418, Pitman, NJ 08071, of the operating rights and property of PENN STAGES, INC., 12th and Cumberland Streets, Allentown, PA, and for acquisition by GEORGE M. SAGE, Post Office Box 1116 Annex Station, Providence, RI 02901, of control of such rights and property through the purchase. Applicants' attorneys: S. Harrison Kahn, Suite 733, Investment Building, Washington, D.C. 20005, and Carlyle C. Major, Jr., Suite 301, Tavern Square, 421 King Street, Alexandria, VA 22314. Operating rights sought to be transferred: Passengers, and express mail, and newspapers, and baggage of passengers in the same vehicle with passengers, as a common carrier over regular routes, between Philadelphia, and Allentown, Pa., serving all intermediate points, including

Bethlehem, Coopersburg, Quakertown, Sellersville, and Ambler, Pa.; passengers and their baggage, and express and newspapers, in the same vehicle with passengers: (A) Between Philadelphia and Allentown, Pa., serving all intermediate points, (B) between Philadelphia and Allentown, Pa., serving all intermediate points, between junction Pennsylvania Turnpike Delaware River Extension and Pennsylvania Turnpike Northeast Extension, and junction unnumbered highway (formerly Pennsylvania Highway 731) and the Pennsylvania Turnpike Delaware River Extension, serving all intermediate points, between the Pennsylvania Turnpike Northeast Extension Lansdale Interchange, and junction Pennsylvania Highway 63 and U.S. Highway 309, serving all intermediate points, between the Pennsylvania Turnpike Northeast Extension Quakertown Interchange, and Quakertown, Pa., serving all intermediate points; passengers and their baggage, restricted to traffic originating in the territory indicated, in charter operations, over irregular routes, from points in Bucks County, Pa., and those within 5 miles of the regular routes specified under (A) above, and those within 5 miles of the rail routes of the Reading Co. in Lehigh and Northampton Counties, Pa., to points in Connecticut, New York, New Jersey, Maryland, Delaware, Virginia, and the District of Columbia, and return. Vendee is authorized to operate as a common carrier in New Jersey, Pennsylvania, Delaware, Maryland, New York, and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

No. MC–F–11548. Authority sought for purchase by GUY HEAVENER, INC., 480 School Lane, Harleysville, PA 19438, of the operating rights of HERMAN BRUNO, 190 East Valley Forge Road, King of Prussia, PA 19405, and for acquisition by DUANE HEAVENER, also of Harleysville, Pa., of control of such rights through the purchase. Applicants' attorneys: V. Baker Smith and James W. Patterson, both of 2107 The Fidelity Building, Philadelphia, Pa. 19109. Operating rights sought to be transferred: *Lime*, in bulk, in barrels and in packages, as a *common carrier* over irregular routes, from Swedeland, Pa., to points in Delaware, and points in a described area of New Jersey, Maryland, and Virginia; *lime* and *limestone*, from DeVault, Pa., to points in Delaware, New Jersey, and points in a described area of Maryland and Virginia. Vendee is authorized to operate as a *common carrier* in Pennsylvania, New Jersey, Delaware, Maryland, Indiana, Ohio, New York, Connecticut, Virginia, West Virginia, and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

No. MC–F–11549. Authority sought for control and merger by CENTURY MOTOR FREIGHT, INC., 3245 Fourth Street, SE., Minneapolis, MN 55414, of the operating rights and property of MERCURY MOTOR FREIGHT LINES, INC., 954 Hersey Street, St. Paul, MN 55114, and for acquisition by STEVE BONELLO, also of Minneapolis, MN 55414, of control of such rights and property through the transaction. Applicants' attorneys: Donald A. Morken, 1000 First National Bank Building, Minneapolis, Minn. 55402, and Julius E. Davis, 33 South Fifth Street, Minneapolis, MN 55402. Operating rights sought to be controlled and merged: *General commodities*, with certain exceptions, as a *common carrier* over regular routes, between St. Paul, Minn., and Jamestown, N. Dak., serving the intermediate points of Minneapolis, Minn., and Valley City, N. Dak., between Minneapolis, Minn., and Chicago, Ill., serving the intermediate point of Milwaukee, Wis., and the off-route point of Chemolite, Minn., between junction U.S. Highway 12 and Wisconsin Highway 172 west of Eau Claire, Wis., and junction U.S. Highways 12 and 53 east of Eau Claire, as an alternate route for operating convenience only, serving no intermediate points, between St. Paul, Minn., and Bismarck, N. Dak., serving the intermediate and off-route points of Minneapolis, Minn., and Medina and Casselton, N. Dak., between St. Paul, Minn., and Anoka, Minn., for operating convenience only, serving no intermediate points or Anoka, Minn., between St. Paul, Minn., and Dickinson, N. Dak., serving certain specified intermediate and off-route points of Minnesota and North Dakota, from St. Paul, Minn., to Dickinson, N. Dak., serving the intermediate points of Bismarck and Mandan, N. Dak., restricted to delivery only, and from the off-route point of Minneapolis, Minn., restricted to pickup only; *packinghouse products and supplies*, in truckload lots;

Between Minneapolis, Minn., and Chicago, Ill.; *meats, meat products, meat byproducts, dairy products, and articles distributed by meat packinghouses*, as described in Appendix I to the report in *Descriptions in Motor Carrier Certificates* 61 M.C.C. 209 and 766, except liquid commodities in bulk, in tank vehicles, serving the plantsite of Swift and Co., at Rochelle, Ill., as an off-route point in connection with carrier's regular route operations to and from Chicago, Ill., with restriction; *general commodities*, with certain exceptions, over irregular routes, between Minneapolis and St. Paul, Minn., on the one hand, and, on the other, the site of the Twin City Ordnance Plant in Mounds View Township, Ramsey County, Minn., between points in the Minneapolis-St. Paul, Minn., commercial zone, as defined by the Commission; *fresh meats, packinghouse products and supplies, and canned goods*, between Minneapolis, St. Paul, South St. Paul, and Newport, Minn., on the one hand, and, on the other, Belvidere, Ill., and points in a described area of Wisconsin, between Minneapolis, St. Paul, South St. Paul, and Newport, Minn.; *batteries, paper, paper labels, paper boxes*, and *chipboard*, from St. Paul, Minn., to Chicago and Chicago Heights, Ill., and points in Wisconsin; *farm machinery and twine*, from Stillwater, Minn., to points in Wisconsin. CENTURY MOTOR FREIGHT, INC., is authorized to operate as a *common carrier* in Minneapolis and Wisconsin. Application has not been filed for temporary authority under section 210a(b).

No. MC–F–11550. Authority sought for purchase by GRAF BROS., INC., 180 Main Street, Salisbury, MA 01950, of the operating rights and property of B & E MOTOR EXPRESS, INC., 9 Minot Avenue, Auburn, ME 04210, and for acquisition by FRED WM. GRAF, HENRY GRAF, III, AND DANIEL A. GRAF, all of Salisbury, Mass. 01950, of control of such rights and property through the purchase. Applicants' attorneys: Willis A. Trafton, Jr., 33 Court Street, Auburn, ME 04210, and Kenneth B. Williams, 111 State Street, Boston, MA 02109. Operating rights sought to be transferred: *General commodities*, excepting among others, classes A and B explosives, household goods and commodities in bulk, as a *common carrier* over regular routes, between South Portland and Lewiston, Maine, serving all intermediate points, between Auburn, and Camden, Maine, serving all intermediate points, and the off-route points of Damariscotta Mills and Winslow Mills, Maine, between Portland, and Auburn, Maine, serving all intermediate points, and under a certificate of registration in Docket No. MC–33629 (Sub-No. 3), covering the transportation of property as a common carrier, in interstate commerce within the State of Maine. Vendee is authorized to operate as a *common carrier* in Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia, Virginia, West Virginia, Ohio, Indiana, Illinois, Wisconsin, Michigan, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, and Florida. Application has been filed for temporary authority under Section 210a(b). NOTE: MC–15821 Sub-14, is a matter directly related.

No. MC–F–11552. Authority sought for purchase by AUCLAIR TRANSPORTATION, INC., 333 March Avenue, Manchester, NH 03103, of a portion of the operating rights of BONDED TRUCKING & RIGGING, INC., 16 Main Street, Lowell, MA, and for acquisition by ALFRED L. SICOTTE, also of Manchester, N.H. 03103, of control of such rights through the purchase. Applicants' attorneys: Mary E. Kelley, 11 Riverside Avenue, Medford, MA 02155, and Francis E. Barrett, Jr., 10 Industrial Park Road, Hingham, MA 02043. Operating rights sought to be transferred: *General commodities*, with exceptions, as a *common carrier* over irregular routes, between Lowell, Mass., on the one hand, and, on the other, points in Rhode Island and Connecticut. Vendee is authorized to operate as a common carrier in Massachusetts, New Hampshire, Vermont, Connecticut, Maine, New Jersey, New York, and Rhode Island. Application has been filed for temporary authority under section 210a(b).

No. MC–F–11553 TA. By application filed May 26, 1972. GRIFFIN TRANSPORTATION, INC., 3002 South Douglas Boulevard, Oklahoma City, OK 73150, seeks temporary authority to lease the operating rights of MOBILE HOME MOVERS, INC., 9003–05 Southeast 29th Street, Midwest City, OK 73130, under section 210a(b). An OP–OR–9 application has been filed by GRIFFIN TRANSPORTATION, INC., to convert the certificate of registration of MOBILE HOME MOVERS, INC., into a certificate of public convenience and necessity under No. MC–129068 Sub-14. The applicant is using the procedure described in *Las Vegas Tank Lines, Inc., Ext.—California Points*, 107 M.C.C. 589 (1968).

No. MC–F–11554. Authority sought for control and merge by SILVER WHEEL FREIGHTLINES, INC., 1321 Southeast Water Avenue, Portland, OR 97214, of the operating rights and property of SIUSLAW MOTOR TRANSPORT COMPANY, 135 North Cleveland Avenue, Eugene, OR, and for acquisition by GEORGE A. BROWNING, JR., also of Portland, Oreg. 97214, of control of such rights and property through the transaction. Applicants' attorneys: Ben D. Browning, 1321 Southeast Water Avenue, Portland, OR 97214, and Kenneth G. Thomas, 900 Failing Building, Portland, OR 97204. Operating rights sought to be controlled and merged: *General commodities*, excepting among others, classes A and B explosives, household goods and commodities in bulk, as a *common carrier* over regular routes, between Florence, Oreg., and the site of the Crown Zellerbach Co. installation, Oregon, between Florence and Sea Lion Caves, Oreg., serving all intermediate points, between Eugene and Florence serving all intermediate points, and the off-route points within one-half mile of Oregon Highway 36 between Florence and junction Oregon Highway 36 and U.S. Highway 99, between Springfield and Eugene, Oreg., between Mapleton and Camp Jackson, Oreg., between Eugene and Mapleton, Oreg., serving no intermediate points. SILVER WHEEL FREIGHTLINES, INC., is authorized to operate as a *common carrier* in Oregon and Washington. Application has been filed for temporary authority under section 210a(b).

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72–8600 Filed 6–6–72;8:47 am]

[Notice 71]

MOTOR CARRIER BOARD TRANSFER PROCEEDINGS

Synopses of orders entered by the Motor Carrier Board of the Commission pursuant to sections 212(b), 206(a), 211, 312(b), and 410(g) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), appear below.

Each application (except as otherwise specifically noted) filed after March 27, 1972, contains a statement by applicants that there will be no significant effect on the quality of the human environment resulting from approval of the application. As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC–FC–73479. By order of May 26, 1972 the Motor Carrier Board approved the transfer to Walter Pulley, doing business as Pulley Bulk Transport, Westfield, Mass., of a portion of the operating rights in Certificate No. MC–80428 (Sub-No. 66), issued June 4, 1969 to McBride Transportation, Inc., Goshen, N.Y., authorizing the transportation of flour from Buffalo, N.Y., to points in Pennsylvania, New Jersey, Massachusetts, Ohio, Connecticut, Maine, New Hampshire, Rhode Island, and Vermont. Thomas W. Murrett, 342 North Main Street, West Hartford, CT 06117, attorney for applicants.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72–8601 Filed 6–6–72;8:47 am]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

[Notice 79]

JUNE 1, 1972.

The following are notices of filing of applications[1] 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.

[1] Except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application.

MOTOR CARRIERS OF PROPERTY

No. MC 20992 (Sub-No. 24 TA), filed May 18, 1972. Applicant: DOTSETH TRUCK LINE, INC., Knapp, Wis. 54749. Applicant's representative: Earl H. Scudder, Jr., Post Office Box 82028, Lincoln, NE 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Agricultural machinery, equipment, and implements;* (2) *loaders and scrapers;* and (3) *parts, accessories and attachments* of or for commodities described in parts (1) and (2) moving independently thereof or in connection therewith, from West Bend, Wis., to points in Connecticut, Delaware, Illinois, Indiana, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia, for 150 days. Supporting shipper: Gehl Co., West Bend, Wis. Send protests to: District Supervisor Raymond T. Jones, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building, 110 South Fourth Street, Minneapolis, MN 55401.

No. MC 59640 (Sub-No. 29 TA), filed May 12, 1972. Applicant: PAULS TRUCKING CORPORATION, 3 Commerce Drive, Cranford, NJ 07016. Applicant's representative: Charles J. Williams, 47 Lincoln Park, Newark, NJ 07102. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Pet food*, for the account of Supermarkets General Corp., from Allentown, Pa., to Woodbridge Township, N.J., for 180 days. Supporting shipper: Supermarkets General Corp., 3 Commerce Drive, Cranford, NJ 07016. Send protests to: District Supervisor Robert E. Johnston, Bureau of Operations, Interstate Commerce Commission, 970 Broad Street, Newark, NJ 07102.

No. MC 63417 (Sub-No. 42 TA), filed May 19, 1972. Applicant: BLUE RIDGE TRANSFER COMPANY, INCORPORATED, 1814 Hollins Road NE., Post Office Box 2888, Roanoke, VA 24001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Water heaters*, from the plantsite of Rheem Manufacturing Co., Montgomery, Ala., to points in Alabama, Florida, Georgia, Kentucky, North Carolina, South Carolina, Tennessee, and Virginia, for 180 days. Supporting shipper: Rheem Manufacturing Co., 7600 South Kedzie Avenue, Chicago, IL 60652. Send protests to: Clatin M. Harmon, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 215 Campbell Avenue SW., Roanoke, VA 24011.

No. MC 103993 (Sub-No. 707 TA) (Correction), filed April 10, 1972, published in the FEDERAL REGISTER issues of April 27, 1972 and May 17, 1972, respectively, corrected and republished in part as corrected this issue. Applicant: MORGAN DRIVE-AWAY, INC., 2800 West Lexington Avenue, Elkhart, IN 46514. Applicant's representative: Paul D. Borghesani (same address as above).

NOTE: The purpose of this partial republication is to reflect that the service sought is for common carrier, in lieu of contract carrier. The rest of the notice remains the same.

No. MC 114457 (Sub-No. 128 TA), filed May 19, 1972. Applicant: DART TRANSIT COMPANY, 780 North Prior Avenue, St. Paul, MN 55104. Applicant's representative: Donald G. Oren (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such merchandise* as is dealt in by retail grocery and food business houses, from Hopkins, Minn., to Champaign, Ill., for 180 days. Supporting shipper: Preferred Products, Inc., Hopkins, Minn. Send protests to: District Supervisor Raymond T. Jones, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building, 110 South Fourth Street, Minneapolis, MN 55401.

No. MC 117304 (Sub-No. 33 TA), filed May 18, 1972. Applicant: DON PAFFILE, doing business as PAFFILE TRUCK LINES, 2906 29th Street North, Lewiston, ID 83501. Applicant's representative: George R. LaBissoniere, 1424 Washington Building, Seattle, Wash. 98101. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (A) *Malt and malt beverages, bottle openers, can openers, and advertising matters* when moving with malt beverages, from Golden, Colo., to points in Idaho, north of the southern boundary of Lemhi and Idaho Counties; (B) *malt and malt beverages, bottle openers, can openers, and advertising matters* when moving with malt beverages, from Phoenix, Ariz., to points in Idaho, north of the southern boundary of Lemhi and Idaho Counties and points in eastern Washington, east of Highway No. 97; (C) *wine and malt beverages, bottle openers, and advertising matters* when moving with wine and malt beverages, from points in California and Oregon to points in Eastern Washington, east of Highway No. 97; and (D) *malt and malt beverages, can openers, bottle openers, and advertising matters* when moving with malt and malt beverages, from Vancouver, Wash., to Spokane, Wash., over Interstate Highway No. 5, Oregon Interstate Highway No. 80N, Washington Highways No. 90, No. 935, and No. 730, for 180 days. Supported by: There are approximately 15 statements of support attached to the application, which may be examined here at the Interstate Commerce Commission in Washington, D.C., or copies thereof which may be examined at the field office named below. Send protests to: E. J. Casey, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 119774 (Sub-No. 44 TA), filed May 19, 1972. Applicant: MARY ELLEN STIDHAM, N. M. STIDHAM, A. E. MANKINS (INEZ MANKINS, EXECUTRIX), JAMES E. MANKINS, SR., doing business as EAGLE TRUCK COMPANY, Post Office Box 471, 301 Main Street, Third Floor, Kilgore, TX 75662. Applicant's representative: Bernard H. English, 6270 Firth Road, Forth Worth, TX 76116. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Roofing and siding materials*, including accessories, from Shreveport, La., to points in Alabama, Arkansas, Florida, Illinois, Indiana, Kansas, Kentucky, Mississippi, Missouri, New Mexico, Oklahoma, Tennessee, and Texas, for 180 days. NOTE: Carrier does not intend to tack authority. Supporting shipper: Bird & Son, Post Office Box 72, Shreveport, LA 71102. Send protests to: District Supervisor E. K. Willis, Jr., Interstate Commerce Commission, Bureau of Operations, 1100 Commerce Street, Room 13C12, Dallas, TX 75202.

No. MC 119774 (Sub-No. 45 TA), filed May 19, 1972. Applicant: MARY ELLEN STIDHAM, N. M. STIDHAM, A. E. MANKINS (INEZ MANKINS, EXECUTRIX), AND JAMES E. MANKINS, SR., doing business as EAGLE TRUCKING COMPANY, Post Office Box 471, 301 Main Street, Third Floor, Kilgore, TX 75662. Applicant's representative: Bernard H. English, 6270 Firth Road, Fort Worth, TX 76116. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Prefinished and unfinished plywood*, from New Orleans, La., to points in Alabama, Florida, Georgia, Mississippi, and Tennessee, for 180 days. NOTE: Carrier does not intend to tack authority. Supporting shipper: Plywood Panels, Inc., Post Office Box 15435, New Orleans, LA 70115. Send protests to: District Supervisor E. K. Willis, Jr., Bureau of Operations, Interstate Commerce Commission, 1100 Commerce Street, Room 13C12, Dallas, TX 75202.

No. MC 119934 (Sub-No. 180 TA), filed May 19, 1972. Applicant: ECOFF TRUCKING, INC., 625 East Broadway, Fortville, IN 46040. Applicant's representative: V. P. Jerry Crouch (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid sugar*, in bulk, in tank vehicles, from Reserve, La., to Greensboro, N.C., for 180 days. Supporting shipper: Godchaux-Henderson Sugar Co., Inc., Post Office Drawer 1667, Mobile, AL 36601. Send protests to: James W. Habermehl, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 802 Century Building, 36 South Pennsylvania Street, Indianapolis, IN 46204.

No. MC 128866 (Sub-No. 35 TA), filed May 17, 1972. Applicant: B & B TRUCKING, INC., Post Office Box 128, 9 Brady Lane, Cherry Hill, NJ 08034. Applicant's representative: J. Michael Farrell, Federal Bar Building, Washington, D.C. 20006. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Aluminum foil and sheet*, (a) from the plantsite of Aluminum Company of America at Lebanon, Pa., to the plantsite of Penny Plate, Inc., at Deerfield, Ill.; and (2) *scrap aluminum, defective or damaged aluminum foil and sheet, skids, pallets, and aluminum cores*, (b) from the plantsite of Penny Plate, Inc., at Deerfield, Ill., to the plantsite of Aluminum Company of America at Lebanon, Pa., for 150 days. Supporting shipper: Penny Plate, Inc., Post Office Box 458, Haddonfield, NJ 08033. Send protests to: Richard M. Regan, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 428 East State Street, Room 204, Trenton, NJ 08608.

No. MC 128866 (Sub-No. 36 TA), filed May 17, 1972. Applicant: B & B TRUCKING, INC., Post Office Box 128, 9 Brade Lane, Cherry Hill, NJ 08034. Applicant's representative: J. Michael Farrell, Federal Bar Building, Washington, D.C. 20006. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Aluminum food containers*, (1) from the plantsite of Penny Plate, Inc., at Deerfield, Ill., to Quincy, Ill.; New Hampton, Iowa; Frankfort, Mich.; Duluth, Minn.; Carrollton, Macon, Marshall, and Milan, Mo.; Solon and Wellston, Ohio; and Chickasha, Okla.; (2) from the plantsite of Penny Plate, Inc., at Cherry Hill, N.J., to New Hampton, Iowa and Wellston, Ohio; and (3) from the plantsite of Penny Plate, Inc., at Searcy, Ark., to New Hampton, Iowa, for 150 days. Supporting shipper: Penny Plate, Inc., Post Office Box 458, Haddonfield, NJ 08033. Send protests to: Richard M. Regan, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 428 East State Street, Room 204, Trenton, NJ 08608.

No. MC 136651 (Sub-No. 1 TA), filed May 16, 1972. Applicant: FRIENDSHIP AIR SERVICE, INC., 214 Chestnut Street, Harrisburg, PA 17107. Applicant's representative: James D. Campbell, Jr., Post Office Box 361, Harrisburg, PA 17108. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Persons and baggage* in special operations in nonscheduled service including door to door service, limited to the transportation of not more than 11 passengers in any one vehicle, not including the driver, from points in Dauphin and Cumberland Counties, Pa., to Friendship International Airport, Baltimore, Md., and return, service is not requested to intermediate points, for 180 days. Supporting shippers: Hotel Hershey, Hershey, Pa.; AMP, Inc., Harrisburg, Pa.; Fruehauf Corp., Middletown, Pa. Send protests to: Robert W. Ritenour, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 508 Federal Building, Post Office Box 869, Harrisburg, PA 17108.

No. MC 136714 TA, filed May 22, 1972. Applicant: TENNESSEE EXPRESS, INC., 22 Stanley Street, Nashville, TN 37210. Applicant's representative: Philip B. George (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular

routes, transporting: *Telephone equipment, material and supplies, including tools* used in the construction and maintenance of telephone systems and communications, between Nashville, Tenn., and points in the counties of, Cannon, Cheatham, Clay, De Kalb, Dickson, Houston, Jackson, Macon, Montgomery, Robertson, Rutherford, Smith, Stewart, Sumner, Trousdale, Williamson, and Wilson, for 180 days. Supporting shipper: Western Electric, 6701 Roswell Road, Northeast, Atlanta, GA 30328. Send protests to: Joe J. Tate, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 803, 1808 West End Building, Nashville, Tenn. 37203.

No. MC 136715 TA, filed May 19, 1972. Applicant: GAIL MEISINGER, doing business as MEISINGER TRANSFER CO., 5091 South 105 Street, Omaha, NE 68127. Applicant's representative: Arlyn Westergren, 530 Univac Building, Omaha, Nebr. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *New furniture, appliances, and carpets*, from the warehouse and storage facilities of Nebraska Furniture Mart, Inc., at Omaha, Nebr., to points in Iowa; (2) *and repossessed, damaged, and used trade-in furniture* from points in Iowa, to the warehouse and storage facilities of Nebraska Furniture Mart, Inc., at Omaha, Nebr., for 180 days. Supporting shipper: Nebraska Furniture Mart, Inc., 2205 Farnam Street, Omaha, NE 68102. Send protests to: Carroll Russell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 711 Federal Office Building, Omaha, Nebr. 68102.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-8602 Filed 6-6-72;8:47 am]

NOTICE OF FILING OF MOTOR CARRIER INTRASTATE APPLICATIONS

JUNE 2, 1972.

The following applications for motor common carrier authority to operate in intrastate commerce seek concurrent motor carrier authorization in interstate or foreign commerce within the limits of the intrastate authority sought, pursuant to section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962. These applications are governed by § 1.245 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of April 11, 1963, page 3533, which provides, among other things, that protests and requests for information concerning the time and place of State Commission hearings or other proceedings, any subsequent changes therein, any other related matters shall be directed to the State Commission with which the application is filed and shall not be addressed to or filed with the Interstate Commerce Commission.

Tennessee Docket No. MC 4479 (Sub-No. 12), filed May 1, 1972. Applicant: KNOXVILLE-MARYVILLE MOTOR EXPRESS, INC., 1910 University Avenue, Post Office Box 4006, Knoxville, TN 37921. Applicant's representative: Walter Harwood, 1822 Parkway Towers, Nashville, TN 37219. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *General commodities*, except those of unusual value, household goods as defined by the Commission, commodities in bulk, classes A and B explosives, and those requiring special equipment: (1) Between Loudon and Etowah, Tenn., from Loudon via U.S. Highway 11 to Athens, thence via Tennessee Highway 30 to Etowah and return over the same route, serving all intermediate points and (2) between Athens and Englewood, Tenn., via Tennessee Highway 39, serving all intermediate points. All of said authority to be tacked with and used in conjunction with all of applicant's existing authority. Both intrastate and interstate authority sought.

HEARING: July 25, 1972 at 9:30 a.m., at C1-110 Cordell Hull Building, Nashville, Tenn. Requests for procedural information including the time for filing protests concerning this application should be addressed to the Tennessee Public Service Commission, C1-102 Cordell Hull Building, Nashville, Tenn. 37219 and should not be directed to the Interstate Commerce Commission.

South Carolina Docket No. 16191 filed May 16, 1972. Applicant: SMITH & WATERS, INC., Nation Road, Ware Shoals, S.C. Applicant's representative: Howard L. Burns, Post Office Drawer 1207, Greenwood, SC 29646. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *Commodities in general* (except petroleum products in bulk, in tank trucks, high explosives and other dangerous commodities, and household goods as defined in Motor Freight Tariff 8-A, S.C.P.S.C.-MF 26, and revisions thereof): Between points and places in Abbeville, Aiken, Edgefield, Greenwood, McCormick, and Saluda Counties, S.C., and between points and places in these counties and points and places in South Carolina. NOTE: The purpose of this application is to amend the foregoing provision to include Anderson County and that portion of Laurens County which is within 5 miles of the post office at Ware Shoals, S.C., so that the entire amended authority will read: over irregular routes: *Commodities in general* (except petroleum products in bulk, in tank trucks, high explosives and other dangerous commodities and household goods as defined in Motor Freight Tariff 8-A, S.C.P.S.C.-MF 26, and revisions thereof): Between points and places in Abbeville, Aiken, Anderson, Edgefield, Greenwood, McCormick, and Saluda Counties, S.C., and between points and places in South Carolina, and between points and places in Laurens County, S.C., which are within a 5-mile radius of the post office at Ware Shoals, S.C., and points and places in South Carolina.

(1) *Cotton in bales, cotton waste, cotton bagging and cotton ties; and fertilizer and fertilizer materials*, between points and places in South Carolina; (2) *fruits and vegetables*, between points and places in Edgefield and Saluda Counties, S.C., and between points and places in Edgefield and Saluda Counties and points and places in South Carolina; (3) *brick, tile, terra cotta pipe, concrete blocks, pipe and slabs*, between points and places in Aiken, Fairfield, Greenwood, Lexington, and Richland Counties, S.C., and from points and places in these counties to points and places in South Carolina; (4) *grain*, between points and places in Aiken, Edgefield, and Saluda Counties, S.C., and between points and places in these counties and points and places in South Carolina and (5) *petroleum products*, in drums and packages, from Charleston, S.C., to points and places in Edgefield County, S.C. No other change is sought. Both intrastate and interstate authority sought.

HEARING: Date, time, and place not determined this date. Requests for procedural information including the time for filing protests concerning tihs application should be addressed to the South Carolina Public Service Commission, Post Office Drawer 11649, Columbia, SC 29211 and should *not* be directed to the Interstate Commerce Commission.

California Docket No. 53336, filed May 17, 1972. Applicant: VICTORVILLE-BARSTOW TRUCK LINE, 4366 East 26th Street, Los Angeles, CA 90023. Applicant's representative: Murchison & Davis, 9454 Wilshire Boulevard, Suite 400, Beverly Hills, CA 90212. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *general commodities*, between the points and over the routes set forth below: (A) Between points in the Los Angeles Basin territory described as follows: Los Angeles Basin territory includes that area embraced by the following boundary: Beginning at the point of Ventura County-Los Angeles County boundary line intersects the Pacific Ocean; thence northeasterly along said county line to the point it intersects State Highway No. 118, approximately 2 miles west of Chatsworth; easterly along State Highway No. 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; northeasterly along Chatsworth Drive to the corporate boundary of the city of San Fernando; westerly and northerly along said corporate boundary to McClay Avenue; northeasterly along McClay Avenue and its prolongation to the Angeles National Forest boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest boundary to the county road known as Mill Creek Road; westerly along Mill Creek Road to the county road 3.8 miles north of Yucaipa; southerly along said county road to and including the unincorporated community of Yucaipa; westerly along Redlands Boulevard to U.S.

Highway No. 99; northwesterly along U.S. Highway No. 99 to corporate boundary of the city of Redlands; westerly and northerly along said corporate boundary to Brookside Avenue; westerly along Brookside Avenue to Barton Avenue; westerly along Barton Avenue and its prolongation to Palm Avenue; westerly along Palm Avenue to La Cadena Drive; southwesterly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to U.S. Highway No. 60; southwesterly along U.S. Highways Nos. 60 and 395 to the county road approximately 1 mile north of Perris; easterly along said county road via Nuevo and Lakeview to the corporate boundary of the city of San Jacinto; easterly, southerly, and westerly along said corporate boundary to San Jacinto Avenue; southerly along San Jacinto Avenue to State Highway No. 74; westerly along State Highway No. 74 to the corporate boundary of the city of Hemet; southerly, westerly, and northerly along said corporate boundary to the right-of-way of the Atchison, Topeka & Santa Fe Railway Co.; southwesterly along said right-of-way to Washington Avenue; southerly along Washington Avenue, through and including the unincorporated community of Winchester to Benton Road; westerly along Benton Road to the county road intersecting U.S. Highway No. 395, 2.1 miles north of the unincorporated community of Temecula; southerly along said county road to U.S. Highway No. 395; southeasterly along U.S. Highway No. 395 to the Riverside County-San Diego County boundary line; westerly along said boundary line to the Orange County-San Diego County boundary line; southerly along said boundary line to the Pacific Ocean; northwesterly along the shoreline of the Pacific Ocean to point of beginning.

(B) Between the Los Angeles Basin territory hereinabove described and points and places as follows: (1) Between the Los Angeles Basin territory and Palmdale over U.S. Highway No. 6, serving all intermediate points, and (2) between the Los Angeles Basin territory and Barstow (including junction with U.S. Highway 466), over U.S. Highway Nos. 66–91, serving all intermediate points. (C) Between points and places in the Mojave Desert area as follows: (1) Between Palmdale and Mojave, over U.S. Highway No. 6; (2) between Mojave and Harvard Siding (approximately 10 miles east of Yermo), over U.S. Highway No. 466; (3) between Palmdale and junction U.S. Highway Nos. 66–91–395, over California Highway No. 138; (4) between San Bernardino and Barstow (including junction with U.S. Highway No. 466), over U.S. Highway Nos. 66–91; (5) between Barstow and the Marine Corps Field Artillery and Anti-Aircraft Training Center (approximately 6 miles north of Twentynine Palms), over U.S. Highway No. 66 and unnumbered road; (6) between Yermo and Daggett over unnumbered road; (7) between junction U.S. Highway No. 395 with U.S. Highway Nos. 66–91 and junction U.S. Highway No. 395 with U.S. Highway No. 466, over U.S. Highway No. 395; (8) between Lucerne Valley and junction California Highway No. 18 with U.S. Highways 66–91 near Victorville, over California Highway 18; (9) between Victorville and Barstow, over old U.S. Highway Nos. 66–91; (10) between Barstow and Bicycle Lake (including Camp Irwin), over unnumbered road; (11) between Adelanto and old U.S. Highway Nos. 66–91 over unnumbered road; (12) between Little Rock and U.S. Highway No. 466 via Redman and Edwards over unnumbered road; (13) between junction California Highway No. 138 with unnumbered road (approximately 6 miles east of Llano), and Victorville over unnumbered road; (14) between Lancaster and Adelanto over unnumbered road; (15) between Rosamond and junction unnumbered road near Edwards over unnumbered road, and (16) between Palmdale and Adelanto over unnumbered road. (D) Between intermediate and off-route points as follows: (1) Serving all intermediate points and all off-route points located laterally within 9 miles of all the routes described above *except* intermediate and off-route points east of Newbarry on U.S. Highway No. 66 and on unnumbered highway between Amboy and Marine Corps Field Artillery and Anti-Aircraft Training Center near Twentynine Palms, and (2) operating over all accessible public highways between all of said termini, intermediate and off-route points in combination one with the other, and

(E) Applicant shall not transport any shipments of: (1) Used household goods and personal effects not packed in accordance with the crated property requirements set forth in paragraph (d) of item No. 10–C of Minimum Rate Tariff No. 4–A; (2) livestock, viz: bucks, bulls, calves, cattle, cows, dairy cattle, ewes, goats, hogs, horses, kids, lambs, oxen, pigs, sheep, sheep camp outfits, sows, steers, stags, or swine; (3) commodities requiring the use of special refrigeration or temperature control in specifically designed and constructed refrigerated equipment; (4) liquids, compressed gases, commodities in semiplastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles; (5) commodities when transported in bulk in dump trucks or hopper-type trucks; (6) commodities when transported in motor vehicles equipped for mechanical mixing in transit, and (7) logs. Both intrastate and interstate authority sought.

HEARING: Date, time, and place not shown. Requests for procedural information including the time for filing protests concerning this application should be addressed to the Public Utilities Commission, State of California, State Building, Civic Center, 455 Golden Gate Avenue, San Francisco, CA 94102, and should *not* be directed to the Interstate Commerce Commission.

California Docket No. A53337, filed May 16, 1972. Applicant: CALIFORNIA CARTAGE COMPANY, INC., 20021 Susana Road, Compton, CA 90221. Applicant's representative: Murchison & Davis, 9454 Wilshire Boulevard, Suite 400, Beverly Hills, CA 90212. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *general commodities*, with the exceptions hereinafter noted in part II below, between the points and over the routes as follows: Part I: (1) Between the Los Angeles Basin territory and the San Francisco territory, serving all intermediate points over U.S. Highway No. 50, Interstate Highways Nos. 5, 205, and 580, California Highways 99, 120, 152, and 198, including Manteca and Stockton and including all points located within 15 miles laterally of the above highways; (2) between the San Diego territory and San Luis Obispo, inclusive, serving all intermediate points, including Los Angeles Basin territory points, over Interstate Highways 5 and 15, U.S. Highways 101 and 395, and California Highway No. 1, including all points located within 15 miles laterally of the above highways; (3) within the territories hereinafter described in part II below, and to serve off-route points within 15 miles laterally of named highways; is also authorized to operate over all convenient streets and highways and (4) between the junction of Interstate Highway No. 5 and California Highway No. 14 and Mojave, serving all intermediate points over California Highway No. 14, including all points located within 15 miles laterally of California Highway No. 14. Part II: The three territories heretofore referred to are described as follows:

Description—Los Angeles Basin Territory: Los Angeles Basin Territory includes that area embraced by the following boundary: Beginning at the point the Ventura County-Los Angeles County boundary line intersects the Pacific Ocean; thence northeasterly along said county line to the point it intersects California Highway No. 118, approximately 2 miles west of Chatsworth; easterly along California Highway No. 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; northeasterly along Chatsworth Drive to the corporate boundary of the city of San Fernando; westerly and northerly along said corporate boundary to McClay Avenue; northeasterly along McClay Avenue and its prolongation to the Angeles National Forest boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest boundary to the county road known as Mill Creek Road; westerly along Mill Creek Road to the county road 3.8 miles north of Yucaipa; southerly along said county road to and including the unincorporated community of Yucaipa; westerly along Redlands Boulevard to U.S. Highway No. 99; northwesterly along U.S. Highway No. 99 to the corporate boundary of the city of Redlands; westerly and northerly along said corporate boundary to Brookside Avenue; westerly along Brookside Avenue to Barton Avenue; westerly along Barton Avenue and its prolongation to Palm Avenue; westerly along Palm Avenue to La Conda Drive; southwesterly

along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to U.S. Highway No. 60; southwesterly along U.S. Highways Nos. 60 and 395 to the county road approximately 1 mile north of Perris; easterly along said county road via Nuevo and Lakeview to the corporate boundary of the city of San Jacinto; easterly, southerly, and westerly along said corporate boundary to San Jacinto Avenue; southerly along San Jacinto Avenue to California Highway No. 74; westerly along California Highway No. 74 to the corporate boundary of the city of Hemet; southerly, westerly, and northerly along said corporate boundary to the right of way of the Atchison, Topeka & Santa Fe Railway Co.; southwesterly along said right of way to Washington Avenue; southerly along Washington Avenue, through and including the unincorporated community of Winchester to Benton Road; westerly along Benton Road to the county road intersecting U.S. Highway No. 395, 2.1 miles north of the unincorporated community of Temecula; southerly along said county road to U.S. Highway No. 395; southeasterly along U.S. Highway No. 395 to the Riverside County-San Diego County boundary line; westerly along said boundary line to the Orange County-San Diego County boundary line; southerly along said boundary line to the Pacific Ocean; northwesterly along the shoreline of the Pacific Ocean to point of beginning.

San Diego territory: San Diego territory includes that area embraced by the following imaginary line starting at the northerly junction of U.S. Highways 101–E and 101–W (4 miles north of La Jolla); thence easterly to Miramar on U.S. Highway No. 395; thence southeasterly to Lakeside on the El Cajon-Ramona Highway; thence southerly to Bostonia on U.S. Highway No. 80; thence southeasterly to Jamul on California Highway No. 94; thence due south to the international boundary line; west to the Pacific Ocean and north along the coast to point of beginning. San Francisco territory: Includes all the city of San Jose and that area embraced by the following boundary: Beginning at the point the San Francisco-San Mateo County boundary line meets the Pacific Ocean; thence easterly along said boundary line to a point 1 mile west of U.S. Highway 101; southerly along an imaginary line 1 mile west of and paralleling U.S. Highway 101 to its intersection with Southern Pacific Co. right of way at Arastradero Road; southeasterly along the Southern Pacific Co. right of way to Pollard Road, including industries served by the Southern Pacific Co. spur line extending approximately 2 miles southwest from Simla to Permanente; easterly along Pollard Road to West Parr Avenue; easterly along West Parr Avenue to Capri Drive; southerly along Capri Drive to East Parr Avenue; easterly along East Parr Avenue to the Southern Pacific Co. right of way; southerly along the Southern Pacific Co. right of way to the Campbell-Los Gatos city limits; easterly along said limits and the prolongation thereof to the San Jose-Los Gatos Road; northeasterly along San Jose-Los Gatos Road to Foxworthy Avenue; easterly along Foxworthy Avenue to Almaden Road; southerly along Almaden Road to Hillsdale Avenue; easterly along Hillsdale Avenue to U.S. Highway 101; northwesterly along U.S. Highway 101 to Tully Road; northeasterly along Tully Road to White Road; northwesterly along White Road to McKee Road; southwesterly along McKee Road to Capitol Avenue; northwesterly along Capitol Avenue to California Highway 17 (Oakland Road); northerly along California Highway 17 to Warm Springs; northerly along the unnumbered highway via Mission San Jose and Niles to Hayward; northerly along Foothill Boulevard to Seminary Avenue; easterly along Seminary Avenue to Mountain Boulevard; northerly along Mountain Boulevard and Moraga Avenue to Estates Drive; westerly along Estates Drive, Harbor Drive, and Broadway Terrace to College Avenue; northerly along College Avenue to Dwight Way; easterly along Dwight Way to the Berkeley-Oakland boundary line; northerly along said boundary line to the campus boundary of the University of California; northerly and westerly along the campus boundary of the University of California to Euclid Avenue; northerly along Euclid Avenue to Marin Avenue; westerly along Marin Avenue to Arlington Avenue; northerly along Arlington Avenue to U.S. Highway 40 (San Pablo Avenue); northerly along U.S. Highway 40 to and including the city of Richmond; southwesterly along the highway extending from the city of Richmond to the point of Richmond; southerly along an imaginary line from Point Richmond to the San Francisco Waterfront at the foot of Market Street; westerly along said waterfront and shoreline to the Pacific Ocean; southerly along the shoreline of the Pacific Ocean to point of beginning.

The commodity restrictions are as follows: Applicant shall not transport livestock, uncrated used household goods and office furniture, commodities requiring special equipment, commodities in bulk, articles of extraordinary value, dangerous explosives, and commodities injurious or contaminating to other lading. Both intrastate and interstate authority sought.

HEARING: Date, time, and place not shown. Requests for procedural information including the time for filing protests concerning this application should be addressed to the Public Utilities Commission, State of California, State Building, Civic Center, 455 Golden Gate Avenue, San Francisco, CA 94102, and should *not* be directed to the Interstate Commerce Commission.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-8597 Filed 6-6-72;8:47 am]

[Sec. 5a App. 6, Amdt. 9]

SOUTHERN FREIGHT ASSOCIATION ET AL.

Application for Approval of Amendments to Agreements

MAY 25, 1972.

The Commission is in receipt of an application in the above-entitled proceeding for approval of amendments to the agreements therein approved.

Filed May 15, 1972, by: Bates B. Bowers, Southern Freight Association, 151 Ellis Street, NE., Atlanta, GA 30303 (Attorney-in-fact).

The amendments involve: Changes in the Articles of Association and Procedure of the Southern Passenger Association so as to eliminate the requirement of title rankings for members and alternates represented on the Conference Committee and provide for such committee meetings upon call rather than bimonthly (article II, section 3), and authorize the Executive Committee to determine the equitable apportionment of ordinary association expenses among members, in lieu of apportionment by annual gross revenues (article v, section E).

The complete amended application may be inspected at the Office of the Commission in Washington, D.C.

Any interested person desiring to protest and participate in this proceeding shall notify the Commission in writing within 20 days from the date of publication of this notice in the FEDERAL REGISTER. As provided by the general rules of practice of the Commission, persons other than applicants should fully disclose their interest, and the position they intend to take with respect to the application. Otherwise, the Commission, in its discretion, may proceed to investigate and determine the matters involved without public hearing.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-8607 Filed 6-6-72;8:47 am]

[MC-C-7599]

TRAVENOL LABORATORIES, INC.

Petition for Investigation Regarding Protective Service

At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 23d day of May 1972.

Many of the commodities relied upon by the citizens of this Nation for survival require during their transportation special protection from the climate. As an example, certain medical supplies being expeditiously transported to hospitals require protection against freezing because if such supplies freeze, they no longer can accomplish the lifesaving function for which they were manufactured. Americans also depend on surface transportation to transport foods to

local retail stores. Many foods move under refrigeration; others must be protected from the cold. The question confronting this Commission at this time is whether carriers subject to our jurisdiction are providing adequate and reliable protective services required in the interstate movement of these and other commodities.

By petition filed September 20, 1971, Travenol Laboratories, Inc., of Deerfield, Ill., seeks the institution of a proceeding for the purpose of investigating the practices of motor common carriers with respect to providing protective services and, in particular, for answering the question of whether protective service [1] is a required duty of a general commodities motor common carrier.

Petitioner is a producer of pharmaceutical supplies (including intravenous solutions), most of which are packaged in glass. It asserts that general commodities carriers have historically handled such products both in the summer and winter months, the latter service being provided to the best of the carriers' ability at no additional charges. Petitioner contends that each year more and more carriers are refusing to handle these products during the winter months, claiming, among other things, that they do not have the equipment available; that they handle single-line traffic only; that they will not accept shipments subject to freezing on Thursday or Friday; or that they simply do not desire the business.

Travenol further maintains that unofficial embargoes have been placed on commodities that are susceptible to freezing. It asserts specifically that carriers in the Detroit, Mich., area embargoed such items between December 19, 1969, and January 5, 1970, and that they continued acceptance on an erratic basis only throughout January 1970. Petitioner further argues that in many parts of the country it is required to remove its request for protective service from a bill of lading and ship at its own risk in order to have urgently needed medical supplies move during cold weather periods.

In support of its petition, petitioner submits as exhibits (1) the National Classification Board's "Proposal for Change in the National Motor Freight Classification" form, containing question 7(p) which reads: "Does commodity require heat _____, refrigeration _____?"; (2) correspondence with the Michigan Public Service Commission allegedly reflecting futile attempts to secure protective service within Michigan; (3) the Eastern Central Motor Carrier Docket, assertedly indicating that protective service will not be provided unless the carrier agrees to provide such service; (4) several bills of lading demonstrating the shipper's risk in shipping commodities subject to freezing; and (5) a letter from a carrier demonstrating difficulties in obtaining protective service.

Travenol asks that this Commission investigate the practices only, and not the charges, of motor common carriers with respect to providing protective service. It raises the tariff issue only to demonstrate that certain rate conferences assertedly intend to furnish protective service only at the carrier's option. In conclusion, petitioner argues that motor common carriers' willingness to transport the involved type of commodities during the summer months and their refusal to handle the same commodities during the winter months, under the same certificate of public convenience and necessity, is a violation of the principles established in Ex Parte No. MC–77, Restrictions On Service By Motor Common Carriers, 111 M.C.C. 151 (1970).

Notice of the filing of the above-mentioned petition was published in the FEDERAL REGISTER on October 29, 1971, and interested persons were invited to submit their views and comments on the matters in the petition. The parties listed in the appendix hereto have filed representations. Shippers generally agree with the assertions of Travenol and contend that an investigation proceeding by this Commission is necessary in order to improve the quality of protective services offered by carriers operating under the economic jurisdiction of this Commission. These shippers complain that there is an increasing number of motor common carriers of general commodities which do not offer protective services; that they lose sales because they cannot obtain protective services from motor carriers; that they will present complete evidence on these matters if an investigation proceeding is instituted; and that they cannot obtain pickup services on items subject to freezing on Thursday or Friday and cannot obtain pickup services on such shipments requiring interline movements. The variety of shippers and the points throughout the Nation they represent demonstrate the widespread and serious nature of these complaints which require consideration by this Commission.

The petition is opposed by motor carrier interests which contend that protective service is not a required duty of a general commodities carrier. M–F and Poplarville urge us to reexamine our decision in Mid-Western Motor Frt. Tariff Bureau, Inc., v. Eichholz, 4 M.C.C. 755 (1938) [2] in light of our recent decision in Ex Parte No. MC–77. Restrictions on Service by Motor Common Carriers, 111 M.C.C. 151 (1970). These carriers believe that the Eichholz rule is the best solution to the problem assertedly because it provides for an adjustment of equities between carrier and shipper. But these two carriers also urge a complete investigation into the area of protective services if this Commission entertains doubts as to the validity of Eichholz. Carrier interests also point out that "heater service" can cause damage to other lading and that, in the case of connecting carriers, one carrier may provide protective services while its connecting carrier does not. These problems, which have been spotlighted by the opponents of the involved petition, serve to emphasize the need for an investigation into this field of service.

Other interests contend that an investigation into this problem should be consolidated with certain other Commission proceedings. But these proceedings either involve different issues or would be delayed by such consolidation.

After carefully considering the petition and the representations, we conclude that the public interest requires a complete investigation into the responsibilities of all carriers subject to our regulation to provide protective services. Although special attention will necessarily be focused upon the responsibilities of motor common carriers of general commodities to provide such protective services pursuant to their duties as certificated carriers, an investigation of protective services available to the shipping public would be incomplete without studying the services offered by all carriers subject to our regulatory jurisdiction.

PROCEDURAL MATTERS

Oral hearings do not appear to be necessary at this time and none is contemplated. Anyone wishing to present their views and evidence may do so by the submission of written data, views, or arguments. We do not foresee that the results of this proceeding will have any significant effect upon the quality of our human environment.

It is ordered, That, based on the foregoing explanation, and good cause appear therefor, a proceeding be, and it is hereby, instituted pursuant to the authority of the National Transportation Policy (49 U.S.C. preceding section 1), Parts I, II, III, and IV of the Interstate Commerce Act (49 U.S.C. sections 1, 301, 901, 1001, all et seq. 1 and 5 U.S.C. 553 and 559 (the Administrative Procedure Act): (1) To examine the nature and scope of all practices engaged in by regulated carriers insofar as they relate to the availability of protective services provided on shipments of perishable commodities; (2) to investigate more specifically the practices of regulated carriers that may be found to give rise to a lack of available protective services; (3) to determine the nature and extent of the influence those carrier practices found to exist may have upon the Nation's commerce generally and regionally as well as the impact such practices have upon the interests of shippers, receivers, and ultimate consumers of the various perishable commodities which require protective services; (4) to specify the

[1] Although petitioner eliminated refrigerated service from the scope of its request, we believe that such services should be included within the ambit of the present investigation.

[2] It was decided in the Eichholz case that, because of equipment limitations, motor carriers do not have available at all times and places vehicles equipped to transport perishables. Therefore, it was found that tariff rules concerning protective services should provide that the shippers must ascertain if properly equipped vehicles are available before tendering a shipment to a particular carrier, and if the equipment is available, the carrier must accept the shipment for transportation.

scope of this Commission's jurisdiction with respect to the matters described in this notice and order; and (5) to consider the need for this Commission to adopt appropriate regulations or to recommend legislation to the Congress in order to insure that carriers subject to the Interstate Commerce Act will offer continuous and adequate protective services for the movement of perishable commodities.

It is further ordered, That all railroads, express companies, motor carriers, water carriers, brokers, and freight forwarders or perishables subject to the Interstate Commerce Act be, and they are hereby, made respondents in this proceeding.

It is further ordered, That the Bureau of Enforcement of this Commission be, and it is hereby, authorized and directed to participate in this proceeding.

It is further ordered, That any person intending to participate in this proceeding by submitting initial or reply statements, or otherwise, shall notify this Commission, by filing with the Secretary, Interstate Commerce Commission, within 30 days of the service date of this order, the original and one copy of a statement of his intention to participate. Inasmuch as the Commission desires wherever possible (a) to conserve time, (b) to avoid unnecessary expense to the public, and (c) the service of pleadings by parties in proceedings of this type only upon those who intend to take an active part in the proceeding, the statement of intention to participate shall include a detailed specification of the extent of such person's interest, including (1) whether such interest extends merely to receiving Commission releases in this proceeding, (2) whether he genuinely wishes to participate by receiving or filing initial and/or reply statements, (3) if he so desires to participate as described in (2), whether he will consolidate or is capable of consolidating his interests with those of other interested parties by filing joint statements in order to limit the number of copies of pleadings that need be served, such consolidation of interests being strongly urged by the Commission, and (4) any other pertinent information that will aid in limiting the service list to be issued in this proceeding; that this Commission shall then prepare and make available to all such persons a list containing the names and addresses of all parties desiring to participate in this proceeding and upon whom copies of all statements must be filed; and that at the time of service of this service list the Commission will fix the time within which initial statements and replies must be filed.

It is further ordered, That written material or suggestions submitted will be available for public inspection at the offices of the Interstate Commerce Commission, 12th and Constitution, Washington, D.C., during regular business hours.

And it is further ordered, That notice to the general public of the matter herein under consideration will be given by depositing a copy of this notice in the Office of the Secretary of the Commission for public inspection and by filing a copy thereof with the Director, Office of the Federal Register.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-8450 Filed 6-6-72;8:45 am]

[Ex Parte 263]

PRACTICES OF REGULATED CARRIERS

Processing of Loss and Damage Claims

The following represents a series of staff responses to certain questions submitted by the American Trucking Associations, Inc., on behalf of its members concerning the Commission's rules, regulations, and practices of regulated carriers with respect to the processing of loss and damage claims prescribed in Ex Parte No. 263, Loss and Damage Claims, 340 I.C.C. 515, decided February 3, 1972. The regulations become effective July 1, 1972; and these questions and answers are being published because of their general applicability and the demonstrated and anticipated interest by others to the matters discussed herein:

By letter dated May 16, 1972, the American Trucking Associations, Inc., by its Vice President and General Counsel, Mr. Peter T. Beardsley, transmitted to Mr. Martin E. Foley, Director, Bureau of Traffic, copies of the ATA Motor Carrier Freight Claim Rule Book. Mr. Beardsley stated that the National Freight Claim Council with a membership of about 700 motor carriers has the only complete set of freight claim rules and practices for the motor carrier industry, and that it is the opinion of the Executive Secretary of the National Freight Claim Council that the Principles and Practices (pp. 23–28), the Loss and Damage Freight Claim Rules (pp. 33–52), the Arbitration and Appeal Procedure (pp. 65–72), and the Inspection Rules (pp. 73–75), are the only sections of the Freight Claim Rule Book that are necessary to be filed with the Commission, together with a list of participating carriers. Mr. Beardsley asked a number of questions concerning the ATA motor carrier freight claim rules and the application of the ICC rules, regulations, and practices of regulated carriers with respect to the processing of loss and damage claims (340 I.C.C. 515). Those questions are repeated immediately prior to their respective answers by the staff of the Interstate Commerce Commission.

Question. Must all of the above-named sections of the rule book be filed in tariff form?

Answer. To the extent that the content of those sections constitute rules, regulations, and practices pertaining to the processing and disposition of cargo loss, damage and delay claims, those portions must be filed with the Commission in tariff form. The form and manner of publication must meet the requirements of the Commissions regulations promulgated in Tariff Circular MF No. 3 (49 CFR Part 1307). The rules must be published in such manner that they hold themselves out to be the rules of the participating carriers and not those of the National Freight Claim Council. The arbitration and appeal procedure rules are not required to be published in tariff form by the Commission's order. The procedure would, however, constitute an agreement between and among carriers with respect to the processing of claims. Therefore, the agreement would have to be filed with the Commission by the parties thereto.

Question. Are any of the other sections of the rule book required to be filed, whether in tariff form or otherwise?

Answer. Yes. All portions of the remaining sections of the rule book insofar as they constitute rules, regulations, and practices pertaining to the processing and disposition of cargo loss, damage and delay claims must be filed in tariff form. Those rules, regulations, and practices of the ATA Motor Carrier Freight Claim Rule Book, pertaining to the processing and disposition of claims between and among carriers, are not required to be published and filed with the Commission in tariff form. However, to the extent that carriers voluntarily participate in such settlement procedures, such agreements will have to be filed separately with the Commission by the parties thereto.

Question. May carriers that are not members of NFCC subscribe to the requirements of NFCC's rule book through concurrence in a tariff to be filed by NFCC?

Answer. The filing of a claim rules tariff is required of all carriers. Membership or nonmembership in the National Freight Claim Council or any other organization neither affects this requirement nor influences the carriers' obligations under it. So long as a carrier properly authorizes the filing in its behalf (by indicating its participation in a claim rules tariff in the same manner as for any other tariff), it may participate with other carriers in the joint filing of such tariff. Such tariff may be filed by the National Freight Claim Council provided it satisfies the usual requirements and qualifications as a tariff publishing agent.

Question. If such carriers desire to concur in this tariff without full membership in NFCC, what provisions are necessary for participation in amendments to the rules?

Answer. Again, membership in the National Freight Claim Council has no bearing upon the form of participation by carriers in the joint filing of a claim rules tariff. The rules are not those of the council but those of the carriers, issued for their account by an agent under proper power of attorney given that agent by the carrier.

Question. If a carrier does not desire to concur in this tariff, is it required to file a separate tariff?

Answer. The filing of rules with respect to the processing of loss and damage claims is required of all carriers. These could be published in an individual carrier's rate tariff with other governing

rules and regulations or in a separate tariff.

Question. Could a motor carrier concur in the NFCC rule book with respect to some of its freight claim rules and practices and, at the same time, publish or file the balance of such rules and practices individually, or through some other organization?

Answer. No. The Commission's decision and its current tariff circular rules and regulations do not permit the filing in multiple tariffs of portions of claims rules. They are not to be published by a single carrier in more than one rules tariff.

Question. Must carriers that presently have oral agreements with other carriers for processing of interline claims reduce such agreements to writing and file them with the Commission?

Answer. Yes.

Question. Must carriers that will have no rules or practices for the handling of freight claims other than those prescribed in Appendix E to the Commission's report in Ex Parte No. 263 file anything in the way of tariffs with the Commission?

Answer. Yes. They must publish their claims rules in the same manner as any other carrier. It is inconceivable that a carrier will have no practices with respect to processing and disposing of cargo loss and damage claims. Even if a carrier were to pay or ignore all claims that in itself would constitute a practice and it would have to be published as such in tariff form.

Question. Are all operating agreements, in which are included provisions covering loss and damage to freight and liability therefor, required to be filed with the Commission, i.e. (1) "Interline Drop Trailer Agreements;" (2) "Cargo Claim Agreement;" (3) "Cartage Agreements;" filing of which, if required, may well run into hundreds of thousands?

Answer. Yes. All contracts, agreements, and arrangements between or among carriers that pertain to the processing and disposition of cargo claims must be filed with the Commission.

Dated at Washington, D.C. this 5th day of June 1972.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-8639 Filed 6-6-72;8:50 am]

[Notice 46]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

JUNE 5, 1972.

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers under sections 5 and 210a(b) of the Interstate Commerce Act, and certain other proceedings with respect thereto. (49 CFR 1100.240).

MOTOR CARRIERS OF PROPERTY

No. MC-F-11555. Authority sought for control by MAISLIN TRANSPORT, LTD., 7401 Newman Boulevard, La Salle, Quebec, Canada, of the operating rights of HIGHWAY EXPRESS LINES, INC., 1314 Irving Street, Allentown, PA 18103, and for acquisition by MAISLIN INDUSTRIES, LTD., also of La Salle, Quebec, Canada, of control of such rights through the transaction. Applicants' attorneys and representative: Charles Ephraim, 1250 Connecticut Avenue NW., Washington, DC 20036, William D. Traub, 10 East 40th Street, New York, NY 10016, and LeRoy Perper, 1900 Land Title Building, Philadelphia, Pa. 19110. Operating rights sought to be controlled: *General commodities,* with certain specified exceptions, and numerous specified commodities, as a *common carrier* over regular and irregular routes, from, to, and between specified points in the States of Pennsylvania, Delaware, Maryland, Virginia, New Jersey, New York, Connecticut, Rhode Island, Massachusetts, and Maine, and the District of Columbia, with certain restrictions, serving various intermediate and off-route points, over numerous alternate routes for operating convenience only, as more specifically described in Docket No. MC-60580 and sub numbers thereunder. This notice does not purport to be a complete description of all of the operating rights of the carrier involved. The foregoing summary is believed to be sufficient for purposes of public notice regarding the nature and extent of this carrier's operating rights, without stating, in full, the entirety thereof. MAISLIN TRANSPORT, LTD., is authorized to operate as a *common carrier* in Canada, and in the United States in the States of New York, Pennsylvania, New Jersey, Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island. MAISLIN BROS. TRANSPORT (U.S.) LTD., a wholly owned subsidiary of MAISLIN TRANSPORT, LTD., is authorized to operate as a *common carrier* in the States of New York, New Jersey, Pennsylvania, Maryland, and Delaware. Application has not been filed for temporary authority under section 210a(b).

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-8640 Filed 6-6-72;8:50 am]

INTERNATIONAL JOINT COMMISSION—UNITED STATES AND CANADA

WATER POLLUTION OF LAKES SUPERIOR AND HURON

Notice of Investigation and Public Hearings

The International Joint Commission announces that, by similar letters of reference dated April 15, 1972, the Governments of the United States and Canada have requested the Commission, pursuant to Article IX of the Boundary Waters Treaty of 1909, to conduct a study of water quality in Lake Huron and Lake Superior.

The Commission was requested to inquire into and report to the Governments on the following questions:

Are the waters of Lake Superior and Lake Huron being polluted on either side of the boundary to an extent causing or likely to cause injury on the other side, or degradation of existing water quality levels in these lakes or in the lakes downstream? If so, to what extent, by what causes and in what localities is such pollution occurring and what remedial measures would be most practicable to restore and protect the quality of these waters? If such pollution is not occurring now, what preventive measures would be most practicable to ensure that it does not occur?

The Commission also was requested to include consideration of pollution entering Lake Superior and Lake Huron from tributary waters, including Lake Michigan, which affects water quality in these two lakes.

Persons or agencies interested in the subject matter of this reference are invited to inform the Commission of the nature of their interest. At an appropriate time, the Commission will hold public hearings at which time there will be convenient opportunity for all interested to be heard.

Copies of the complete text of reference to the International Joint Commission are available upon request to the Secretaries.

D. G. CHANCE,
Secretary, Canadian Section, International Joint Commission, Room 850, 151 Slater Street, Ottawa, ON K1P 5H2.

WILLIAM A. BULLARD,
Secretary, U.S. Section, International Joint Commission, Washington, D.C. 20440, STOP No. 86.

JUNE 2, 1972.

[FR Doc.72-8698 Filed 6-6-72;10:30 am]

WATER POLLUTION OF BOUNDARY WATERS OF THE GREAT LAKES SYSTEM FROM AGRICULTURAL, FORESTRY AND OTHER LAND USE ACTIVITIES

Notice of Investigation and Public Hearings

The International Joint Commission announces that, by similar letters of reference dated April 15, 1972, the Governments of the United States and Canada have requested the Commission, pursuant to Article IX of the Boundary Waters Treaty of 1909, to conduct a study of pollution of the boundary waters of the Great Lakes System from agricultural, forestry and other land use activities.

The Commission was requested to inquire into and report to the two Governments on the following questions:

Are the boundary waters of the Great Lakes System being polluted by land drainage (including ground and surface runoff and sediments) from agriculture, forestry, urban and industrial land development, recreational and park land development, utility and transportation systems and natural sources? If so, to what extent, by what causes and in what localities is the pollution taking place and what remedial measures would be most practicable?

The Commission is requested to consider the adequacy of existing programs and control measures, and the need for improvements thereto, relating to:

(a) Inputs of nutrients, pest control products, sediments, and other pollutants from the sources referred to above;

(b) Land use;

(c) Land fills, land dumping, and deep well disposal practices;

(d) Confined livestock feeding operations and other animal husbandry operations; and

(e) Pollution from other agricultural, forestry and land use sources.

In carrying out the study the Commission is to identify the deficiencies in technology and recommend actions for their correction.

Persons or agencies interested in the subject matter of this reference are invited to inform the Commission of the nature of their interest. At an appropriate time, the Commission will hold public hearings at which time there will be convenient opportunity for all interested to be heard.

Copies of the complete text of the reference to the International Joint Commission are available upon request to the Secretaries.

WILLIAM A. BULLARD,
Secretary, U.S. Section, International Joint Commission, Washington, D.C. 20440, STOP No. 86.

D. G. CHANCE,
Secretary, Canadian Section, International Joint Commission, Room 850, 151 Slater Street, Ottawa, ON K1P 5H2.

JUNE 2, 1972.

[FR Doc.72-8699 Filed 6-6-72;10:30 am]

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WEDNESDAY, JUNE 7, 1972
WASHINGTON, D.C.

Volume 37 ■ Number 110

PART II

FARM CREDIT ADMINISTRATION

■

Administrative Provisions; Farm Credit System

Title 12—BANKS AND BANKING

Chapter VI—Farm Credit Administration

ADMINISTRATIVE PROVISIONS; FARM CREDIT SYSTEM

In the FEDERAL REGISTER for April 12, 1972, at page 7218, notice was given that the Farm Credit Administration, by its Federal Farm Credit Board, had under consideration a proposed revision of regulations which had theretofore been issued and which were then in effect. The notice provided that interested persons could participate in the proposed rule making by submitting written comments to the Farm Credit Administration during a 30-day period ending May 12, 1972. After that date the Federal Farm Credit Board reviewed the comments received and on May 17, 1972, took final action on the proposed revision and authorized, effective on that date, the following to be issued as regulations of the Farm Credit Administration.

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

SUBCHAPTER A—ADMINISTRATIVE PROVISIONS

PART 600—ORGANIZATION AND FUNCTIONS

Subpart A—Farm Credit Administration

Sec.

Subpart B—Farm Credit System

AUTHORITY: The provisions of this Part 600 issued under sec. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

Subpart A—Farm Credit Administration

§ 600.1 Farm Credit Administration.

The Farm Credit Administration is an independent agency in the executive branch of the Government. It consists of the Federal Farm Credit Board, the Governor, and other officers and employees. The central offices of the Farm Credit Administration are located in Suite 6100, 485 L'Enfant Plaza West, SW., Washington, D.C. 20578. Its mailing address is Farm Credit Administration, Washington, D.C. 20578. The hours of business are 8:15 a.m.–4:45 p.m. Monday through Friday, excluding holidays.

§ 600.2 Federal Farm Credit Board.

The Federal Farm Credit Board is a part-time, policymaking board which consists of 13 members, 12 of whom are appointed by the President with the advice and consent of the Senate. In making the appointments, one from each of the 12 Farm Credit districts, the President receives and considers nominations from each district by the Federal land bank associations, the production credit associations and the stockholders of the banks for cooperatives. The 13th member of the Board is designated by the Secretary of Agriculture as his representative on the Board. The Federal Farm Credit Board establishes the general policy for the guidance of the Farm Credit Administration and approves the rules and regulations which implement applicable laws.

§ 600.3 Governor.

The Governor of the Farm Credit Administration is its chief executive officer. He is appointed by the Federal Farm Credit Board, and serves at its pleasure. During any period in which the Governor holds any stock in any of the institutions subject to supervision of the Farm Credit Administration, the appointment of the Governor shall be subject to approval by the President and during any such period the President shall have the power to remove the Governor. On December 31, 1968, the Government capital then remaining in the banks and associations was retired. Under the general supervision of the Federal Farm Credit Board, the Governor is responsible for the execution of laws creating the powers, functions, and duties of the Farm Credit Administration. The Farm Credit Administration makes no loans. All inquiries which concern the obtaining of loans should be addressed to the banks and associations described in §§ 600.20–600.70.

§ 600.4 Deputy Governors.

The Governor of the Farm Credit Administration is assisted in executing his responsibilities by deputy governors appointed by him.

(a) The Credit Service, headed by the Director who also is a Deputy Governor regulates and supervises the extension and administration of credit by the banks and associations of the Farm Credit System.

(b) The Operations and Finance Service, headed by the Director who also is a Deputy Governor regulates and supervises the operating and financial policies and practices of the banks and associations.

§ 600.5 Other administrative units.

The Farm Credit Administration also includes the following: Accounting, Budget and Data Management Division; Examination Division; Office of the General Counsel; Personnel and Administrative Services Division; Research Division, and Information Division.

(a) The Accounting, Budget and Data Management Division headed by the Director, administers Farm Credit Administration accounting, budget and payroll activities; coordinates securities transactions; formulates accounting and reporting requirements for banks and associations and reviews and analyzes their financial condition and earnings; advises on EDP management and utilization, supervises district and Federal board elections.

(b) The Examination Division, headed by the Chief Examiner, examines the banks and the associations supervised by the Farm Credit Administration.

(c) The Office of the General Counsel, headed by the General Counsel, performs legal services for the Federal Farm Credit Board, the Governor, and members of his staff, and consults with and coordinates the work of attorneys employed by the banks.

(d) The Personnel and Administrative Services Division, headed by the Director, plans and directs the personnel program for the Farm Credit Administration; coordinates and advises in the administration of the personnel programs in the Farm Credit districts; provides administrative services to the Farm Credit Administration.

(e) The Research Division, headed by the Director, makes studies of economic, financial, and credit factors affecting the gathering of loan funds, and the extension of sound, useful credit.

(f) The Information Division, headed by the Director, carries on information, member relations, and educational programs to inform farmers of the availability and the use of credit, provides information services for the Farm Credit Administration, and coordinates systemwide activities of the banks and associations supervised by the Farm Credit Administration and conducts foreign training programs in agricultural credit.

Subpart B—Farm Credit System

§ 600.10 Farm Credit districts.

(a) The United States is divided into 12 Farm Credit districts. In each district there are a Federal land bank and a number of Federal land bank associations, a Federal intermediate credit bank and a number of production credit associations, and a bank for cooperatives. Additionally, there is a Central Bank for Cooperatives located in the District of Columbia. The three banks in each district maintain their offices together. The city in which their offices are located in each district and the area comprising each district are as follows:

District name	District No.	District States
Springfield	1	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey.
Baltimore	2	Pennsylvania, Delaware, Maryland, Virginia, West Virginia, District of Columbia, Puerto Rico.
Columbia	3	North Carolina, South Carolina, Georgia, Florida.
Louisville	4	Ohio, Indiana, Kentucky, Tennessee.
New Orleans	5	Alabama, Mississippi, Louisiana.
St. Louis	6	Illinois, Missouri, Arkansas.
St. Paul	7	Michigan, Wisconsin, Minnesota, North Dakota.
Omaha	8	Iowa, Nebraska, South Dakota, Wyoming.
Wichita	9	Oklahoma, Kansas, Colorado, New Mexico.
Houston	10	Texas.
Berkeley	11	California, Nevada, Utah, Arizona, Hawaii.
Spokane	12	Washington, Oregon, Montana, Idaho, Alaska.

Each district has a part-time, policymaking Farm Credit board of seven members who are ex officio, directors of each of the three banks in that district. The Central Bank for Cooperatives has a separate board of 13 directors. Each bank has its own officials.

(b) In each district, the Federal land bank associations, the production credit associations, and the cooperatives which borrow from the banks for cooperatives, as separate groups are each entitled to elect two members of the district Farm Credit board. The seventh member of the district board is appointed by the Governor of the Farm Credit Administration with the advice and consent of the Federal Farm Credit Board. Activities of the three banks in each district are coordinated through the district Farm Credit board and a committee composed of the bank presidents.

(c) From each district, the board of directors of the bank for cooperatives elects a director of the Central Bank. The 13th director of the Central Bank is appointed by the Governor with the advice and consent of the Federal Farm Credit Board.

§ 600.20 Federal land banks.

The 12 Federal land banks, one in each Farm Credit district, were organized in 1917 under the Federal Farm Loan Act (39 Stat. 360), and are continued under the Farm Credit Act of 1971 (85 Stat. 583). The Federal land banks were established as permanent institutions designed to provide long-term farm mortgage credit for agriculture. The banks, together with the Federal land bank associations, constitute the Federal Land Bank System which is cooperatively and completely farmer-owned. The principal function of the Federal land bank is to make first mortgage loans on farm lands to eligible applicants.

§ 600.30 Federal land bank associations.

The associations receive applications for loans made by the Federal land bank, elect the loan applicants to association membership, and endorse such loans. All of the stock of the Federal land bank associations is owned by their member-borrowers. The member-borrower purchases capital stock in the Federal land bank association. The association in turn purchases a like amount of capital stock in the Federal land bank. Each Federal land bank association is managed by a board of directors elected by and from the membership.

§ 600.40 Federal intermediate credit banks.

The 12 Federal intermediate credit banks, one in each Farm Credit district, were established as permanent institutions under the Federal Farm Loan Act as amended by the Agricultural Credits Act of 1923 (42 Stat. 1454), and are continued under the Farm Credit Act of 1971 (85 Stat. 583). The capital stock of the Federal intermediate credit banks is owned by production credit associations. The Federal intermediate credit banks are primarily banks of discount for production credit associations and other agricultural and livestock lending institutions.

§ 600.50 Production credit associations.

The associations are corporations organized under the Farm Credit Act of 1933 (48 Stat. 259), and continued under the Farm Credit Act of 1971 (85 Stat. 583). Production credit associations may finance on a short- and intermediate-term basis farmers and ranchers and producers or harvesters of aquatic products.

§ 600.60 Banks for cooperatives.

The banks for cooperatives, one in each Farm Credit district and a Central Bank for Cooperatives in the District of Columbia, were organized under the Farm Credit Act of 1933 (48 Stat. 257), and continued under the Farm Credit Act of 1971 (85 Stat. 583). The banks extend credit to certain cooperatives. The Central Bank for Cooperatives services district banks for cooperatives by making direct loans to them and participating in loans that exceed their respective lending limits.

PART 601—EMPLOYEE RESPONSIBILITIES AND CONDUCT

Sec.

AUTHORITY: The provisions of this Part 601 issued under sec. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

§ 601.100 General policy.

(a) It is the policy of the Farm Credit Administration that all of its officers and employees shall observe the highest standards of conduct in the discharge of the duties and responsibilities that are assigned to them, and that they shall conduct themselves at all times in a manner becoming officers and employees of the Federal Government, so as not to cause embarrassment to the Farm Credit Administration or the Government.

(b) Each officer and employee has an obligation to the Government, to the people he serves, and to his fellow officers and employees to carry out the purpose and spirit of this policy.

(c) Rules and regulations concerning responsibilities and conduct are contained in handbooks or special releases issued to all officers and employees. It is expected that they will keep currently informed thereon, and comply therewith.

§ 601.101 Responsibilities.

(a) In the administration of the policy set forth in § 602.200 of this chapter, and the rules and regulations thereunder, the Director of Personnel and Administrative Services is responsible for (1) general coordination, (2) dissemination of information, (3) handling of complaints, (4) assignment of investigations, (5) administrative interpretation, and (6) periodic review and evaluation of compliance.

(b) The Director of Personnel and Administrative services shall serve as counselor on ethical conduct and shall be responsible for assuring that counseling and interpretations on questions dealing with employee conduct and conflicts of interest are available to any officer or employee who desires advice and guidance on such questions.

§ 601.105 Disciplinary and other remedial action.

A violation of the provisions of this part which deal with employee conduct may be cause for appropriate disciplinary action which may be in addition to any penalty prescribed by law.

§ 601.110 Conflict of interest.

Except as specifically authorized by law or these regulations, no officer or employee of the Farm Credit Administration:

(a) Shall, in any manner directly or indirectly, participate in the deliberation upon, or the determination of, any question affecting his personal interests, those of any person related to him by blood or marriage, or those of any partnership, association, or any corporation in which he is directly or indirectly interested;

(b) Shall, except in the performance of his official duties, divulge to another person, or utilize for his personal benefit or that of another, any fact or information acquired by such officer or employee, directly or indirectly, by virtue of his employment;

(c) Shall, directly or indirectly, purchase bonds, debentures, or other obligations issued by any Farm Credit institution if his position is one of the following: Governor, Deputy Governor, Service Director, Assistant Service Director and other officials authorized to act as Service Director, General Counsel, Assistant General Counsel, Director of Accounting, Budget and Data Management Division, Comptroller, Chief Examiner, and farm credit examiners.

(d) Shall solicit, accept, or receive, directly or indirectly,

(1) From any borrowers from or debtor to, or any officer or employee of, any corporation under the supervision of the Farm Credit Administration, or

(2) From any person who has or is seeking to obtain contractual or other business or financial relations with the Farm Credit Administration, or

(3) From any loan applicant or representative thereof, or

(4) From any person who has an interest that may be substantially affected by the performance or nonperformance of such officer's or employee's official duty, any salary, loan, fee, commission, or honorarium or, for any purpose or in any way, any gift, favor, entertainment, or other benefit which might reasonably be interpreted by others as being of such nature that it could affect his impartiality; Exception: Such officer or employee may accept food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting or other meeting where such officer or employee may properly be in attendance, may accept unsolicited advertising or promotional material such as pens, pencils, note pads, calendars and other items of nominal value, and may accept, with the written approval of the Governor and upon such conditions as he may prescribe, any benefit otherwise enjoined hereby if the circumstances make clear that the motivating factor for the extension of such benefit is not based on the Government responsibilities of the officer or employee and the business of the other person concerned.

(5) Nothing in this part precludes an employee from receipt of bona fide reimbursement, unless prohibited by law, for expenses of travel and such other necessary subsistence as is compatible with this part for which no Government payment or reimbursement is made. However, this paragraph does not allow an employee to be reimbursed, or payment to be made on his behalf, for excessive personal living expenses, gifts, entertainment or other personal benefits, nor does it allow an employee to be reimbursed by a person for travel on official business under agency orders when reimbursement is proscribed by Decision B–128527 of the Comptroller General dated March 7, 1967.

(e) Shall acquire, directly or indirectly (including acquisition by membership in syndicates) any lands, or any interests therein, including mineral interests and interests as mortgagee or lessee, which are owned by or mortgaged to any corporation under Farm Credit Administration supervision or which were thus owned or mortgaged at any time within the preceding 12 months. However, such lands, or interests there in, may be acquired by will or inheritance or upon the written approval of the Governor subject to such conditions as he may prescribe. As used in this paragraph (e), "mineral interests" means any interest in minerals, oil, or gas, including but not limited to, any right derived directly or indirectly from a mineral, oil, or gas lease, deed or royalty conveyance;

(f) Shall participate directly or indirectly in any transaction concerning the purchase or sale of corporate stocks or bonds, commodities, or other property if such action might tend to interfere with the proper and impartial performance of his duties or bring discredit upon the Farm Credit Administration or any corporation under its supervision;

(g) Shall engage in criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, or otherwise conduct himself in a manner which might be prejudicial and cause embarrassment to or criticism of the Government or the Farm Credit Administration or any corporation under its supervision or interfere with the efficient performance of his duties;

(h) Shall receive any salary or anything of monetary value from a private source as compensation for his services to the Government;

(i) Shall refuse to pay in a proper and timely manner each financial obligation which is imposed by law, such as Federal, State, or local taxes, or which he has acknowledged, or which has been reduced to judgment by a court. As used herein, "proper and timely" means in a manner which the Farm Credit Administration deems does not, under the circumstances, reflect adversely on the Farm Credit Administration as his employer. In the event of a dispute between an employee and an alleged creditor, this section does not require the Farm Credit Administration to determine the validity or amount of the disputed debt;

(j) Shall participate, while on Government-owned or leased property or while on duty for the Farm Credit Administration, in any gambling activity including the operation of a gambling device, in conducting a lottery or pool, in a game for money or property, or in selling or purchasing a numbers slip or tickets;

(k) Shall take any action, whether or not otherwise expressly prohibited hereby, which might result in or create the appearance of:

(1) Using public office for private gain,

(2) Giving preferential treatment to any person,

(3) Impeding Government efficiency or economy,

(4) Losing complete independence or impartiality,

(5) Making a Government decision outside official channels, or,

(6) Affecting adversely the confidence of the public in the integrity of the Government.

§ 601.115 Applicable laws.

(a) Particular attention is directed to the following provisions of law containing the Federal penal provisions which relate particularly to officers and employees of the Farm Credit Administration: Paragraphs (b) and (d) of section 15 of the Agricultural Marketing Act (46 Stat. 18; 12 U.S.C. 1141j); and sections 213, 371, 432, 493, 657, 1006, 1011, 1014, 1907, and 1909 of title 18 United States Code, Crimes and Criminal Procedure.

(b) Attention is also directed to Public Law 87–849, approved October 23, 1962 (18 U.S.C. 201 et seq.) which imposes restraints on Government employees.

(1) A regular officer or employee (one appointed or employed to serve more than 130 days in any period of 365 days) is in general subject to the following major prohibitions:

(i) He may not, except in the discharge of his official duties, represent anyone else before a court or Government agency in a matter in which the United States is a party or has an interest (18 U.S.C. 203 and 205);

(ii) He may not participate in his governmental capacity in any matter in which he, his spouse, minor child, outside business associate or person with whom he is negotiating for employment has a financial interest (18 U.S.C. 208);

(iii) He may not, after his Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and in which he participated personally and substantially for the Government (18 U.S.C. 207(a));

(iv) He may not, for 1 year after his Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and which was within the boundaries of his official responsibility during the last year of his Government service (18 U.S.C. 207(b));

(v) He may not receive any salary, or supplementation of his Government salary, from a private source as compensation for his services to the Government (18 U.S.C. 209).

(2) A special Government employee is in general subject only to the following major prohibitions:

(i) He may not, except in the discharge of his official duties, represent anyone else before a court or Government agency in a matter in which the United States is a party or has an interest and in which he has at any time participated personally and substantially for the Government (18 U.S.C. 203 and 205);

(ii) He may not, except in the discharge of his official duties, represent anyone else in a matter pending before the agency he serves unless he has served there no more than 60 days during the past 365 (18 U.S.C. 203 and 205);

(iii) He may not participate in his governmental capacity in any matter in which he, his spouse, minor child, outside business associate or person with whom he is negotiating for employment has a financial interest (18 U.S.C. 208);

(iv) He may not, after his Government employment has ended, represent anyone other than the United States in connection with a matter in which the United States is a party or has an interest and in which he participated personally and substantially for the Government (18 U.S.C. 107(a));

(v) He may not, for 1 year after his Government employment has ended, represent anyone other than the United States in connection with a matter in

which the United States is a party or has interest and which was within the boundaries of his official responsibility during the last year of his Government service (18 U.S.C. 207(b)).

(c) In addition to the statutes referred to in paragraphs (a) and (b) of this section, the attention of officers and employees, as well as special Government employees (who are defined to include, among others, officers and employees of the departments and agencies who are appointed or employed to serve, with or without compensation, for not more than 130 days during any period of 365 consecutive days either on a full-time or intermittent basis), is directed to the following statutes:

(1) House Concurrent Resolution 175, 85th Congress, 2d Session, 72 Stat. B12, the "Code of Ethics for Government Service."

(2) The prohibition against lobbying with appropriated funds (18 U.S.C. 1913).

(3) The prohibitions against disloyalty and striking (5 U.S.C. 7311, 18 U.S.C. 1918).

(4) The prohibition against the employment of a member of a Communist organization (50 U.S.C. 784).

(5) The prohibitions against the disclosure of classified information (18 U.S.C. 798, 50 U.S.C. 783), and the disclosure of confidential information (18 U.S.C. 1905).

(6) The provision relating to the habitual use of intoxicants to excess (5 U.S.C. 7352).

(7) The prohibition against the misuse of a Government vehicle (31 U.S.C. 638a (c)).

(8) The prohibition against the misuse of the franking privilege (18 U.S.C. 1719).

(9) The prohibition against the use of deceit in an examination or personnel action in connection with Government employment (18 U.S.C. 1917).

(10) The prohibition against fraud or false statements in a Government matter (18 U.S.C. 1001).

(11) The prohibition against mutilating or destroying a public record (18 U.S.C. 2071).

(12) The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).

(13) The prohibitions against embezzlement of Government money or property (18 U.S.C. 641), failing to account for public money (18 U.S.C. 643), and embezzlement of the money or property of another person in the possession of an employee by reason of his employment (18 U.S.C. 654).

(14) The prohibition against unauthorized use of documents relating to claims from or by the Government (18 U.S.C. 285).

(15) The prohibitions against political activities in subchapter III of chapter 73 of title 5, U.S. Code and 18 U.S.C. 602, 603, 607, and 608.

(16) The prohibition against an employee acting as the agent of a foreign principal registered under the Foreign Agents Registration Act (18 U.S.C. 219).

§ 601.120 Cases of trivial interest or relationship.

If the degree of interest or relationship in any case is not substantial but is so trivial as to create little probability that the officer's or employee's impartiality of judgment and action has been affected, no question under § 601.110(a) shall be deemed involved. Each case shall be determined on its own facts, proper weight being given to the nature, amount, and importance of the benefit involved, the degree or kind of relationship in question, and the character of the person concerned.

§ 601.125 Devotion of time to official duties.

Officers and employees of the Farm Credit Administration, who are employed on a full-time basis, are required to devote their full business time to the effective accomplishment of the duties assigned them in connection with the activities and operations in which they are employed. They shall not engage in outside employment or other outside activity, with or without compensation, which is not compatible with the full and proper discharge of their official responsibilities, or which might embarrass the Farm Credit Administration or cast reflection upon their ability to take an unbiased and impartial view of its operations.

§ 601.126 Teaching, writing, and lecturing.

(a) No officer or employee of the Farm Credit Administration shall receive compensation or anything of monetary value for any consultation, lecture, discussion, writing, or appearance the subject matters of which is devoted substantially to the responsibilities, programs, or operations of the Farm Credit Administration or any corporation under its supervision, or draws substantially upon official data or ideas which have not become part of the body of public information.

(b) No officer or employee of the Farm Credit Administration shall, either for or without compensation, engage in teaching, lecturing, or writing for the purpose of the special preparation of a person or class of persons for an examination of the Civil Service Commission or Board of Examiners for the Foreign Service that depends on information obtained as a result of his Government employment, except when that information has been made available to the general public or will be made available on request, or when the Governor gives written authorization for use of nonpublic information on the basis that the use is in the public interest.

§ 601.130 Farm Credit examiners.

Farm Credit examiners occupy positions established specifically by law to carry out special responsibilities. In order that they may carry out these responsibilities effectively, it is expected that they will refrain from action or conduct that may result in, or create the appearance of, obligating them to or causing them to be influenced by any of the officers or employees of the institutions supervised by the Farm Credit Administration.

§ 601.135 Use of Government-owned property.

(a) Except in emergencies threatening loss of life or property, no employee shall use Government property or equipment for any purpose other than performance of official Government work. All employees have a positive responsibility to protect and conserve all Federal property, including equipment and supplies, which is entrusted or issued to them.

(b) Public Law 600, approved August 2, 1946 (31 U.S.C. 638a(c)), reads in pertinent part as follows: "Any officer or employee of the Government who willfully uses or authorizes the use of any Government-owned passenger motor vehicle * * * or of any passenger motor vehicle * * * leased by the Government for other than official purposes * * * shall be suspended from duty by the head of the department concerned, without compensation, for not less than 1 month, and shall be suspended for a longer period or summarily removed from office if circumstances warrant."

§ 601.140 Political activity.

Various provisions of Federal statutes and regulations prohibit or limit political activity on the part of officers and employees of Federal agencies. Any officer or employee who desires to have more detailed information should make inquiry of the Personnel and Administrative Services Division.

§ 601.141 Soliciting support in nomination and election polls.

No officer or employee of the Farm Credit Administration except as authorized in the discharge of his or her official duties shall take any part, directly or indirectly, in the designation of nominees for the Federal Farm Credit Board or in the nomination or election of a member of a district Farm Credit Board or the board of the Central Bank for Cooperatives or make any statement, either orally or in writing, which may be construed as intended to influence any vote in such designations, nominations, or elections. Any such officer or employee who violates the provisions of this section shall be dismissed.

§ 601.145 Comments on proposed legislation.

Section 1913 of Title 18 of the United States Code, entitled "Lobbying with appropriated moneys," states in substance that, in the absence of express authorization by Congress, no part of the money appropriated by any act of Congress shall be used "directly or indirectly" to pay for any personal service, telegram, letter, etc., "intended or designed to influence in any manner a Member of Congress to favor or oppose by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation." There is an exception

made in regard to communications to Congress, or Members thereof, through the proper official channels. Section 1913 imposes certain penalties for the violation of these provisions.

§ 601.150 Distribution of printed material by employees.

The distribution of circulars, flyers, posters, etc., by individual Farm Credit Administration employees or by Farm Credit Administration employee groups, should be confined to material that will not result in embarrassment to the Farm Credit Administration. Distribution of any such material should be cleared with the Personnel and Administrative Services Division. Specifically, no circulars, flyers, posters, etc., may be so distributed which:

(a) Advertise the products, services, or facilities of a commercial firm or any profitmaking organization;

(b) Directly or indirectly attack or adversely reflect on the integrity or character of Members of Congress, the judiciary or Members of the President's Cabinet, or any other Government official in a similarly responsible position;

(c) Contain expressions of a derogatory or abusive character concerning any Government employee;

(d) Directly or indirectly criticize the policies of another Government department or agency which relate to programs of the Farm Credit Administration or corporations under its supervision.

§ 601.151 Improper use of official stationery.

Official stationery should not be used for communications on controversial public matters expressing opinions which do not represent the ascertained views of those to whom such expressions of opinion would normally be imputed through the use of official stationery. In no event should permission be given for the dissemination of any such letter through facsimile use of official stationery in any newspaper, magazine, circular, or other publication.

§ 601.155 Gifts or favors from subordinates prohibited.

(a) No employee of the Farm Credit Administration shall at any time solicit contributions from other employees in the Farm Credit Administration for a gift or present to anyone in a superior position; nor shall any employee receive any gift or present offered or presented to him as a contribution from persons in the employ of the Farm Credit Administration receiving less pay than himself (5 U.S.C. 7351). However, this paragraph does not prohibit a voluntary gift of nominal value or donation in a nominal amount made on a special occasion such as marriage, illness, or retirement.

(b) No employee of the Farm Credit Administration shall place himself under obligation to a subordinate employee by borrowing money, directly, or indirectly, from such subordinate employee, or by obtaining the signature of a subordinate employee as endorser or comaker of a note issued as security for a loan.

§ 601.160 Voluntary services.

Section 665(b) of title 31, United States Code, provides that "No officer or employee of the United States shall accept voluntary service for the United States or employ personal service in excess of that authorized by law, except in cases of emergency involving the safety of human life or the protection of property."

§ 601.165 Foreign decorations.

(a) An employee shall not accept a gift, present, decoration, or other thing from a foreign government unless authorized by Congress as provided by the Constitution and in Public Law 89–673, 80 Stat. 952.

(b) Any Farm Credit Administration employee who has had such a present conferred on him or her, must notify the Personnel and Administrative Services Division that it is being held by the State Department so that appropriate steps may be taken at time of the employee's retirement, for reporting to Congress.

§ 601.170 Statements of employment and financial interests.

A statement of employment and financial interests in the form prescribed by the Civil Service Commission shall be furnished by each officer or employee who is in grade GS–16 or above under section 5332 of title 5, United States Code, or in comparable or higher positions not subject to that statute, and by the following officers or employees:

(a) Contracting or Procurement Officers (and officers or employees who have contracting or procurement authority) in Grade GS–13 and above;

(b) Chief Reviewing Appraisers;

(c) Assistant Chief Examiners;

Officers or employees from who a statement of employment and financial interests otherwise is required may be excluded from the reporting requirement when the Governor determines that reports from such officers or employees are not necessary in order to carry out the purpose of law, Executive Order 11222, and this subpart. The grievance procedure of the Farm Credit Administration shall be available for review of a complaint by any officer or employee that his position has been improperly included as one requiring the submission of a statement of employment and financial interest.

§ 601.171 Time and place for submission of statements.

The statement of employment and financial interests, which need not include the amount of financial interest, indebtedness, or value of real property, shall be submitted to the designee of the Governor not later than:

(a) Ninety days after the effective date of the regulations in this part if the officer or employee is employed on or before that date; or

(b) Thirty days after the officer's or employee's entrance on duty, but not earlier than 90 days after the effective date hereof if appointed before that date.

§ 601.172 Supplementary statements.

Changes in, or additions to, the information contained in an officer's or employee's statement of employment and financial interests shall be reported in a supplementary statement as of June 30 each year. If no changes or additions occur, a negative report is required. Notwithstanding the filing of the annual report required by this section, each officer and employee shall at all times avoid acquiring a financial interest that could result, or taking an action that would result, in a violation of the conflicts-of-interest provisions of 18 U.S.C. 208, or of this part.

§ 601.173 Interests of employees' relatives.

The interest of a spouse, minor child, or other member of an officer's or employee's immediate household is considered to be an interest of the officer or employee. For the purpose of this section, "member of an officer's or employee's immediate household" means those blood relations who are residents of the officer's or employees' household.

§ 601.174 Information not known.

If any information required to be included on a statement of employment and financial interests or supplementary statement, including holdings placed in trust, is not known to the officer or employee but is known to another person, the officer or employee shall request that other person to submit information in his behalf.

§ 601.175 Information prohibited.

An officer or employee is not required to submit on a statement of employment and financial interests or supplementary statement any information relating to the officer's or employee's connection with, or interest in, a professional society or a charitable, religious, social, fraternal, recreational, public service, civic, or political organization or a similar organization not conducted as a business enterprise. For the purpose of this section educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government are deemed "business enterprises" and are required to be included in the statement of employment and financial interests.

§ 601.176 Confidentiality of statements.

The Farm Credit Administration shall hold each statement of employment and financial interest, and each supplementary statement, in confidence. To insure this confidentiality, the designee of the Governor shall review and retain such statements and maintain them in confidence, and shall not allow access to, or allow information to be disclosed from, a statement except to carry out the purpose of this subpart. The Farm Credit Administration will not disclose information from a statement except as the Civil Service Commission or the Governor may determine for good cause shown.

§ 601.177 Effect of statements on other requirements.

The statements of employment and financial interests and supplementary statements required of officers and employees are in addition to, and not in substitution for, or in derogation of, any similar requirement imposed by law, order, or regulation. The submission of a statement or supplementary statement by an officer or employee does not permit him or any other person to participate in a matter in which his or the other person's participation is prohibited by law, order, or regulation.

§ 601.178 Review of statements.

The statement of employment and financial interests shall be reviewed by the designee of the Governor to determine whether the statement reveals a conflict or an apparent conflict between the interests of the officer or employee and the performance of such officer's or employee's service for the Farm Credit Administration. If such conflict or apparent conflict cannot be resolved by consultation between the designee of the Governor and the officer or employee the conflict or apparent conflict shall be reported to the Governor for such further handling or action as the Governor may deem indicated under the circumstances.

§ 601.180 Special Government employees.

In addition to those requirements of §§ 601.110–601.170 which may be made conditions of employment of a special Government employee in writing at the time of his employment, or otherwise apply to him by operation of law, such employee:

(a) Shall not use his Government employment for a purpose that is, or gives the appearance of being, motivated by the desire for private gain for himself or another person, particularly one with whom he has family, business, or financial ties;

(b) Shall not use inside information obtained as a result of his Government employment for private gain for himself or another person either by direct action on his part or by counsel, recommendation, or suggestion to another person, particularly one with whom he has family, business, or financial ties (for this purpose "inside information" means information obtained under Government authority which has not become part of the body of public information);

(c) Shall not use his Government employment to coerce, or give the appearance of coercing, a person to provide financial benefit to himself or another person, particularly one with whom he has family, business, or financial ties;

(d) Shall not while so employed or in connection with his employment receive or solicit from a person having business with the Farm Credit Administration anything of value as a gift, gratuity, loan, entertainment, or favor for himself or another person, particularly one with whom he has family, business, or financial ties. However, such employee may accept food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon or dinner meeting or other meeting where such employee may properly be in attendance, may accept unsolicited advertising or promotional material such as pens, pencils, note pads, calendars and other items of nominal value, and may accept, with the written approval of the Governor and upon such conditions as he may prescribe, any benefit otherwise enjoined hereby if the circumstances make clear that the motivating factor for the extension of such benefit is not based on the Government responsibilities of the employee and the business of the other person concerned;

(e) Shall submit to the designee of the Governor not later than the time of his employment a statement of employment and financial interests in the form prescribed by the Civil Service Commission which reports all other employment and any financial interests which relate either directly or indirectly to his duties and responsibilities as a special Government employee. He shall keep such statement current throughout his employment by the submission of supplementary statements. The information contained in the statement shall be reviewed and otherwise handled as is provided in § 601.178 with regard to statements of employment and financial interests required to be furnished by officers and employees. The Governor may waive the requirement for the submission of such statement in the case of a special Government employee who is not a consultant or an expert when the Farm Credit Administration finds that the duties of the position held by that special Government employee are of a nature and at such a level of responsibilities that the submission of the statement by the incumbent is not necessary to protect the integrity of the Government.

PART 602—RELEASING INFORMATION

Subpart A—Information and Records Generally

Subpart B—Availability of Records of the Farm Credit Administration

AUTHORITY: The provisions of this Part 602 issued under secs. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

Subpart A—Information and Records Generally

§ 602.200 General rule.

Except as necessary in performing official duties or as authorized by §§ 602.205–602.235, no one employed by Farm Credit Administration shall disclose information of a type not ordinarily contained in published reports or press releases regarding Farm Credit Administration or any banks or associations of the Farm Credit System or their borrowers or members. Information prepared for newspaper, publishing and broadcasting companies, and all new or revised publications shall be cleared with the Information Division.

§ 602.205 Reports of Farm Credit examiners.

Reports of examinations of banks or associations made by Farm Credit examiners or Federal intermediate credit bank officials and other personnel who have been authorized by the Governor to make credit examinations may be disclosed only with the consent of the Chief Examiner of the Farm Credit Administration. Consent is given for disclosing reports of regular examinations to the banks and associations involved or interested, but such disclosure of reports of special examinations shall be only by action or consent of the Chief Examiner in each instance. Consent is also given for disclosing reports of regular examinations to authorized representatives of Farm Credit Administration and, when requested for confidential use in official investigations of matters touched upon therein, to agents of the Federal Bureau of Investigation, Department of Justice; the Assistant Postmaster General, Inspection Service, U.S. Postal Service; the Secret Service; the Internal Revenue Service; Office of the Inspector General, Department of Agriculture; and the General Accounting Office.

§ 602.210 Lists of borrowers.

The relationship between borrowers and the banks and associations in the cooperative Farm Credit System is confidential, and therefore no one employed by Farm Credit Administration shall release a list of borrowers from a Farm Credit bank or association except as provided in § 618.8310 of this chapter unless such release is approved by the Governor or deputy governor.

§ 602.215 Data regarding borrowers and loan applicants.

Because the relationship between borrowers and the banks and associations in the cooperative Farm Credit System is confidential, Farm Credit Administration personnel shall hold in strict confidence all information regarding character, credit standing, and property of borrowers and applicants for loans. They shall not exhibit or quote the following documents: loan applications; letters and statements relative to the character, credit standing, and property of borrowers and applicants; recommendations of loan committees; and reports of inspectors, fieldmen, investigators, and appraisers except as authorized by § 618.8320 of this chapter. This section is subject to the following further exceptions:

(a) Examiners and other accredited representatives of Farm Credit Admin-

istration shall have free access to all information, records, and files.

(b) Accredited representatives of the offices named in § 602.205 may, at their request, be given information pertinent to their official investigations of individual cases, and may examine such portions of the records and files as contain the information.

(c) Information concerning borrowers may be given for the confidential use of any Farm Credit institution, or any Government agency, in contemplation of the extension of agricultural credit or the collection of loans.

(d) Credit information concerning any borrower may be given when such borrower consents thereto in writing.

(e) In litigation between a borrower (or his successor in interest) and the United States or a bank or association, any competent evidence may be introduced with respect to any relevant statements made orally or in writing by or to the borrower or his successor.

§ 602.220 Waiver of restriction.

If it appears that justice would be served by releasing information in circumstances forbidden by § 602.215, the restrictions of that section may be waived as to a particular case by the Governor or deputy governor. A recommendation for such waiver may be submitted by any bank, association, or office concerned. Any such recommendation from a Federal land bank association or a production credit association shall be submitted through the appropriate Federal land bank or Federal intermediate credit bank, with the request that it be considered and forwarded to the Farm Credit Administration, if deemed advisable. Each such recommendation shall be supported by a statement of facts and approved by counsel for the forwarding bank. The recommendation should be addressed to the General Counsel, Farm Credit Administration.

§ 602.225 Officer or employee summoned as a witness.

If an officer or employee is summoned as a witness in litigation to which neither the Government nor any Farm Credit institution is a party for the purpose of testifying and/or producing documentary evidence with respect to matters which he is forbidden by these regulations in this Part to disclose, he shall arrange, if possible, with the attorney who obtained the summons, to be excused from testifying. If not excused, he shall appear in response to the summons but, before testifying or producing documentary evidence as to confidential information, he shall advise the court of these regulations against disclosing such information and request that its confidential nature be safeguarded. After so doing, he may then testify or produce documentary evidence as to such information only to the extent and under the conditions directed by the court.

§ 602.230 Request for advice.

Upon receiving any such summons, the officer or employee may request advice and assistance from the General Counsel of Farm Credit Administration or the district general counsel (or other designated attorney).

§ 602.235 Information regarding personnel.

List of employees shall not be released by an office of the Farm Credit Administration without the approval of the Governor or a Deputy Governor. This section is subject to the following exceptions:

(a) Taxing authorities shall be supplied, on request, with the names, addresses, and compensation of officers and employees of Farm Credit Administration. Field offices receiving any such requests shall forward them to the Accounting, Budget and Data Management Division.

(b) The Farm Credit Administration may release employees' names, addresses, positions and spouses' names to reputable concerns for listing in local directories only. Employees wishing to do so shall be allowed to withhold their names.

§ 602.240 Authority reserved to release information.

The provisions of §§ 602.200–602.235 shall not operate to limit or restrict the discretionary authority of the Governor or any Deputy Governor to release, or authorize the release of, information by or pertaining to the Farm Credit Administration or any bank or association of the Farm Credit System.

§ 602.245 Official records generally.

The Farm Credit Administration and the several banks and associations under its supervision keep confidential the classes of records enumerated in §§ 602.205, 602.210, 602.215, 602.235. Such records and other official records in the custody of the Farm Credit Administration may be made available to the extent provided in §§ 602.250–602.265. Information contained in other official records in the custody of a particular bank or association of the Farm Credit System may be made available to persons directly and properly concerned in accordance with §§ 608.8300 and 608.8350 of this chapter.

Subpart B—Availability of Records of the Farm Credit Administration

§ 602.250 Official records of the Farm Credit Administration.

Upon request, identified records of the Farm Credit Administration shall be made available for public inspection and copying, except exempt records which include the following:

(a) Records specifically required by Executive order to be secret;

(b) Records related solely to the internal personnel rules and practices of the Farm Credit Administration, including matters which are for the guidance of agency personnel;

(c) Records which are specifically exempted from disclosure by statute;

(d) Commercial or financial information obtained from any person or organization and privileged or confidential;

(e) Interagency or intra-agency memorandums or letters which would not be available by law to a private party in litigation in which the United States, as real party in interest on behalf of the Farm Credit Administration, is a party, or from a bank or association supervised by the Farm Credit Administration to a private party in litigation with such bank or association if such memorandums or letters are records of such bank or association;

(f) Personnel and similar files, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(g) Investigatory files compiled for law enforcement purposes, except to the extent available by law to a private party;

(h) Records of or related to examination, operating, or condition reports (other than published condition reports) of or related to the banks and associations under the supervision of the Farm Credit Administration which are prepared by, on behalf of, or for its use.

§ 602.255 Identification of records requested.

A member of the public who requests records from the Farm Credit Administration shall provide a reasonably specific description of the records sought so that such records may be located without undue search or inquiry. A record that is not identified by a reasonably specific description is not an identified record, and the request therefor may be declined.

§ 602.260 Request for records.

Requests for identified records should be directed to the Director of Information, Farm Credit Administration, Washington, D.C. 20578. Copies of such records may be obtained in person or by mail. Records will be available for inspection or copying during business hours on a regular business day at the offices of the Farm Credit Administration which are located in Suite 6100, 485 L'Enfant Plaza West SW., Washington, D.C. 20578.

§ 602.265 Service charge.

(a) The Farm Credit Administration furnishes a member of the public free of charge a reasonable quantity of information that has been printed or otherwise reproduced for the purpose of making it available to the public without charge.

(b) The Farm Credit Administration furnishes a member of the public free of charge information that is requested and is not exempt from disclosure when the information is readily available and can be furnished by the Farm Credit Administration without charge.

(c) When a request for information which may not be furnished under paragraphs (a) and (b) of this section is received, the Farm Credit Administration furnishes a copy of it at a fair and equitable fee when it is available to the public. In determining such fair and equitable fee, the Farm Credit Administration ascertains all costs necessary to recover the full cost to the Government including but not limited to, cost of employee service relating to research, re-

production assembly, and authentication. The fee will be based on these costs and information under this paragraph will not be furnished until such fee is paid or arrangements for payment are made.

SUBCHAPTER B—FARM CREDIT SYSTEM

PART 611—ORGANIZATION

AUTHORITY: The provisions of this Part 611 issued under sec. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

Subpart A—Introduction

The Farm Credit Act of 1971, Public Law 92-181, approved December 10, 1971, is a complete recodification and replacement for prior laws under which the Farm Credit Administration and the institutions of the Farm Credit System were organized and operated. Prior laws which are repealed and superseded by the Act are identified in section 5.26(a) thereof. Section 5.26(b) retained the effectiveness of the existing regulations of the Farm Credit Administration and the Farm Credit System, the institutions' charters, bylaws, resolutions, stock classifications, policy, and elections until superseded, modified, or replaced under the authority of the 1971 Act. All obligations and contracts under prior laws remain enforceable unless and until modified in accordance with the 1971 Act. It is, therefore, the purpose of these regulations to supersede regulations of the Farm Credit Administration issued under prior authority and to implement, as of the date of approval of these regulations, the provisions of the 1971 Act. Contracts, including but not limited to notes, bonds, debentures, loans, security, collateral, entered into by the Farm Credit Administration or any of the institutions of the System before the issuance of these regulations shall remain valid and enforceable upon their terms unless and until they are subsequently modified.

Subpart B—Policy

In recognition, as a national policy, that a prosperous, productive agricultural economy requires an increasing input of credit resources through a permanent financing system designed to furnish sound, adequate, and constructive credit to farmers and ranchers and their cooperatives, the Congress initially authorized in prior law and continued under the 1971 Act a System of limited purpose, farmer-owned, banks and associations to help meet their credit needs.

The System is designed for farmer and rancher borrowers' ownership, management, and control which will be responsive to the credit needs of all types of agricultural producers and their cooperatives having a basis for credit to be furnished through the System in ways which will more adequately meet current and future complex credit requirements. For purposes of these regulations, agricultural producers are identified as individual farmers and other legal entities engaged in farming or whose owners would be granted credit if they were individual applicants. The System should also serve the farm and family needs of the part-time farmer but qualification as a farmer should not entitle such members to unlimited financing for other purposes. Additional authorization has been provided for financing non-farm rural housing, producers or harvesters of aquatic products, and selected farm-related businesses furnishing on-farm services.

The primary objective of the System is to help improve the income and well-being of farmers and ranchers. Because the System was so well conceived, it has served a large part of the agricultural credit needs of the country. It can be of greater service now with the removal of many statutory limitations. With wider latitude for action comes greater responsibility for management and policy determinations. These regulations identify areas in which Systemwide policy and district policy for the guidance of management and operations of the banks and associations are necessary to assure the accomplishment of these objectives.

This wider latitude of service and added functions accentuate the impact of the System on the agricultural economy, on other elements of the Nation's total business community, and on the public generally. Consequently, as is true with other types of financing institutions, the public interest will be protected under rules dealing with supervision, examination, audit, lending and funding operations of the System.

Subpart C—The Farm Credit Administration

The Farm Credit Administration is composed of the Federal Farm Credit Board and the Governor of the Farm Credit Administration, hereinafter called the Governor, appointed by the Board, and other employees of the Administration. The Board is composed of not more than 13 members, one of whom is designated by the Secretary of Agriculture and the remainder appointed by the President, with the advice and consent of the Senate.

The qualifications, terms, manner of nomination, appointment, and compensation of Board members are provided in section 5.8 of the Act and the procedural rules for nomination are prescribed in § 618.8150 of this chapter.

The Board establishes the general policy for the guidance of the Farm Credit Administration and approves necessary rules and regulations for the implementation of the Act as specified in section 5.9.

Subpart D—The Farm Credit System

The Farm Credit System includes the Federal land banks, the Federal land bank associations, the Federal intermediate credit banks, the production credit associations, and the banks for cooperatives. Each of these institutions is an instrumentality of the United States for carrying out the congressional policy and objective. Each is chartered by the Farm Credit Administration, an independent agency of the Executive Branch of the U.S. Government, and subject to regulation and supervision by the Farm Credit Administration. The banks also have immediate supervisory responsibility over the associations in their districts.

Subpart E—Farm Credit Districts

The United States is divided into 12 Farm Credit districts. The designation and the States and other areas embraced in each district are as follows.

District name	District No.	District States
Springfield	1	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey.
Baltimore	2	Pennsylvania, Delaware, Maryland, Virginia, West Virginia, District of Columbia, Puerto Rico.
Columbia	3	North Carolina, South Carolina, Georgia, Florida.
Louisville	4	Ohio, Indiana, Kentucky, Tennessee.
New Orleans	5	Alabama, Mississippi, Louisiana.
St. Louis	6	Illinois, Missouri, Arkansas.
St. Paul	7	Michigan, Wisconsin, Minnesota, North Dakota.
Omaha	8	Iowa, Nebraska, South Dakota, Wyoming.
Wichita	9	Oklahoma, Kansas, Colorado, New Mexico.
Houston	10	Texas.
Berkeley	11	California, Nevada, Utah, Arizona, Hawaii.
Spokane	12	Washington, Oregon, Montana, Idaho, Alaska.

Subpart F—General Rules for the Districts

§ 611.1000 Organization—district boards of directors.

(a) Each Farm Credit district shall have a district board of directors composed of seven members, six of whom are elected and one appointed, as provided in section 5.2 of the Act. Important limitations on the eligibility for membership on the district board are specified in section 5.1 of the Act. The district board may adopt additional eligibility require-

ments, such as an age limitation or a number of successive terms for which a director will be eligible to serve. The terms of the elected and appointed district directors are specified in section 5.1(c) of the Act. The nomination and election of district directors is provided for in section 5.2 of the Act, and procedural rules are prescribed in § 618.8160 of this chapter. The members of each Farm Credit district board of directors shall operate as a single policymaking board. They also serve as the boards of directors of the Federal land bank, the Federal intermediate credit bank, and the bank for cooperatives in their respective districts. In neither capacity do they engage in management functions. Whether acting as the board of directors for the district or ex officio as the boards for the district banks, they are responsible for correlating the policies and functions of the banks and associations so that they complement the other institutions in the district.

(b) The Central Bank for Cooperatives as provided in section 3.2 of the Act has a separate board of directors of not more than 13 members, one elected by each district board and a member at large appointed by the Governor with the advice and consent of the Federal Farm Credit Board. The powers of the Central Bank board are comparable to the powers of the district board acting ex officio as the board of directors of the district bank for cooperatives. However, the principal purpose of the Central Bank involves participation with the district banks for cooperatives in loans.

§ 611.1010 Powers, duties, and responsibilities.

The district board acting in that capacity or as the board of a bank, as appropriate, shall—

(a) Adopt bylaws for the banks, and approve bylaws for associations in the district from forms approved or to be approved by the Farm Credit Administration and proposed modifications of such bylaws.

(b) Adopt and prescribe consistent lending and operating policies for each of the banks and all of the associations in the district as authorized by law and these regulations to the end that the credit and other services available to eligible persons be uniform to the extent feasible and at the lowest reasonable cost consistent with sound business operations. The policies of the board shall recognize that the strength of the Farm Credit System lies substantially in its cooperative character, that each institution is an integral part of the statutory scheme for the whole System, and that each institution shall consider the total credit needs of and services available to eligible borrowers.

(c) Provide for supervision of the associations in the district to assure that authorized services are available to eligible persons in the most effective and efficient manner.

(d) Periodically provide for a review of the credit and related service needs of farmers, ranchers, and cooperatives in the district and recommend programs or modified programs to the Federal Farm Credit Board.

(e) Formulate broad policy guidelines concerning the funding operations of the banks in the district and, in concert with other district boards, for the long-range guidance of the future funding of the System.

(f) Provide policy and guidelines for the employment, compensation, and employee benefits of competent officers and employees of the several institutions in the district.

(g) Authorize agreements for joint services within or between districts for functions and services to borrowers and to the institutions of the System which can be most effectively performed by joint undertakings. When such agreements involve impact or implications for other institutions of the System, general protection of borrowers' equities and overall public interests, the proposals shall be undertaken after prior consultation with Farm Credit Administrataion in its supervisory capacity.

(h) Delegate to management the responsibilities and accountability for implementing the Act and these regulations and effectuation of district board policy.

(i) Consider and take appropriate corrective actions on recommendations identified in examination and audit reports as determined by the board or as required by the Farm Credit Administration. If the district board cannot concur with corrective actions required by the Farm Credit Administration, the Federal Farm Credit Board shall determine the appropriate corrective action.

(j) Provide rules for its operations as a district board and such other policy guidance for the effective implementation of the law and these regulations within the district as may be appropriate.

§ 611.1020 Compensation of district board members.

Directors may be compensated at per diem rates not to exceed $75 for attendance at board meetings and for special assignments, including reasonable travel time from and to their residences.

§ 611.1021 Compensation limitation.

Compensation as a district board member is not allowable for time spent by district directors on business of Federal land bank associations, production credit associations or cooperatives of which they are members of other self-imposed assignments.

§ 611.1030 Special assignments of district board members.

Special assignments requiring the services of a director shall be authorized under procedures established by either the district board or the board of one of the banks, whichever is appropriate, and may be requested by the Farm Credit Administration.

§ 611.1031 Limitation on special assignments.

Special assignments requiring service in one calendar year totaling more than 30 days (not counting time needed for attendance at board meetings) must have the prior approval of the Farm Credit Administration. Without any further request therefor, prior approval is hereby given for attendance at National Farm Credit Directors Conferences and Planning Committee meetings, meetings of the Directors Advisory Committee to the Fiscal Agency Committee, meetings of the District Directors Policy Coordinating Committee and attendance at a particular time or place requested by the Farm Credit Administration.

§ 611.1040 Meetings of boards.

The boards shall establish regular meetings and may arrange for special meetings. The Farm Credit Administration should be notified at least 2 weeks in advance of any changed regular meeting date and, if possible, of any special meeting of the board.

§ 611.1050 Minutes of boards.

The district board shall keep full and accurate minutes of its meetings and of meetings as bank boards. Two copies of the minutes of district board meetings and bank board meetings should be sent to the Farm Credit Administration within 2 weeks after the meetings.

§ 611.1060 District organization.

The district board shall provide through a committee of presidents of the three banks, or through some other organizational pattern, a means of facilitating and promoting maximum communications among the banks in the district and an efficient and effective means of coordinating communications of these banks with the Farm Credit Administration, other parts of the System, other organizations, and with borrowers and the public. The organizational pattern should also be such that it encourages and helps to effectuate closer working relationships between the banks as a means of providing the best possible service to members at the lowest possible cost.

§ 611.1070 Branches.

The boards may authorize the establishment of branches or other offices necessary for the effective operation of the business of the banks. An association may establish such branches or other offices necessary for the effective service to borrowers when approved by the supervising bank.

§ 611.1080 Association establishment and election of directors.

As used throughout these regulations, the term "association" is restricted to Federal land bank associations and production credit associations. Section 1.13 of the Act provides for the establishment of Federal land bank associations and section 1.14 provides for the election of their boards of directors. Section 2.10 of the Act provides for the establishment of the production credit associations and section 2.11 provides for the electing of the board of directors. Additional provisions are contained in the bylaws for both.

§ 611.1090 Merger of districts.

Should two or more district boards recommend the merger of existing districts, change in the territory served by the respective districts, or any change in the name or designation of a district, the proposal and justification therefor shall be submitted to the Farm Credit Administration for review by the Federal Farm Credit Board before it is submitted for any required stockholder approval.

§ 611.1100 Mergers or consolidations of banks.

Any of the banks in the System proposing to merge or consolidate with like banks in other districts, as authorized by the Act, shall jointly submit the proposal and justification, including recommendations for the formulation of a board of directors for the bank resulting from such merger or consolidation, to the Farm Credit Administration for review before the proposal is submitted to the stockholders of such banks for approval.

§ 611.1110 Creation of new associations.

Any application for the issuance of a charter to a new Federal land bank association shall meet the requirements of section 1.13 of the Act, and any application for the charter of a new production credit association shall meet the requirements of section 2.10 of the Act. In submitting the application and recommendations required by said sections, the proposed association shall submit its proposed bylaws from the forms or optional forms approved by the Farm Credit Administration or its proposed additions to and modifications of such approved or optional bylaws provisions.

§ 611.1120 Merger or consolidation of associations.

The boards of directors of two or more like associations may propose to merge or consolidate associations. The resolutions proposing such agreement shall be accompanied by an agreement setting forth the terms and conditions under which the merger or consolidation shall take place and shall be submitted to the bank board which, if it approves of the proposal, shall transmit the tentative agreement, and make its recommendation, to the Farm Credit Administration for review before the proposal is submitted to the stockholders of the associations. The agreement for merger or consolidation shall include the proposed effective date; the proposed name and location of the continuing or consolidated association; the designation of the charter and bylaws of one constituent association to be those of the continuing or consolidated association; the names of persons nominated to serve as directors until the first annual meeting after the merger or consolidation; the authority for transferring assets to and assumption of liabilities by the continuing or consolidated association; provision relating to the stock of the constituent associations and the stock of the continuing or consolidated association, provided no fractional shares of stock shall be issued; and the designation of persons and granting of authority to carry out the agreement, including authority to execute any documents necessary to perfect title. If preliminary approval is received from the bank board and the Farm Credit Administration, the proposed merger or consolidation shall be submitted for the approval of the majority of the voting stockholders who are present and voting and the written proxies of voting stockholders presented at a duly authorized stockholders' meeting. The form of written proxy shall be prescribed by the bank. Upon such approval of the agreement, the Farm Credit Administration will amend the charter or issue a new one and approve new bylaws as may be appropriate. The newly designated directors may take such action at any time thereafter, subject to ratification at the first meeting after the effective date, as may be necessary for the continuing or consolidated association to transact its business. The execution of the agreement and the merger in its entirety shall be under the direction of the bank.

§ 611.1121 Territory adjustments of associations.

Territorial adjustments may be made among like associations, subject to the approval of the bank board and the Farm Credit Administration.

§ 611.1130 Liquidation of associations.

The board of directors of an association, by the adoption of an appropriate resolution, may place an association in voluntary liquidation, subject to approval of the bank board and the Farm Credit Administration, whereupon the supervising bank shall appoint a liquidating agent. Additionally, upon default on any obligation by any association which cannot be corrected by other action including but not limited to mergers, the Governor may declare an association insolvent and place it in the hands of a receiver or conservator under such terms as the Governor may prescribe on a case-by-case basis.

PART 612—PERSONNEL ADMINISTRATION

Subpart A—General Policy

Subpart B—General Rules

AUTHORITY: The provisions of this Part 612 issued under secs. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

Subpart A—General Policy

§ 612.2000 Responsibility.

The personnel programs in the banks are primarily administered under the direction of their boards of directors. The Farm Credit Administration has the responsibility for exercising general supervisory authority and certain specific authorities relating to employment and compensation in the banks.

§ 612.2010 District personnel policy manual.

In the interest of effective personnel administration, the district board shall establish personnel policies for the district banks and shall provide for the issuance of the personnel policy manual reflecting such policies. The policies established shall be in accordance with applicable rules and regulations and shall be submitted to the Farm Credit Administration for review and should include the following:

(a) A general statement of personnel policy.

(b) A section on employment practices.

(1) Employment of relatives (nepotism).

(2) Reference checks.

(3) Re-employment of annuitants.

(4) Equal employment opportunity.

(c) Salary administration program.

(1) Classification of positions.

(2) Salary ranges.

(3) Compensation practices.

(4) Performance evaluation.

(d) Employee training and development.

(e) Employee responsibilities and conduct.

(1) Prohibited acts.

(2) Conflict of interest.

(3) Political activities.

(f) Grievance procedure.

(g) Employee benefits. Employee benefit programs should be motivating and equitable, effective in maintaining favorable employee attitudes, and within

the economic capabilities of the banks. Employee benefits should be developed as a total program including leave, retirement, and insurance programs. Benefits should be consistent with benefits generally granted by the better employers of the area. A degree of consistency in benefit programs between districts is desirable. The inclusion of portability provisions between districts should be an objective in formulating employee benefit programs.

§ 612.2020 Associations.

The supervising banks shall develop personnel programs for associations. To the extent feasible or required, such programs shall be consistent with the personnel programs of the banks.

Subpart B—General Rules

§ 612.2030 Nepotism.

The following regulations are designed to promote morale and efficiency and to emphasize and assist the merit system of appointments and promotions.

(a) No relative of a director of a Farm Credit institution shall be employed as manager or chief executive officer of that institution.

(b) No person shall be employed by a Farm Credit institution in a position which is under the direct or indirect supervision of a relative, except that if such entity is an association, and the supervising bank has determined beforehand that positive efforts to fill an essential position by other recruitment have been unsuccessful, such bank may authorize in writing the hiring of such a related person for the position for a period or periods not to exceed 90 workdays in any calendar year. Any repetition in a succeeding calendar year must include a separate written redetermination by the bank.

(c) The term "relative" as used in this section includes first cousins and brothers-in-law and persons of similarly close or closer relationships by blood, marriage, or adoption.

(d) The provisions of this section shall be applicable to persons employed on or after the effective date of these regulations.

§ 612.2031 Reporting violations.

In any instance of violation or prospective violation of § 612.2030, it is the responsibility of the related individuals to notify the employing entity's chief executive officer regarding the situation immediately upon becoming aware of it. It is the responsibility of any such officer or manager who becomes aware of such a situation, by this or any other means, to take prompt corrective action, or, if it is beyond his power or ability to do so, to request instructions from the supervising bank or the Farm Credit Administration, as appropriate.

§ 612.2040 Reference checks.

In all bank and association appointments, careful and appropriate inquiry shall be made of the applicant's character and qualifications and made a part of the employee's personal file.

§ 612.2050 Re-employment of annuitants.

As a general policy, plans should be made in advance by banks and associations to recruit and train qualified replacements for prospective vacancies because of approaching retirements or other reasons which can be anticipated. Annuitants should not be employed except when definite recruiting efforts have failed to produce other qualified applicants for the positions. Employment of an annuitant shall be on a temporary basis and only after a break in service has occurred. A temporary appointment is defined as an appointment not to exceed 1 year.

§ 612.2060 Political activity.

(a) No salaried employee shall hold a remunerative public office or be a candidate for such office unless the bank which supervises his employer (if he is an association employee) or the Farm Credit Administration (if he is a bank employee) has, after investigation and consideration of all facts involved, rendered a written opinion that such candidacy or holding of public office would not bring justified criticism on the grounds of political activities or partialities or in any other manner adversely affect the best interests of the borrowers or the operations and public image of the System or any institutions thereof.

(b) No salaried employee shall take an active part or issue public statements relating to the nomination or candidacy of any person or participate in partisan political campaigns for national or statewide elective office, in any way that would implicate by support, endorsement or otherwise, his connection with the Farm Credit institution by which he is employed. This statement shall not be construed to prohibit an employee from expressing his personal opinion on political affairs or candidates or making voluntary campaign contributions.

§ 612.2070 Equal employment opportunity.

It shall be the policy of all banks and associations to provide all employees and all qualified and eligible applicants equal employment opportunity without regard to race, color, religion, sex, age, national origin, politics or physical handicap. Under direction of the district and association boards, chief administrative officers shall exercise personal leadership in establishing, maintaining and carrying out a positive, continuing program designed to promote equal opportunity in the organizations' employment practices.

§ 612.2080 Salary and range approvals.

(a) All salary ranges for senior officers of the banks shall be forwarded to the Farm Credit Administration for approval 15 days prior to the effective date of any changes.

(b) A form prescribed by the Farm Credit Administration will be used by the banks to record personnel actions.

(c) The establishment or any change in the salary of the chief executive officer of a bank shall be referred to the Farm Credit Administration for approval 10 days prior to release of any announcements.

(d) A copy of all personnel actions in the senior officer level will be directed to the Farm Credit Administration for record purposes.

§ 612.2090 Other compensation plans.

All types of compensation plans, other than wages, for bank officers and employees shall be submitted to the Farm Credit Administration for prior approval. Employee benefit programs, such as hospitalization plans, group life insurance plans and other similar benefits, are not considered compensation plans.

§ 612.2100 Personnel recruitment and training.

The district and association boards shall approve policies and assure that specific responsibility is assigned for implementing recruitment and training programs. The purpose of such policies and programs shall be to recruit, train, develop, and effectively utilize and retain a staff competent to carry out the function of each bank and association. In developing these policies and programs, consideration should be given to such factors as present state of and expected changes in size, number, and complexity of loans, key employee succession, present and potential share of the market, level of loan servicing, and credit related services.

§ 612.2110 Director, officer, and employee responsibilities and conduct.

The maintenance of high standards of industry, honesty, integrity, impartiality, and conduct by directors, officers, and employees of all institutions and organizations in the Farm Credit System is essential to insure the proper performance of System business and continued public confidence in the System and all its entities. The avoidance of misconduct and conflicts of interest, either real or apparent, by all personnel is indispensable to the maintenance of these standards. All personnel shall observe both the letter and the intent of the laws, regulations, instructions, and procedures applicable to them and to entities in the System, whether issued by the Farm Credit Administration or by the entities themselves. Such written criteria, however, cannot alone provide for maximum accomplishments of the aims of the Farm Credit law. Such accomplishment must rely, in addition, on positive effort and the exercise of ingenuity and good judgment by all who have a part in carrying out the authorized Farm Credit programs. District Boards shall adopt rules and guidelines of conduct for directors and employees, which shall implement these regulations and may include other guidelines, and secure compliance therewith. District Board guidelines and instructions shall be made available to each employee, each district and association director, and each nominating committee.

§ 612.2120 District and association directors.

The democratically controlled, borrower-owned structure of the Farm

Credit System makes it essential that each member of the boards of directors of the institutions of the System, as well as the officers and employees, be aware of potential conflicts of interest. Each director shall:

(a) Refrain from divulging or using for his personal benefit information acquired as a director, except in the performance of his official duties,

(b) Abstain from participating directly or indirectly in the deliberations on any question affecting his personal interests or those of his family or of any corporation or other business organization in which he has an interest,

(c) Avoid any action toward or the appearance of obtaining special advantage or favoritism in dealing with borrowers from any of the institutions of the System, or with officers or employees thereof, particularly in relation to real or personal property which any such institution owns or in which it claims a lien or other interest, and

(d) Consider the potential conflict of interest arising from his employment by, or directorship of, other lending institutions and his ability to impartially and objectively perform his duties and responsibilities as a director of the Farm Credit institutions.

§ 612.2130 Soliciting support in polls for district or Federal Farm Credit Board membership.

(a) No salaried officer or employee of a bank or association shall take any part, directly or indirectly, in the designation of nominees for the Federal Farm Credit Board, in the nomination or election of members of a district Farm Credit Board, or in the election of directors for the Central Bank for Cooperatives, or make any statement, either orally or in writing, which may be construed as intended to influence any vote in such designations, nominations, or elections. Action shall immediately be taken, for suspension or dismissal in accordance with applicable procedures, against any such officer or employee who violates the provisions of this section.

(b) No bank or association property, transportation, communications, or official stationery shall be used in the interest of any candidate.

(c) No director, officer, or employee shall, for the purpose of furthering the interests of any candidate, furnish or make use of Farm Credit System records which would not be available to all candidates.

§ 612.2140 Reports and recommendations on proposed or pending Federal legislation.

Any contacts on behalf of the bank or association or its board with the Office of Management and Budget with reference to proposed or pending legislation affecting the Farm Credit System shall be made through the Farm Credit Administration.

§ 612.2150 Devotion of time to official duties.

Officers and employees of the corporations, including associations, under the supervision of the Farm Credit Administration, who are employed on a full-time basis, are required to devote their full business time to the effective accomplishment of the duties assigned them in connection with the activities and operations of the corporations in which they are employed. They are also expected to refrain from accepting employment or compensation for activities, even for service rendered outside of business hours, which might embarrass the employing corporation or the Farm Credit Administration or cast reflection upon their ability to take an unbiased and impartial view of its operations.

§ 612.2160 Prohibited acts for salaried employees.

Under law or rules or guidelines of the district boards which shall be made available to all employees, no salaried officer, employee, or agent of any institution of the Farm Credit System:

(a) Shall, in any manner directly or indirectly, participate in the deliberation upon, or the determination of, any question affecting his personal interests, those of any person related to him by blood or marriage, or those of any partnership, association, or any business organization in which he is directly or indirectly interested;

(b) Shall, except in the performance of his official duties, divulge to another person, or utilize for his personal benefit or that of another, any fact or information acquired, directly or indirectly, by virtue of his employment;

(c) Shall accept or receive any salary, fee, commission, honorarium, or substantial gift, or other benefit, directly or indirectly, from any borrower from or debtor to any institution of the Farm Credit System, from any loan applicant or his representative, from any seller to or purchaser from any borrower or applicant, or any person transacting business with any institution of the System, provided, however, that any officer, employee, or agent may enter into bona fide transactions with borrowers for services or for the purchase and sale of farm supplies or farm products used in or produced on his own farm, if such purchases and sales are reported to and not disapproved by the board of directors of the institution by which he is employed;

(d) Shall acquire, directly or indirectly (including acquisition by membership in syndicates), any lands or interests therein, including mineral interests, which are owned by any Farm Credit institution or which were thus owned at any time within the preceding 12 months. As used in this § 612.2160, "mineral interests" means any interest in minerals, oil, or gas, including, but not limfted to, any right derived directly or indirectly from a mineral, oil, or gas lease, deed, or royalty conveyance. This paragraph shall not apply to any acquisition by will or inheritance.

(e) Shall separately acquire, directly or indirectly (including acquisition by membership in syndicates), any mineral interests in lands which are mortgaged to any Farm Credit institution or which were thus mortgaged at any time within the preceding 12 months, but this shall not prohibit mineral interest being acquired incidentally with surface interests. This paragraph shall not apply to any acquisition by will or inheritance;

(f) Shall acquire, directly or indirectly (including acquisition by membership in syndicates), any interests in lands (including mineral interests being acquired incidentally with surface interests) which are mortgaged to any Farm Credit institution or which were thus mortgaged at any time within the preceding 12 months, without obtaining the specific prior approval of its board of directors in addition to conforming with any other applicable regulations. This paragraph shall not apply to any acquisition by will or inheritance;

(g) Shall participate, directly or indirectly, in any transaction concerning the purchase or sale of corporate stocks or bonds, commodities, or other property for speculative purposes if such action might tend to interfere with the proper and impartial performance of his duties or bring discredit upon any Farm Credit institution. Employees are not prohibited by this paragraph from making bona fide investments. When an employee is uncertain as to whether a contemplated transaction would constitute a conflict of interest, he should consult his immediate supervisor;

(h) Shall have business relations, directly or indirectly, involving activities with borrowers which permits or gives the appearance of permitting undue influence, such as the purchase or sale of commodities or supplies, the placement of insurance, sale of real estate, auctioneering, sales barns, or appraisal service, except in his official capacity as an employee of the Farm Credit institution; provided that this prohibition shall not be applicable to any employee who was engaged in such activity on May 1, 1972, until December 31, 1973; and thereafter shall not be applicable to any such employee exempt therefrom upon the recommendation of the bank board and approval of the Governor, taking into account his contribution to the System and alternatives available.

(i) Shall, while he serves on a bond or debenture committee, purchase or acquire, directly or indirectly, ownership of, or any interest in, any of such obligations of the bank of which he is such an officer; or

(j) Shall serve also as an officer or director of a commercial bank or of an organization which frequently or occasionally transacts lending business with a Farm Credit institution; provided that this prohibition shall not be applicable to any employee who was such an officer or director on May 1, 1972, until December 31, 1973.

§ 612.2165 Legal provision cited.

In the above connection, particular attention is directed to the following provisions of law containing the Federal penal provisions which relate particularly to officers and employees of the institutions under the supervision of the Farm Credit Administration: Sections 212, 213, 215, 216, 371,

493, 657, 658, 1006, 1011, 1013, 1014, 1907 and 1909 of title 18, United States Code.

§ 612.2170 Cases involving trivial interest or relationship.

If the degree of interest or relationship in any case, as determined by the District board, is not substantial, but is so trivial as to create little probability that the officer's or employee's impartiality of judgment and action has been affected, no question under section 2160 shall be deemed involved. Each case shall be determined on its own facts, proper weight being given to the nature, amount, and importance of the benefit involved, the degree or kind of relationship in question, and the character of the person concerned.

§ 612.2180 Gifts or favors from subordinates.

No salaried officer or employee of any Farm Credit institution shall at any time solicit contributions from other employees for a gift or present to anyone in a superior position, nor shall any such superior receive any gift or present offered or presented to him as a contribution from employees receiving a less salary than himself, nor shall any such officer or employee make any donation as a gift or present to any official superior; provided, however, that this section shall not apply to gifts of a nominal value traditionally exchanged among business associates as part of acceptable social amenities.

§ 612.2190 Borrowing from subordinates.

No salaried officer or employee shall borrow from or obtain endorsement of a note or other obligation from any subordinate employee.

§ 612.2200 Improper use of official property.

No director, officer, or employee shall use the space, personal property, communication, transportation, or other facility of a Farm Credit institution for activities or business in his personal interest or the personal interest of another, except under lease, contract, concession, or authorization in writing, pursuant to agreements and negotiations fairly arrived at and evidenced in writing, setting forth the terms and conditions of such use. Official stationery shall not be used for personal communication or for communications on controversial public matters expressing opinions which do not represent the official views of those having a responsibility for expression of official views of the institution.

§ 612.2210 Evasions and circumventions of rules of conduct.

No officer or employee shall use any scheme or device to avoid compliance with any of the rules or guidelines established under §§ 612.2110 through 612.2200 or avoid compliance with the intent of those rules through the use of subterfuge, evasions, or circumventions. Examples of acts of subterfuge or circumventions include (a) obtaining a loan or assisting another borrower to obtain a loan from a Farm Credit institution knowing that the proceeds thereof are planned to be used to provide financing for a person who is ineligible for such a loan, (b) inducing or assisting another person to obtain a loan from any institution of the System, the proceeds of which are planned to be used for the employee's benefit or for the benefit of any legal entity in which the employee has a direct or indirect personal interest.

§ 612.2220 Official loans.

Officers and employees as well as directors may receive bona fide loans to the extent that they are eligible for such loans and in strict compliance with policies and regulations governing such loans.

§ 612.2230 Report by personnel.

The officer, director or employee involved or interested in any transaction to which §§ 612.2120, 612.2160, 612.2170, and 612.2210 are applicable shall report in writing to the appropriate officer of the interested bank or association and disclose his interest and status in the matter unless, in the case of a loan application, the application itself discloses such information. The interested bank or association is the one that is a party to the transaction and not the employing bank or association unless they happen to be the same.

§ 612.2240 Approval by interested bank or association.

All permitted transactions to which §§ 612.2120, 612.2160, 612.2170, and 612.2210 apply shall be subject to prior approval of the executive committee or loan committee of the interested Farm Credit institution and, unless the board of directors of that institution requires prior board approval of such transactions, shall be reported to the board for review. The officer, director, or employee involved or interested should absent himself from any meeting of the executive or loan committee or of the board, except when the committee or board requests information from him in person, while consideration is being given to the action on the transaction. This section supersedes any vested or delegated authority to the person involved. The final action on such transactions shall be recorded in the minutes of the committee or the board which shall reflect the fact that the person involved was not present when final consideration was given to the transaction.

§ 612.2250 Reports of transactions with directors, officers, or employees.

The associations shall report transactions to which §§ 612.2120, 612.2160, 612.2170, and 612.2210 apply fully in writing to the supervising bank and the bank shall report such final approval of the transaction to the Director of Credit Service unless the Board minutes of the supervising bank disclosing such final action are submitted promptly to the Farm Credit Administration.

§ 612.2260 Reports of credit extended to financing institutions.

Any bank or association extending credit to a financing institution not in the Farm Credit System upon the basis of any note or other obligation of a director, officer, or employee of a Farm Credit institution, including any obligation or any endorsement in which such director, officer, or employee has a personal, financial interest, shall be reported to the Director of Credit Service. This section shall not apply to the fulfillment of existing contracts with such institutions in accordance with their terms where there is no change in the parties of interest or the ownership of the related property, sales of surplus equipment and supplies in accordance with the rules of disposition of such property, or the discounting by a Federal intermediate credit bank of a PCA loan, or to the making of a loan by a bank for cooperatives except as such loans or discounts are required by other regulations to be submitted for prior approval.

§ 612.2270 Other reports to the Farm Credit Administration.

Loan transactions, which by other regulations are required to be submitted to the Director of Credit Service for prior approval or for advice and counsel, should be accompanied by the information required by this regulation when applicable, in which event a separate reporting to meet the requirements of this regulation will not be necessary. Such steps as may be necessary should be taken in each bank to see that all officers, directors, and employees are advised of the circumstances in which reports are required of them by this regulation.

§ 612.2280 Fidelity bonds required.

Provision shall be made by the banks for insurance coverage against losses by all bank and association employees through the continuation of present coverage. Bankers Blanket Bond, Standard Form No. 10, or a substitute, may be used. The Act does not require a faithful performance provision in the bond coverage. The district boards shall determine that bond coverage is in an amount that will adequately protect the banks and associations, taking into consideration the increased dollar amount of assets and lending activity of these institutions.

§ 612.2290 Policy applicable to design and administration of employee benefit programs in the Farm Credit System.

(a) All employee benefits should be developed and based on clearly defined objectives with full coordination of benefits to eliminate coverage gaps and duplication of benefits and costs.

(b) The sharing of cost between the employer and employee should take into consideration current industry and local practices and the tax consequences to both the employer and employee.

(c) All employee benefits should be reviewed periodically to make certain they are competitive as measured by industrial and local standards so that such plans

can be used as an effective management tool (incentives, recruitment, etc.).

(d) The selection of insurer to underwrite the Group Insurance Program should be based on sound underwriting principles and an evaluation of operational expenses, risk assumptions, proper accounting concepts and cost control procedures.

(e) The amendment of a pension plan to eliminate future contributions from employees will be permitted under the following conditions:

(1) Prior employee contributions plus interest shall not be immediately refunded to employees in cash. (Options in cases of separation or death before retirement remain the same as under existing programs.) Instead, they will be retained as a part of the pension plan to either reduce employer costs or to provide benefits in addition to those provided by employer contributions, or to do both. This rule shall not prohibit the transfer of prior employee contributions plus interest to a new Thrift Plan which an employer may establish at the same time as future employee contributions are eliminated from the pension plan.

(2) Post-retirement group life insurance benefits to be provided present employees will be either (i) eliminated, (ii) reduced to no more than $2,500, (iii) frozen at the amounts which would have been provided under the group life insurance program had the employee's present rate of earnings continued to retirement. Post-retirement group life insurance for all employees hired in the future will be limited to a maximum of $2,500.

(3) Accidental death and dismemberment included in a group life insurance program will be terminated at the time of the employee's retirement.

(4) The funding medium to be employed to fund pension benefits may involve either a trust fund or a pension investment contract issued by an insurance company of a type which will provide a maximum rate of return commensurate with the degree of risk involved, maximum flexibility of financing, and expenses which are reasonable and justified, taking into consideration the services being provided by the insurance company.

(5) The overall costs of employee benefits will be determined on a realistic and sound financial basis and be in line with current industrial and local conditions.

(6) The pension formula will take into consideration, directly or indirectly, present and anticipated future levels of social security benefits.

§ 612.2291 Thrift plan requirements.

Subject to the restrictions previously set forth and those indicated below an employer may adopt an Employee Thrift Plan:

(a) Voluntary employee contributions will be in multiples of 1 percent but not to exceed 6 percent of their earnings, except as provided in paragraph (c) of this section.

(b) Matching employer contributions may be determined by a schedule designed to fit employer objectives but in no event will the rate of matching employer contributions exceed 50 cents for each dollar contributed by an employee.

(c) Voluntary employee contributions in excess of 6 percent but not beyond 10 percent may be permitted but in no event will such excess employee contributions be credited with a matching employer contribution.

(d) In the event prior employee contributions to a pension plan are transferred to the Thrift Plan, the value of such contributions will not be subject to withdrawal while the employee is still employed except in the event of financial emergencies as defined in the Thrift Plan.

§ 612.2300 Civil service retirement coverage.

(a) Section 5.6(b)(1) of the Act specifies which of the officers and employees of the banks shall be under the Civil Service Retirement Act after 1959. The creditability of service in the banks prior to 1960 is unaffected by the Act.

(b) District personnel officers are supplied with copies, and current amendments, of the Federal Personnel Manual and other material regarding civil service retirement, which contain complete information on the civil service retirement laws and regulations thereunder.

§ 612.2310 District retirement plans.

The district boards and the bank boards shall provide retirement benefits for their employees who are not under the Civil Service Retirement Act. It is recognized that the district retirement plans should be designed to be uniform, as far as practicable, between the various banks and associations in the same district. Retirement benefits, with due allowance for the social security benefits available, should be competitive with industry and area practices with appropriate consideration of the cost. Any such retirement plans, including thrift or savings plans, and any amendments thereto, shall be submitted for the prior approval of the Farm Credit Administration. Approval of the plan by the Internal Revenue Service shall be secured.

§ 612.2320 Personnel reports.

The Farm Credit Administration will request reports of personnel strength and listings of personnel on a semiannual basis.

PART 613—ELIGIBILITY AND SCOPE OF FINANCING

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613.3140 Requirement.

AUTHORITY: The provisions of this Part 613 issued under sec. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

Subpart A—General

§ 613.3000 Authority.

The Act, sections 1.8, 2.3, 2.15, authorizes the Federal land banks, Federal intermediate credit banks and production credit associations to make loans to bona fide farmers and ranchers, rural residents and persons furnishing to farmers and ranchers services directly related to their on-farm operating needs. Production credit associations also may make loans to producers or harvesters of aquatic products. Similarly, sections 3.7 and 3.8 of the Act authorize the banks for cooperatives to make loans to eligible cooperatives.

Subpart B—Eligibility To Borrow From Federal Land Banks and Production Credit Associations

§ 613.3010 Person defined.

A "person" is an individual or a legal entity. A "legal entity" is any partnership, corporation, estate, trust or other entity which is legally vested with authority to conduct a business.

§ 613.3015 Combined operations.

(a) Where an applicant's operations include a combination of farming, producing or harvesting aquatic products, or a farm-related business the determination of eligibility can be made on the basis of the criteria set out for either or any combination of these operations.

§ 613.3020 Farmers and ranchers.

(a) Definition. A bona fide farmer or rancher is a person owning agricultural land, or engaged in the production of agricultural products, including aquatic products under controlled conditions.

(b) To be eligible to borrow, an individual shall establish as a part of his application for credit his qualification as a bona fide farmer or rancher.

(c) A legal entity shall meet these same requirements and at least one of the following qualifications to be eligible to borrow:

(2) More than 50 percent of the value or number of shares of its outstanding voting stock or equity is owned by the individuals conducting the farming or livestock operation.

(2) More than 50 percent of the value of its assets consist of assets related to the production of agricultural products.

(3) More than 50 percent of its income orginates from its production of agricultural products.

(d) In addition, any loan to a legal entity in which at least 50 percent of ownership or the control is vested in another legal entity that does not meet at least one of the preceding three requirements shall be subject to prior approval of the Farm Credit Administration. Unless it can be found that such owned or controlled legal entity can operate its business as a counterpart to the normal farm businesses eligible to borrow, without jeopardy to such normal farm businesses or the general agricultural economy, approval will not be granted. Prior approval submissions shall fully document the ownership structure, the business affiliations of those owning or controlling the applicant, and the compatibility of the applicant's farming business to the normal farm business operating in the area or to the general agricultural economy.

(e) A legal entity engaged in agriculture for the primary purpose of conducting its operation at a loss to absorb taxable income from nonagricultural sources shall not be eligible.

(f) A legal entity which was a borrower otherwise eligible on the effective date of these regulations and does not materially change its entity structure or control and ownership will continue to be eligible for further borrowing.

(g) The banks and associations are authorized to make loans to farmers and ranchers for any agricultural purpose and other requirements of the borrower. The System is primarily an agricultural lender, therefore the following shall be used for determining the amount of credit which may be extended for other requirements.

(1) A broad interpretation may be applied to such requirements where the agricultural operation represents more than 50 percent of the borrower's total business, except that at no time shall the total credit extended for other requirements exceed the total value of farm assets.

(2) Where the agricultural operation represents less than 50 percent of the borrower's total business, credit extended for other requirements (except needs of the family in part-time family farms) shall be on a conservative basis, scaled down proportionately as the farm assets become less significant in the total operation.

§ 613.3030 Producers or harvesters of aquatic products.

(a) Definition. A producer or harvester of aquatic products is a person(s) engaged in the production or harvesting of aquatic products for economic gain in open waters under uncontrolled conditions.

(b) Eligibility. To be eligible to borrow from a production credit association as a producer or harvester of aquatic products, an individual shall establish as a part of his application for credit his qualification as a producer or harvester of aquatic products. A legal entity must meet these same requirements and at least one of the following qualifications:

(1) More than 50 percent of the value or number of shares of its voting stock or equity is owned by the individuals conducting the aquatic operation.

(2) More than 50 percent of the value of its assets consist of assets related to the production or harvesting of aquatic products.

(3) More than 50 percent of the income originates from its production or harvesting of aquatic products.

(c) All proposed loans by production credit associations to producers or harvesters of aquatic products meeting the above qualifications shall be referred to the Farm Credit Administration for prior approval.

(d) Scope of financing. Production credit associations are authorized to make loans to producers or harvesters of aquatic products for aquatic needs and other requirements of the borrower. The total credit extended for other requirements shall not exceed the value of assets devoted to the production or harvesting of aquatic products. When the aquatic operation represents less than 50 percent of the borrowers' total business, credit extended for other requirements shall be on a conservative basis scaled down proportionately as the aquatic assets become less significant in the total operation.

§ 613.3040 Rural residents.

(a) Eligibility of the user. To be eligible to borrow an individual shall establish as part of his application for credit his qualification as a rural resident. However, a borrower shall not have loans on more than one rural residence at any one time and no loan shall be made to an individual to purchase or construct a rural residence for the express purpose of rental or resale.

(b) A rural resident is an owner-occupant of a rural residence located in a rural area.

(c) Rural residence. A rural residence is a single-family, moderate-priced dwelling used as a permanent, year-round residence with appropriate appurtenances and an appropriate site sufficiently large to provide a proper surrounding for a residence both in terms of the physical requirements for access, equipment, utilities and services and the community standards for aesthetic suitability. Rural residences may include conventional housing, modular housing or mobile homes. However, a mobile home must be related to a specific real estate site. This shall involve the following.

(1) Its being fixed on a permanent or semipermanent foundation.

(2) The intent of the owners at the time affixed.

(3) Its intended use as permanent housing.

(4) Further, the mobile home shall be connected to a sewage system, water system and other utilities, and the owner-occupant shall own land or hold a suitable long-term lease which is assignable on the land on which it is located.

(d) The bank shall prescribe appropriate procedures subject to the approval of the bank board as to types of housing that may be used as security for loans to rural residents within the district.

(e) Moderate-priced dwelling: A moderate priced dwelling is adequate but not in excess of the living standards of persons in the middle range of income for that area of the Farm Credit district. Due to the wide variations in housing costs, income levels, and area standards for housing, the determination of the ranges of value which constitutes moderate priced housing will vary between localities. A loan shall not be made if the value of the dwelling exceeds the standards defined herein.

(f) The bank shall prescribe appropriate procedures subject to approval of the bank board as to ranges of value which constitute a moderate-priced dwelling with the district.

(g) Rural area:

(1) For the purposes of nonfarm rural housing loans only, a rural area is open country which is primarily agricultural in character. It may include any open areas in any city or village with a population of up to 2,500 persons, based on the latest U.S. Census, which is not directly associated with or adjacent to a larger population center. A rural area does not include established commercial subdivisions or other concentrated residential areas, regardless of location, which are primarily intended to provide high density housing and services. But individually-owned rural homes constructed in clusters for convenience or efficiency of services are included.

(2) Rural areas may include open areas which are undeveloped for housing and still devoted to agricultural use within other political subdivisions including "towns" exceeding 2,500 persons designated by the district board with the approval of the Farm Credit Administration. In making this designation, consideration shall be given to the character of local governmental powers, the availability of municipal type services, and the land ownership and probable residential growth patterns of the community.

(h) Scope of financing: Loans may be made to owner-occupants of rural residences for the purposes of buying, building, remodeling, improvements, and repair of such residence, the cost of participation certificates and closing costs and to refinance existing indebtedness on such residences. The total amount of credit that may be extended for such purposes shall not exceed 85 percent of the appraised value.

§ 613.3050 Farm-related businesses.

(a) *Definition.* A farm-related business is a person engaged in furnishing to farmers or ranchers custom-type farm-related services, performed on the farm and directly related to their on-farm operating needs.

(b) *Eligibility.* (1) To be eligible to borrow, a person shall establish as part of his application for credit his qualifications as a farm-related business.

(2) Loans shall not be made to commercial businesses which purchase farm products from or sell inputs to farmers or ranchers unless substantially all of such inputs handled are used incident to the services provided.

(c) *Scope of financing.* Federal land banks may make loans to farm-related businesses for necessary sites, capital structures and equipment and initial working capital for such services. Production credit associations may make loans to farm-related businesses for any working capital, equipment and operating needs incident to the operation of farm-related businesses. Any such loans shall be confined to the financing of those assets or business activities directly related to the custom-type services performed on the farm. Such financing is subject to the provisions of § 616.6040 of this chapter.

Subpart C—Eligibility of Financial Institutions To Borrow From the Federal Intermediate Credit Bank

§ 613.3060 Institutions eligible.

The Federal intermediate credit banks may make loans to and discount agricultural paper for production credit associations and other financial institutions in accordance with provisions in Part 614 of this chapter.

Subpart D—Eligibility of Cooperatives To Borrow From a Bank for Cooperatives

§ 613.3070 Cooperative.

The term cooperative means any association of farmers, ranchers, producers or harvesters of aquatic products, or any federation of such associations, or a combination of such associations and farmers, which is operated on a cooperative basis, is engaged in processing, preparing for market, handling or marketing farm or aquatic products; or purchasing, testing, grading, processing, distributing or furnishing farm or aquatic supplies; or furnishing farm business services or services to eligible cooperatives.

§ 613.3080 Federated cooperative.

A federated cooperative is a cooperative whose membership includes farmers' cooperative associations and in which at least 80 percent of the voting control is vested in farmers and eligible associations.

§ 613.3090 Cooperative basis.

Cooperative basis means the conduct of business for the mutual benefit of the members as patrons.

§ 613.3100 Farm or aquatic supplies and farm business services.

Farm or aquatic supplies and farm business services are any economic goods, business or services normally used by farmers or producers or harvesters of aquatic products which contribute to their business operations or are in furtherance of the livelihood, welfare or security of such persons.

§ 613.3110 Eligibility.

To be eligible to borrow from a bank for cooperatives, a cooperative shall meet the following requirements.

(a) At least 80 percent of the voting control, or such higher percent applied uniformly and consistently to all applicants and borrowers in the district as may be established by resolution of the bank board shall be held by farmers or ranchers, or producers or harvesters of aquatic products, who are eligible under § 613.3020 or § 613.3030, or by eligible cooperatives.

(b) It deals in farm products or aquatic products or products therefrom, farm or aquatic supplies, or farm business services with or for members in an amount at least equal in value to the total amount of such business transacted by it with or for nonmembers, excluding from the total of member and nonmember business transactions with the United States or any agencies or instrumentalities thereof or services or supplies furnished as a public utility.

(c) No member of the cooperative shall have more than one vote because of the amount of stock or membership capital he owns therein; or, the cooperative must restrict dividends on stock or membership capital to 10 percent per year or the maximum percentage per year permitted by the applicable State statutes, whichever is less.

(d) A cooperative or a federated cooperative which was otherwise eligible and was a borrower on the effective date of these regulations and which does not materially change its entity structure or ownership and control will continue to be eligible for further borrowing.

§ 613.3120 Scope of financing.

A bank for cooperatives may make loans to meet any credit need which will enable a cooperative to perform those functional powers prescribed in sections 3070 through 3100 which will benefit its members. A bank may also make loans, to a cooperative otherwise eligible to borrow, for purposes not directly related to such primary functions or powers, so long as a finding is made that the amount to be loaned is reasonably modest in relation to the total credit provided and such business purpose(s) will enhance the well-being of the members and patrons.

Subpart E—Nondiscrimination in Lending

§ 613.3140 Requirement.

As required in the Civil Rights Acts of 1964 and 1968, there shall be no discrimination because of race, color, sex, religion, or national origin in financing of housing or in the availability of loans generally from the Farm Credit institutions. The supervising banks shall provide instruction to their respective associations in the district regarding nondiscrimination and notice for posting in each association office.

PART 614—LOAN POLICIES AND OPERATIONS

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614.4380 Lending limitations.

Sec.

AUTHORITY: The provisions of this Part 614 issued under sec. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

Subpart A—General

§ 614.4000 Basic responsibilities.

The Act (sections 1.1(b), 5.18(5) and 5.19) vests certain responsibilities with the Farm Credit System and the Farm Credit Administration which pertain to the development of a credit system responsive to the credit needs of all types of eligible applicants having a basis for credit.

§ 614.4010 Supervision by the Farm Credit Administration.

The Farm Credit Administration is empowered to exercise general supervision over the administration of credit; to coordinate the activities of the banks in making studies of lending standards, including appraisal and credit standards; approve national and district standards and procedures; and to supplement the work of the districts under the foregoing where necessary to accomplish the purposes of the Act.

§ 614.4020 Delegation.

The Act authorizes and directs the delegation and redelegation of such of the duties, powers, and authority of the Farm Credit Administration as may be determined to be in the interest of effective administration.

§ 614.4030 Intent of delegation.

The banks shall provide for the exercise of loan making authority by the associations commensurate with their demonstrated ability to extend and administer credit soundly on condition that adequate control and supervisory measures are developed and exercised.

§ 614.4040 Bank guideline responsibilities.

Under policies of its board, each bank shall conduct studies and make and adopt standards for lending and develop and issue adequate credit manuals, operating procedures, and control mechanisms for guidance in the extension and administration of sound and constructive credit. The definition of a sound loan, and the five specific credit factors, along with the total provisions of these regulations on loan policies and operations shall constitute the guidelines under which district policies and procedures shall be constructed. The credit manuals setting forth policies and procedures shall prescribe the forms to be used, including a loan application and an adequate credit file; the minimum supporting credit information and verification required in relation to loan size, complexity and risk exposure; the format and procedures to be followed in loan analysis, minimum standards for loan disbursement, servicing and collections; and such other standards as are necessary for the safe and professional conduct of a lending organization.

§ 614.4050 Bank supervision of associations.

Where credit decisions are vested in associations by law or through delegated authority, district policies, and procedures shall be designed to regulate, control, and review the extension of credit. District policies and procedures shall include guidelines with respect to particular enterprise financing, and limitations with respect to lending in specialized or hazardous areas. The banks shall supervise the credit operations, monitor association performance and take corrective action when deficiencies occur. District banks shall also assist and supervise associations in the credit training of employees and loan committees.

§ 614.4060 Association responsibilities.

Associations shall conduct their credit operations within their vested or delegated authority in compliance with the guidelines of these regulations and procedures of the district bank. Demonstrated capability in extending sound credit, including the extent to which association boards have established policies and procedures with adequate controls and accountability, shall be weighed heavily by the bank in delegating authority and exercising its supervisory responsibility over association credit operations.

Subpart B—Chartered Territories

§ 614.4070 Loans outside the established territory—Federal land banks, Federal land bank associations, and production credit associations.

(a) A loan to finance operations wholly within the territory of a bank or association may be made regardless of the residence of the applicant.

(b) A loan to finance operations which are partially within and partially without the territory of an association may be made if such operations are regarded by the association and the bank as one farming or livestock unit. Concurrence of the supervising banks in whose territories the operation is located shall be obtained.

(c) A loan to finance operations wholly outside the chartered territory of an association may be made, provided such loans are authorized under policies established by the bank board and approved by the Farm Credit Administration. If a loan is made to an eligible borrower whose operation is wholly outside the chartered territory of the lending association, concurrence of like associations and the supervising bank in whose territory the operation is located shall be obtained.

§ 614.4080 Loans outside of bank's territory—banks for cooperatives.

(a) A bank is authorized to make loans to cooperatives headquartered in the district served by the bank.

(b) Cooperatives operating in more than one district shall apply for loans to the bank in the district in which the headquarters office of the cooperative is located.

(c) A bank may make loans to an eligible cooperative headquartered in another district provided the following conditions are met.

(1) The interests of the borrowing cooperative would best be served.

(2) The bank in the district in which the cooperative is headquartered gives its consent.

(3) The Farm Credit Administration approves.

Subpart C—Lending Authorities

§ 614.4090 Federal land banks.

(a) The banks are authorized to make and participate with other Federal land banks in long-term real estate mortgage loans in rural areas for a term of not less than 5 years nor more than 40 years. Subject to limitations applicable to making long-term real estate mortgage loans, the banks are authorized to make continuing commitments to lend and to ex-

tend financial assistance of a similar nature. Policies as prescribed by the bank's board shall be used in making loans, continuing commitments for loans, and in extending other financial assistance. Borrowers shall be permitted to make advance payments on their loans or, under agreement with the banks, make advance conditional payments to be applied on future maturities or to be available for return to the borrower for purposes for which the bank would increase their existing loans.

§ 614.4100 Federal intermediate credit banks.

(a) The banks are authorized to make loans and extend other similar financial assistance to and discount for, or purchase from, production credit associations, with their endorsement or guaranty, any note, draft, and other obligation presented by such association. In addition, the banks may participate with such association(s) and one or more other intermediate credit banks in making loans to eligible borrowers.

(b) The banks are authorized to discount for, or purchase from commercial banks and other other financial institutions, with their endorsement or guaranty, notes and other obligations for loans which have been made for agricultural purposes in accordance with regulations contained in § 614.4540.

(c) All of the foregoing shall be subject to policies prescribed by the bank board.

§ 614.4110 Production credit associations.

Each production credit association, under policies established by the bank board and procedures prescribed by the bank, may make, guarantee, or participate with other lenders in short- and intermediate-term loans and other similar financial assistance to eligible borrowers for a term not exceeding 7 years.

§ 614.4120 Banks for cooperatives.

The banks are authorized to make loans and commitments to eligible cooperatives and to extend to them other financial assistance, including, but not limited to, discounting notes and other obligations, guarantees, collateral custody, or participation with other banks for cooperatives and commercial banks or other financial institutions in loans to eligible cooperatives under policies established by the bank board.

§ 614.4130 Approval.

All district policies mentioned in this Subpart C shall be subject to Farm Credit Administration approval.

Subpart D—General Loan Policies for Banks and Associations

§ 614.4140 Sound loan.

A sound loan is one made to a responsible individual or entity of established integrity who has a creditable operating and financial record, or equivalent characteristics if a new business, in an amount sufficient to accomplish a useful purpose. It should be made in an amount and under terms and conditions that will reasonably assure repayment, usually without adversely affecting the borrower's financial position. It should be supported by sufficient equity or collateral, or both, to afford the lender reasonable protection against loss if adverse conditions occur.

§ 614.4150 Credit factors.

Five basic factors pertinent to a sound loan are as follows:

(a) The individual or entity: A prerequisite for a sound loan is an applicant of established integrity. Responsible and cooperative management must be evident. The importance of this factor is of such significance that it can affect the weight placed upon the other credit factors. Analysis shall include a careful evaluation of character, experience, record and prospects of management in finance and operation.

(b) Financial position and progress: Financial responsibility reflects ability to meet obligations, continue business operations and protect the lender against undue risk. The applicant's total assets controlled, equity owned, contingent liabilities and history of earnings to date are significant measures of financial responsibility.

(c) Repayment capacity: The determination of repayment capacity requires an analysis of cash flow history and projection. A cash flow projection shall reflect cash generation from the applicant's operation and all other sources. Generally the flow of cash shall be sufficient to meet all obligations and provide a remainder for contingencies.

(d) Basis of approval: The amount of loan, use of funds and loan terms are the principal factors over which the lender has direct control. Therefore, the loan shall be constructive in amount and purpose and practical as to repayment terms for both the borrower and lender. Loan conditions such as loan agreements, personal liability, additional collateral, insurance, etc., shall be required as conditions warrant.

(e) Collateral offered or available as security (section 1.9 Federal land bank, 2.15 production credit association, and 3.10(b) bank for cooperatives of the Act). Collateral needs are contingent upon the requirements of the law and as dictated by the strengths or weaknesses of all credit factors. The requirement of collateral and collateral taken shall reasonably protect the lender, provide the necessary control of equity and repayment, and leave the borrower in a position to constructively manage his business. In addition, personal liability or entity liability in the form of comakers or guarantors may provide added strength in extending credit. Sufficient analysis shall be made of credit factors relevant to such comakers or guarantors as is necessary to assure that their signatures actually provide the desired support for the loan.

Subpart E—Application of Credit Standards

§ 614.4160 Applicants.

Changes in the agricultural economy during recent years have created a complex variety of entrepreneurs within the field of agriculture as compared to the basic family farm or farmer cooperative which generally prevailed when the System was founded. The following guidelines shall be used by the district boards in establishing policies and by banks in developing procedures whereby loan quality standards can be varied in accordance with the nature of the applicant.

(a) In extending credit to the following basic farm family group, maximum consideration shall be given to strength in management ability, personal responsibility, family cooperation and continuity, earnings potential, purpose of loan and terms of approval in relation to their financial position and collateral.

(1) Full and part-time individual proprietorship farmers.

(2) Partnerships or joint ventures composed of subparagraph (1) of this paragraph.

(3) Estates or trusts emanating from subparagraph (1) of this paragraph.

(4) Corporations in which the stockholders are family members or individuals who would otherwise have constituted a proprietorship farm business.

(b) The following entities where partners or stockholders include farmers and nonfarmers shall be given adequate consideration for financing agricultural needs, but with careful consideration to the financing of other requirements. There shall be adequate strength in the combined credit factors to avoid more than a normal business risk.

(1) Partnerships and joint ventures in which the primary occupations and incomes of some of the partners are other than farming.

(2) Fiduciary entities which do not primarily represent the continuation of a proprietorship operation.

(3) Corporations in which stockholders include a predominance of farmers, but as investors rather than as a closely related family business.

(c) Credit extended to the following investor-oriented farming business group shall be primarily for agricultural needs. Risk factors shall be minimal. Adequate factual information and proper analysis is necessary in extending credit to any applicant. However, this group of applicants often presents complexities of financial and organizational structure beyond that normally encountered with the basic farmer applicant. It should be recognized that this requires more diligent efforts in developing adequate information and to assure that an in-depth analysis is made of such data. Nonfarm collateral or income shall not be given undue weight in determining the amount of credit extended to this group.

(1) Businessmen who also farm or own farm property.

(2) Partnerships or joint ventures composed predominantly of partners who do not have farming as their primary occupations and sources of income.

(3) Corporations in which stockholders predominantly are individual investors or other legal entities whose primary occupations or businesses and income are from sources other than farming.

(d) The type of farmer cooperative operation, quality of management, and basic financial factors shall be carefully evaluated as to their effect upon the long range benefit to members. Bank boards shall establish policies and banks for cooperatives develop procedures for administration of quality standards that fully consider the needs of, support by, and service performed for members, and risk protection afforded the lender.

(e) Where an enterprise or an area presents hazards because of the nature of the industry, economic conditions, new ventures, or changing technology, credit standards shall be administered to assure that the lender carries a proportionately lesser risk.

§ 614.4170 Borrower liability.

All primary borrowers shall normally be fully liable for loans obtained from the Farm Credit System. Where acceptable to the bank or association when the primary borrower includes two or more persons as joint borrowers, the liability requirement may be met by each borrower assuming liability for a specified percentage of the loan provided the aggregate liability covers 100 percent of the loan and credit conditions support such action. Where personal guaranty is required from persons other than the primary borrower, such guarantor shall normally be fully liable unless the primary borrower or other guarantors provide adequate financial strength to result in a sound loan even though the personal liability of an individual guarantor may be limited.

Subpart F—Loan Terms and Conditions

§ 614.4180 Federal land banks.

(a) Farm loans may be made for not less than 5 years nor more than 40 years. The basis of approval shall set out the terms and conditions under which a loan is approved. When necessary to assure proper understanding, provide needed controls and protect the lender, a formal written loan agreement shall be developed between the borrower and the bank.

(b) The outstanding loan balance on any farm loan shall not at any time during the life of the loan exceed an amount greater than 85 percent of the appraised value established by the most recent appraisal report on the primary real estate security. This shall not, however, prohibit protecting the security position by advancing taxes, advancing insurance premiums, rescheduling loan payments, granting partial releases, or other loan servicing actions when the loan, subsequent to the action, will be at least as well secured as it was prior to the action.

(c) The bank shall incorporate in the district's credit manual a sufficient number of basic repayment plans consistent with sound lending as are necessary to adequately serve the borrowers in its district. Adaptations within these plans will be permissible to tailor loans to the individual borrower's credit needs.

§ 614.4190 Federal intermediate credit banks.

(a) Loans made by a Federal intermediate credit bank in participation with a production credit association or another Federal intermediate credit bank, shall be made under terms and conditions prescribed in § 614.4200 for production credit associations.

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

(c) Direct loan limitation. The total credit extended to a production credit association under a direct loan and by discounting loans may not at any time exceed the total of that portion of the total loans, including participations purchased from other lenders, considered acceptable and problem (as defined in the Credit Examination Manual) in accordance with the percentage as classified in the most recent official credit examination, or such percentages as may equitably represent the same percentages on a current basis, such alternate procedure to be subject to concurrence of the Farm Credit Administration, the total of investments under Commodity Credit Corporation programs, notes insured or guaranteed by Farmers Home Administration, and in farmers' notes to cooperatives and dealers, etc.; and capital and surplus less the total of the amount invested in the Federal intermediate credit bank and any portion of capital and surplus invested in loans to members, and any estimated losses not protected by reserves.

(d) Form of direct loan obligation. Direct loans and advances to a production credit association may be evidenced by a promissory note or by a loan agreement in form approved by the Farm Credit Administration.

(e) Direct loans to other financing institutions. In accordance with regulations contained in § 614.4590, the bank may make direct loans or advances to other financing institutions.

§ 614.4200 Production credit associations.

(a) Operating loans will usually be made with maturities coinciding with the purpose of the loan and the normal marketing seasons for the enterprises being financed.

(b) Intermediate-term loans may be made with maturities not to exceed 7 years from the date of initial disbursement, under policies established by the bank board and procedures prescribed by the bank.

(c) Special intermediate-term loans, exclusive of loans to nonfarm rural residents, producers or harvesters of aquatic products, and farm-related businesses, may be made with maximum maturity not to exceed 7 years realizing, however, when establishing repayment that forbearance or extension may be necessary under the following circumstances.

(1) When specific capital items are being financed, such as new equipment, new or remodeled buildings, or facilities with a useful life and value, after normal depreciation and obsolescence, which exceeds the term of the loan at all times.

(2) When real estate mortgage credit is unavailable, not acceptable to the applicant, or impractical for reasons such as cost or delay in availability.

(3) When earnings history, repayment record and net earnings projections satisfactorily support the loan and provide assurance for final repayment within 3 additional years if forbearance or extension is granted.

(4) Before any special intermediate-term loans shall be made, the district board shall adopt a policy, and the Federal intermediate credit bank and the Federal land bank of the district shall develop procedures regulating the making of such loans, all of which shall be subject to approval of the Farm Credit Administration. Such policies and procedures shall include but are not limited to the following.

(i) Provisions for cooperation between production credit associations and Federal land bank associations in the consideration of any loans bordering on the long-term mortgage category.

(ii) Procedures to be followed in credit reviews and credit examinations whereby loans of this type, made during the period covered by the examination, will be reviewed and commented upon as to compliance with policy and procedures.

(iii) Provisions for adequate reporting on loans of this type to enable timely supervision by the bank.

(d) The basis of approval shall set out the terms and conditions under which a loan is approved and shall be clearly communicated to the borrower prior to disbursement of approved funds. When necessary to assure proper understanding, provide needed controls and protect the lender, a formal written loan agreement shall be developed between the borrower and the association or bank.

§ 614.4210 Banks for cooperatives.

(a) Seasonal loans shall be primarily for financing current assets and shall normally be repaid within 18 months. Term loans shall be for financing noncurrent assets or working capital and should generally be made on an amortized basis.

(b) The basis of loan approval by a bank shall set out the terms and conditions under which a loan is approved. To assure proper communication and understanding, provide needed controls, and protect the lender, a loan agreement shall be executed between the borrower and the bank.

Subpart G—Security Requirements

§ 614.4220 General.

Primary real estate shall be valued on the basis of appraised value and primary chattel security or additional security shall be valued on the basis of recovery value.

(a) *Appraised value.* Appraised value shall be the basis for valuing primary real estate and is the reasonably supported market value except in the following circumstances.

(1) Property in areas of population pressure when the principal basis of value is from land uses such as commercial, industrial, residential or recreational development or speculation on such uses in the future. These may be adjacent to urban areas but could also be some distance from the population center, along or near bodies of water, in or near mountain ski developments, in dude ranch areas, and similar situations. The appraised value of such properties shall be adjusted downward to assure that loans based thereon are consistent with the objective to make primarily agricultural loans.

(2) Timber land shall be valued at market value when not affected by the other exceptions of this section; however, the timber stumpage, which when severed is a commodity and fluctuates widely in price, shall be valued on the basis of its normal commodity price.

(3) Properties on which long-term plantings such as citrus groves, orchards, nuts, vineyards, cranberries, etc., where there is evidence of abrupt fluctuation in market value due primarily to changes in the supply and price of the particular commodity. In these cases, a 5-year moving average of market value shall be used.

(4) Property where reliance for earnings and value is placed on leases or use permits and where there is a question about the continued availability of the lease or permit for the term of loan contemplated. The fee owned land shall be appraised at market value and the lease or permit contribution to value shall be on a basis which will maintain standards consistent with other real estate lending.

(5) Properties in areas where there is evidence of imminent serious problems resulting from a depleting water supply, deteriorating water quality, or lack of drainage, except where these problems are already reflected in the market value or can be appropriately protected against in the loan term and repayment schedule. These shall be appraised in such manner as to eliminate undue lending risks in the particular circumstances.

(6) Property in areas where mineral value or speculation on such value exists. The appraised value shall be based on a comparison to similar areas where mineral influence is minimal.

(b) *Market value.* Market value is the amount which a property will bring if a reasonable time is allowed to find a purchaser and if both seller and prospective buyer are informed, neither being under abnormal pressure.

(1) The above definition contemplates the consummation of a sale and the passing of full title from seller to buyer, under the following conditions.

(i) Buyer and seller are free of undue stimulus and are motivated by no more than the reactions of typical owners.

(ii) Both parties are well-informed or well-advised and act prudently, each for what he considers his own best interest.

(iii) A reasonable time is allowed to test the market.

(iv) Payment is made in cash or in accordance with financing terms generally available in the community for this type of property.

(2) There is a difference between market price and market value. Market value represents the rationale of buyers collectively within the area while market price indicates what an individual property may have sold for.

(c) *Recovery value.* Recovery value applicable to both chattels and real estate is the amount, less estimated maintenance, selling costs, all prior liens and encumbrances, at the date of inspection or appraisal, which the lender should be able to realize from sale of property on reasonable terms. It is a modification of present market value as determined by a loan analyst or appraiser and lies between present market value and a forced sale value. Condition of the loan and of the farming operation, and the circumstances under which recovery would likely be attempted will need to be recognized in determining such value. It should be predicated on the basis of the active effort to dispose of the property when related to a workout loan situation. Values based on security in appraisal or inspection reports should clearly define the basis on which the value was established.

§ 614.4230 Federal land banks.

(a) Primary security for a Federal land bank loan shall consist of a first lien on interest in real estate. The real estate interest must be mortgagable interest under deeds or leases which reasonably may be considered adequate to afford the security of a first lien upon the rights and interests on which the loan is predicated. Collateral closely aligned with, an integral part of, and normally sold with real estate may be included in the appraised value of the security upon which a loan is based. Appraised value shall be determined within approved standards and shall include in the evaluation either farm land, eligible farm related businesses, or eligible rural residences whichever is appropriate for the type of loan being made.

(b) Additional security may be required to supplement primary real estate security. The value of such additional security shall be considered only for collateral protection and may not be included in the value of the security upon which the loan is based. Recovery value shall be the basis for measuring the collateral worth of additional security.

(c) Personal property used in farming operations and considered as collateral for short- and intermediate-term credit will normally not be included as additional security. Before taking such personal property as additional security, the Federal land bank and Federal land bank associations shall consider whether all or a portion of the credit needs might be met more satisfactorily by a short- or intermediate-term loan such as may be obtained through a production credit association in accordance with district board policies under §616.6020 of this chapter.

§ 614.4240 Federal intermediate credit banks.

(a) Participation loans. Loans made by a Federal intermediate credit bank in participation with a production credit association or another Federal intermediate credit bank shall adhere to the same security requirements as prescribed in § 614.4250 for production credit associations.

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

(c) Direct loans to other financing institutions shall be secured in accordance with regulations contained in § 614.4600.

§ 614.4250 Production credit associations.

(a) Both secured and unsecured loans may be made in accordance with procedures prescribed by the bank. Normally, primary security taken will consist of first liens on personal property and crops. While it is not intended that associations will ordinarily make first lien real estate mortgage loans to farmers, real estate or other security may be taken when deemed necessary for the protection of the association in making short- and intermediate-term loans for eligible purposes. Before taking a real estate mortgage, the association shall consider whether all or a portion of the credit needs might be met more satisfactorily by a real estate mortgage loan such as may be obtained through a Federal land bank association, in accordance with district board policies established under § 616.6020.

(b) Recovery value shall be the basis for measuring the collateral worth of security. However, the value of interest in real estate which constitutes primary security shall be the appraised value as

determined within approved appraisal standards.

§ 614.4260 Banks for cooperatives.

Banks for cooperatives are authorized to make both secured and unsecured loans.

(a) Term loans may be secured or unsecured depending on the purpose, repayment period, and other credit factors. However, as a general practice loans scheduled for repayment over an extended period should be secured.

(b) Regular seasonal loans may be secured or unsecured.

(c) Seasonal loans made to finance commodities and qualifying for special interest rate (where applicable) and lending limit consideration shall be secured. Loans secured by a chattel mortgage, factor's lien, security agreement, or security other than warehouse receipts or other title documents shall not exceed 65 percent of the net value of unhedged or 85 percent of the net value of hedged commodities and the borrower must have sufficient working capital to keep the loan properly margined. Loans secured by warehouse receipts or other title documents shall not exceed 75 percent of the unhedged net value of the commodity or 90 percent of the hedged net value and the borrower must have sufficient working capital to keep the loan properly margined.

(1) "Commodities" shall consist of goods and merchandise except for live animals which are transportable; can be accurately classified by standards of quality and quantity; and enjoy broad regional, national, or international markets within which similar items are regularly traded and the value thereof readily and regularly determined.

(2) A hedge will be considered valid if it is an enforceable contract with a reliable third party and includes point of delivery, time or period of delivery, quality, quantity, and price as specifications binding on the purchaser. Seller options will not generally invalidate the hedge classification unless of the nature to invalidate the entire contract. If options are provided the purchaser under the contract, the hedge value of the contract will be the worse combination of options.

(3) Trust receipts, negotiable bills of lading, shipping documents, drafts and acceptances may be accepted in such amounts and for such periods as reasonable prudence permits as necessary to allow the orderly marketing, handling, or processing of the commodities.

(4) Documents required in conjunction with these loans may be held by a custodian selected by the bank. In such cases the bank shall provide the custodian written instructions outlining procedures and practices to be followed in acceptance, handling, and release of all related documents. In addition, the bank shall provide for periodic review of custodian activities by bank officials and shall establish that activities of the custodian are subject to review and audit by the Farm Credit Administration.

§ 614.4261 Security and appraisal standards—bank for cooperatives.

Written security and appraisal standards shall be prepared and employed, where applicable, by each bank for cooperatives and approved by the Farm Credit Administration adopted standards should recognize that properties securing bank for cooperatives loans frequently are of the nature to which normal valuation standards do not apply. Much of the collateral securing bank for cooperatives loans is in the form of specialized assets for which individual judgments of potential values under various circumstances ranging from going concern to salvage values will need to be made.

Subpart H—Interest Rates and Charges

§ 614.4270 Policy.

In setting rates and charges, it shall be the objective to provide the types of credit needed by eligible borrowers at the lowest reasonable cost on a sound business basis, taking into account the cost of money, necessary reserves and expenses, capital requirements, and services provided to borrowers and members.

§ 614.4280 Interest rates.

Loans (and discounts) made by each bank shall bear interest at a rate or rates as may be determined by the bank board with the approval of the Farm Credit Administration. Requests to Farm Credit Administration for interest rate plans or interest rate adjustments shall include justification for the plan or change.

§ 614.4290 Interest on past due loans.

Provisions may be made in the approved interest rate programs of banks and production credit associations for the collection of interest at a higher rate after maturity of a loan or installment if provision is made in the note or loan document.

§ 614.4300 Other charges and fees.

Banks and associations may impose reasonable charges or fees to members, borrowers, or applicants in connection with loans or other services rendered. Fees charged by the associations shall be subject to bank approval.

§ 614.4310 Interest rate limitation for Federal intermediate credit banks.

The rate of interest charged borrowers on notes or other obligations that a Federal intermediate credit bank may purchase, discount, or accept as collateral for loans shall not exceed by more than 4 percent per annum the lending rate of the bank which was in effect at the time the loan was consummated. Notes with provisions for a payment of interest on other than a simple interest basis (add-on, interest after maturity, etc.) may be accepted provided the effective simple interest rate to the borrowers does not exceed such maximum.

§ 614.4320 Production credit associations.

The rate of interest charged by an association shall be the rate authorized by the bank, within programs prescribed by the bank board and approved by the Farm Credit Administration. Interest shall be charged on loans for the actual number of days such loans are outstanding unless a different method is authorized by such programs.

§ 614.4321 Interest rate programs.

The following types of interest rate programs may be employed by banks and production credit associations.

(a) Fixed rates: The rate of interest specified in the note or loan document shall prevail as the maximum rate chargeable to the borrower during the period of the loan.

(b) Variable rates: The interest rate(s) on outstanding loan balances may be changed from time to time during the period of the loan, if provision is made in the note or loan document.

(c) Fixed interest spread: Interest rates shall be expressed in terms of a percentage to be added to the cost of money to the bank or association.

(d) Differential rates may be established for different classes of loans based on the type, purpose, amount or quality of loan or any combination of these applicable factors. When the differential rate is based primarily on the amount of the loan, in order to provide equitable treatment between borrowers, the rate or rates may provide for a uniform rate up to a predetermined amount or amounts and a lower rate or rates on larger unpaid amounts. For clarification to the borrower, the above may be accomplished through the use of a blended rate.

Subpart I—Loan Participations

§ 614.4330 General.

Under policies prescribed by the boards of directors of the respective banks and approved by the Farm Credit Administration, Farm Credit banks and production credit associations may enter into loan participation programs to enable joint financing of eligible individuals or other legal entities meeting the lending standards of banks and associations. The program shall require that loan participation agreements define the provisions for disbursement and repayment of loan funds; sharing, division or assignment of collateral; the loan service plan; collection procedures; authorizations and conditions for action in the event of default by the borrower; sharing loss; conditions for termination of the agreement and any other applicable items. In lieu of executing separate notes and other legal documents, the participating institution may purchase certificates evidencing an equivalent legal participation interest in such loans. The amount of the loan held by an individual bank or association shall be subject to any prior approval requirements for that bank or association.

§ 614.4331 Federal land banks.

The banks may enter into loan participation agreements with one or more other Federal land banks under terms established by the participating banks.

§ 614.4332 Federal intermediate credit banks.

The banks may enter into loan participation agreements with one or more other Federal intermediate credit banks or with production credit associations under terms established by the participating institutions.

§ 614.4333 Production credit associations.

The associations may enter into participation agreements with one or more other production credit associations or with commercial banks and other lenders. All such agreements shall be subject to the prior approval of the Federal intermediate credit bank of the district. In addition to the provisions contained in § 614.4330, participation agreements between production credit associations and commercial banks or other lenders shall be subject to the following limitations:

(a) The association shall reserve the right to decline participation in any loan offered.

(b) Provisions restricting the association from providing full financing for the borrowers should be avoided. The agreement may, however, restrict either party soliciting full financing for these borrowers.

(c) To assure that such a participation agreement does not result in a commercial bank's substantially shifting its lending away from agriculture, the participating commercial bank shall fulfill one of the following; (1) retain at least 50 percent of the total of each participated loan, (2) retain at least 10 percent of the total of each participated loan provided that the commercial bank does not materially reduce its ratio of agricultural loans to total loans from the ratio maintained during the preceding 5 years, or (3) retain the maximum amount of the participated loan permitted by banking regulations to which the bank is subject.

(d) A lender other than a commercial bank shall provide evidence of financial responsibility and capability to service and control loans being made as a prerequisite to approval of a loan participation agreement.

(e) A copy of such participation agreements shall be forwarded to the Farm Credit Administration upon execution.

§ 614.4334 Banks for cooperatives.

A district bank for cooperatives shall first offer to the Central Bank for Cooperatives a participation in loans to a borrower when such loans exceed the lending limit of the bank. With the concurrence of the central bank, participations in loans in excess of a bank's lending limit may also be offered initially to other banks for cooperatives, then to commercial banks or other financial institutions. A bank for cooperatives may offer a participation to other banks for cooperatives in loans which are less than its lending limit; however, when total loans to such borrowers exceed the lending limit of the bank, further loans must first be offered to the Central Bank. Loans in excess of the lending limit established by the Farm Credit Administration for the banks for cooperatives on a consolidated basis may be made only when such excess amounts are sold as participations to a commercial bank or other financial institution. The form of each participation agreement shall be subject to Farm Credit Administration approval. The names of participants, amounts, and dates shall not require approval.

Subpart J—Loss Sharing Agreements

§ 614.4340 General.

With approval of the boards of directors of the respective banks, Farm Credit banks and associations may enter into agreements with other institutions charted under the same title of the Act for mutually sharing losses resulting directly or indirectly from their lending operations. The loss sharing agreements shall cover, but are not limited to, terms and conditions for activation and dissolution, definition of terms, determination of loss sharing formula, limitations on required contributions, reimbursements, and provisions for amendment. All loss sharing agreements shall be subject to Farm Credit Administration approval.

§ 614.4345 Guaranty agreements.

In lieu of loss sharing agreements, with approval of the Farm Credit Administration, banks or associations may enter into guaranty agreements wherein one or more other banks or associations agree to assume a percentage of the risk associated with specific loans.

Subpart K—Lending Limits

§ 614.4350 General.

No Farm Credit Bank or association shall make a loan, advance, or commitment which will result in any one borrower being obligated to such bank or association in excess of limits stated herein. When these limitations are approached, banks or associations should consider the feasibility of arranging participation in large loans with other banks or associations to properly serve the credit needs of deserving large borrowers. Except as provided in § 614.4353, the limitations shall not apply where the bank or association participates in a loss sharing agreement or has obtained other bank or association guaranty adequate to absorb the increased risk.

§ 614.4351 Federal land bank.

The lending limit is 20 percent of the capital and surplus of the lending bank.

§ 614.4352 Federal intermediate credit banks.

A Federal intermediate credit bank as a maker in participation with a production credit association or other Federal intermediate credit bank, shall have a limit of 20 percent of its capital and surplus.

§ 614.4353 Production credit associations.

Production credit associations until December 31, 1972, shall have a lending limit (including participations) of 50 percent of the capital and surplus of the lending association. A lending limit of 100 percent of the capital and surplus of the lending association shall apply whenever an approved loss sharing agreement is in force.

§ 614.4354 Banks for cooperatives.

Banks for cooperatives shall have the following limits until December 31, 1972.

(a) *District banks.* Loans outstanding at any one time to any one borrower, exclusive of participations sold to others, shall be limited to the following percentages of the net worth of a district bank as of the end of the preceding fiscal year or at an interim date determined by the Farm Credit Administration as a result of material changes in the bank's net worth.

(1) Term loans, 25 percent.

(2) Seasonal loans exclusive of loans secured by approved commodities, 25 percent.

(3) Seasonal loans secured by approved commodities (excluding loans secured by Commodity Credit Corporation documents), 45 percent.

(4) The sum of term and seasonal loans exclusive of seasonal loans secured by approved commodities, 25 percent; the sum of term, seasonal and seasonal loans secured by approved commodities (excluding loans secured by Commodity Credit Corporation documents), 45 percent. Loans made within the established lending limits that become excessive because of a subsequent decrease in the bank's net worth should be reduced to the lending limit in an orderly manner over a reasonable period. The Farm Credit Administration may prescribe special lending limits in writing in unusual situations.

(b) *Central Bank for Cooperatives.* Loans outstanding at any one time to any one borrower, exclusive of participations sold to others, seasonal loans secured by approved commodities or loans financing commodities within the limits of Government price support programs, shall be limited to 40 percent of the net worth of the bank as of the end of the preceding fiscal year or at an interim date determined by the Farm Credit Administration as a result of material changes in the bank's net worth.

(c) *Thirteen banks for cooperatives.* Loans outstanding at any one time to any one borrower from the 13 banks for cooperatives, exclusive of participations sold to institution(s) other than the cooperative bank system, shall not exceed 35 percent of the consolidated net worth of the banks without approval of the Farm Credit Administration.

§ 614.4360 Computation of obligation for lending limit determination.

(a) Participation loans shall be included in the computation by a bank or association only to the extent of the amount of participation which that bank or association holds.

(b) The obligation of an individual shall be the total unpaid principal of indebtedness to the bank or association for which the individual is liable as a direct borrower, as a result of being guarantor, endorser or maker on loans to other individuals or legal entities, or as a result of drafts, accounts, contracts or purchases owned.

(c) The obligations of a legal entity shall be the total unpaid principal of indebtedness to the bank or association for which the entity is obligated as a direct borrower as a result of being guarantor, endorser, or maker on loans to individuals or other legal entities or as a result of drafts, accounts, contracts, or purchases owed unless the lending bank or association can after a thorough credit evaluation of the principal maker of the endorsed or guaranteed obligation certify in writing that such original maker can reasonably be depended upon for repayment of the guaranteed or endorsed obligation.

Subpart L—Rural Housing Loans

§ 614.4370 General policy.

Loans to rural residents shall be made on a sound basis and in no event shall exceed 85 percent of the appraised value of the real estate. The foregoing shall not prohibit protecting the security position by advancing taxes or insurance premiums. When the rural residence is a mobile home, the appraised value shall include interest in land and the mobile home. In establishing lending policies all Farm Credit institutions shall give consideration to lending practices and terms used by other responsible lenders in the area.

§ 614.4380 Lending limitations.

(a) Rural residence lending in a district may be implemented only with the approval of the district board. The implementation at the association level is within the discretion of the association board.

(b) When rural housing loans have been approved by the district boards and individual association boards, each district board shall prescribe a policy which will assure that rural residence loan service is made available to eligible borrowers of these associations.

(c) No Federal land bank may at any time have rural residence loans in an amount exceeding 15 percent of the total of all loans outstanding. No production credit association may have outstanding rural residence loans in an amount exceeding 15 percent of its total loans outstanding at the end of the preceding fiscal year without prior approval by the Federal intermediate credit bank of the district, nor shall the aggregate of such loans exceed 15 percent of the outstanding loans of all associations in the district at the end of the bank's preceding fiscal year.

(d) Whenever any Federal land bank association or production credit association exceeds 15 percent of its total loan volume in rural residence loans, the respective bank board shall require the bank to make periodic reviews to assure that farmers' credit needs are being adequately served in accordance with objectives of the Act.

(e) Should circumstances arise which curtail loan funds for the System, then loan funds for agriculture shall receive priority to the exclusion of funds for rural housing loans.

§ 614.4390 Appraisal of security.

(a) Appraisal standards and procedures for rural residences shall be established by the banks subject to approval by the district board and the Farm Credit Administration. In setting appraisal standards, consideration shall be given to location, community standards, home advantages, employment opportunities, transportation facilities available and future outlook for the area. Such valuation of the property shall reflect accurately the current market value.

(b) Bench marks will be established on appropriate rural residences with values based on verified sales of similar properties.

(c) A procedure for classifying security and area shall be a basic part of the appraisal process.

(d) The same appraisal standards, and forms and procedures shall be used by both Federal land bank associations and production credit associations.

§ 614.4400 Security requirements.

When financing nonfarm rural housing, the primary security shall be a first lien on the rural residence being constructed, purchased, or refinanced. Loans for repairs and improvements usually will be secured by a real estate lien or such other security as is determined to be necessary to protect the lender.

§ 614.4410 Loan terms and conditions.

The banks, subject to the approval of the district boards and the Farm Credit Administration, shall establish policies for making and servicing of rural residence loans according to the following guidelines:

(a) Loans on rural residences shall be amortized and loan terms shall not exceed 30 years when made by a Federal land bank and 7 years when made by a production credit association. To qualify for a rural housing loan from a production credit association, an applicant shall conclusively demonstrate his ability to repay such a loan within a 7-year maturity. No final balloon or renewal payment plan will be permitted which will have the effect of extending the maturity beyond 7 years or 30 years for production credit associations and Federal land banks respectively.

(b) Monthly payment plans shall be required on all such loans unless there is a justifiable reason for a different type of repayment plan.

(c) Loan servicing policies shall encourage the orderly retirement of each rural residence loan as scheduled, and procedures for handling the delinquency of such loans shall recognize the inherent differences between agricultural and rural residence lending.

§ 614.4420 Loan closing requirements.

Uniform rules and regulations regarding the closing of rural residence loans shall be prescribed by the supervising banks. In developing such rules and regulations, consideration should be given to any legal or other requirements necessary to assure that the interests of both the borrower and lender are fully protected. Consideration should be given to provisions for payment of taxes and insurance, establishment of fee schedules, inspection procedures, disbursement and insurance, disbursement of trust funds, construction loan agreements, surety bonds for contractors and compliance with local health, environmental, zoning and code requirements.

§ 614.4430 Identification of rural housing loans.

The district board shall adopt a policy and the banks shall issue procedures, subject to approval of the Farm Credit Administration, which identify all loans made under the rural housing authorization. This identification should be made in such a manner as to provide for an analysis of rural housing lending costs, loss experience, delinquencies and contributions to earnings for purposes of guidance in establishing interest rates and the determination of dividends as well as to clearly delineate security requirements between farms and rural residences.

(a) In making such identification, the distinction between a rural residence and a farm shall be on the basis of the capacity of the security to produce agricultural income. The agricultural operation, if any, on a rural residence security will be considered to be in a range from no production to the growing of produce for home use with occasional token cash sales. A farm will be considered to be a property which has the capacity to produce farm products for sale on a sustained basis.

(b) Any loan made on security so identified as a rural residence shall be included in the 15 percent limitation.

Subpart M—Notice of Action and Appeals

§ 614.4440 Notice of action on loan application.

Every applicant for a loan from the Farm Credit System is entitled to a prompt notice of action on his application and, if the loan is denied or reduced, the reason for such action.

§ 614.4441 Applicant's right to appeal.

An applicant who has reason to believe he was denied credit or was offered credit in a reduced amount because the lender failed to take into account facts pertinent to his application, or misinterpreted or failed to properly apply the rules and regulations governing his application shall be entitled to an informal hearing. That informal hearing shall be in person before the loan committee, or officer, or employee thereof authorized to act on that application. The applicant must make the request for such a hearing in writing within 30 days of notice

of the original action. Promptly after such a hearing he shall be notified of the decision reached and the reasons therefor.

§ 614.4442 Records.

Associations or banks shall maintain a complete file of all such written requests for hearing, along with all other written inquiries from applicants or borrowers concerning credit denials.

Subpart N—Loan Approval Requirements

§ 614.4450 General requirements.

Authority for loan approval is primarily vested in the Farm Credit banks and associations. However, to provide proper supervision of the System's lending functions the Act vests in the Farm Credit Administration the authority to prescribe the types and classes of loans which can only be made with the prior approval of the Farm Credit Administration or the respective banks.

§ 614.4490 Federal land bank and production credit association loans requiring prior approval.

(a) Until December 31, 1972, the following loans shall be subject to the prior approval of the bank and the Farm Credit Administration.

(1) Any land bank loan which will result in any one borrower being obligated, as defined in § 614.4360, in total loan commitment on all loans to a bank in excess of $400,000.

(2) Any production credit association loan which will result in any one borrower being obligated as defined in § 614.-4360, in total loan commitment on all loans to the association in an amount in excess of 35 percent of the association's capital and surplus.

(3) Loans described in § 613.3020(d) of this chapter shall be submitted for ruling on the eligibility of the applicant.

(4) Loans described in § 613.3030(c).

(b) The following shall be subject to the prior approval of the appropriate bank board:

(1) Loans to a member of the Federal Farm Credit Board.

(2) Loans to a member of the district board.

(3) Loans to an officer or employee of a bank.

(4) Loans to an employee of the Farm Credit Administration.

(5) Loans to any borrower where officers or employees designated above: (i) Are to receive proceeds of the loan in excess of an amount prescribed by the appropriate bank board and approved by the Farm Credit Administration, or (ii) are stockholders or owners of equity in a legal entity to which a loan is to be made wherein they have a significant personal or beneficial interest in the loan, the proceeds thereof or the security.

(c) The following shall be subject to the prior approval of the district bank:

(1) Loans to a member of an association board.

(2) Loans to an employee of an association.

(3) Loans to any borrower where directors or employees designated above: (i) Are to receive proceeds of the loan in excess of an amount prescribed by the appropriate bank board and approved by the Farm Credit Administration, or (ii) are stockholders or owners of equity in a legal entity to which a loan is to be made wherein they have a significant personal or beneficial interest in the loan, the proceeds thereof or the security.

(4) Any Federal land bank loan which will result in any one borrower being obligated, as defined in section 614.4360, to the bank in excess of an amount established by the bank board.

(5) Any production credit association loan which will result in any one borrower being obligated, as defined in section 614.4360, in total loan commitment on all loans in an amount in excess of 15 percent of the association's capital and surplus.

§ 614.4500 Bank for cooperative loans requiring Farm Credit Administration prior approval.

(a) Where commitments are being made to first-time borrowers when the line of credit is $1 million or more and either the borrower is a newly created entity or the type of activity to be financed is an enterprise which the bank has not previously financed in the district.

(b) Where a borrower is specifically designated as a "prior approval account" by the Farm Credit Administration.

(c) Where the final repayment of a term loan (including the projected amortization of any "balloon payment") is for a period longer than 20 years from the date of the first advance.

§ 614.4501 Bank for cooperatives loans requiring Farm Credit Administration post review.

(a) Where a member of the district bank, or Central Bank board of directors or a member of the Federal Farm Credit Board is the chief executive officer or principal financial officer of the borrowing cooperative.

(b) Where a member of the district bank, or Central Bank board of directors, a member of the Federal Farm Credit Board, or an employee of the bank or the Farm Credit Administration holds 10 percent or more of the voting stock of the borrowing cooperative or provides more than 10 percent of the cooperative's volume of business.

(c) Where a member of the district bank, or Central Bank board of directors, a member of the Federal Farm Credit Board, or an employee of the bank or Farm Credit Administration is an officer or director of a borrowing cooperative whose loans are classified less than those of the highest quality classification.

(d) Where a borrower is specifically designated as a "post review account" by the Farm Credit Administration.

Subpart O—Loan Servicing Requirements

§ 614.4510 General.

The banks and associations that are primary lenders shall be responsible for the servicing of the loans which they make. The boards of directors shall direct the banks and associations to adopt loan servicing policies and procedures to assure that loans will be serviced fairly and equitably for the borrower while minimizing the risk for the lender. Procedures shall include specific plans which help preserve the quality of sound loans and which help correct credit deficiencies as they develop.

(a) The Federal land bank shall provide guidelines for the servicing of loans by the Federal land bank associations. The servicing may be accomplished either under the direct supervision of the banks or under delegated authority.

(b) The Federal intermediate credit bank shall provide guidelines for the production credit associations to use in establishing their loan servicing policies and procedures plus any limitations requiring approval of the bank. Bank policies shall govern the servicing of loans in which the bank is a direct maker via participation with a production credit association.

(c) The bank for cooperatives policies shall govern the servicing of loans made by the bank separately, in participation with other banks for cooperatives or other lenders.

(d) In the development of the bank and association policies and procedures, the following criteria shall be included.

(1) *Term loans.* The objective shall be to provide borrowers with prompt and efficient service with respect to justifiable actions in such areas as: Personal liability, partial release of security, insurance requirements or adjustments, loan division or transfers, conditional payments, extensions, deferments or reamortizations. Procedures shall provide for adequate inspections, reanalysis, reappraisal, controls on payment of insurance and taxes (and for payment when necessary), and prompt exercise of legal options to preserve the lender's collateral position or guard against loss. The policy shall provide a means of forbearance for cases when the borrower is cooperative, making an honest effort to meet the conditions of the loan contract and is capable of working out of the debt burden.

(2) *Operating loans.* The objective shall be to service such loans to assure disbursement in accordance with the basis of approval, repayment from the sources obligated or pledged and to minimize risk exposure to the lender. Procedures shall require: (i) The procurement of periodic operating data essential for maintaining control, for the proper analysis of such data, and prompt action as needed; (ii) inspections, reappraisals, and borrower visits appropriate to the nature and quality of the loan; (iii) controls on insurance, margin requirements, warehousing, and the prompt exercise of legal options to preserve the lender's collateral position and guard against loss. The policy shall provide a means of forbearance for cases when the borrower is cooperative, making an honest effort to meet the conditions of the loan contract and is capable of working out of the debt burden.

(3) *Legal entity loans.* In addition to the foregoing servicing objectives for

term and operating loans, procedures for servicing these loans shall require procurement of data on changes in ownership, control, and management; review of business objectives, financing programs, organizational structure, and operating methods, and appropriate analysis of such changes with provision for action as needed.

(4) *Approved policies.* Copies of the bank loan servicing policies required under this Subpart O and all subsequent revisions shall be furnished to the Farm Credit Administration.

§ 614.4511 Federal land bank association compensation.

Compensation may be paid to an association up to an amount which, in the judgment of the bank, represents the value of the services being rendered for the bank. The compensation plan is subject to the approval of the bank board and the Farm Credit Administration.

§ 614.4512 Compromise of indebtedness.

Because of the vested borrower ownership interest in the cooperative Farm Credit System, no compromise settlement of borrower indebtedness shall be made unless it can be determined from an analysis of all the facts and legal aspects that a compromise settlement results in the greatest net return to the lender. Bank boards shall set policies covering the limited instances where compromise settlements can be permitted. These policies shall include approval limits for the bank and associations. Compromise settlements beyond these limits shall require bank board approval.

Subpart P—Special Lending Programs

§ 614.4520 General.

(a) To provide the best possible credit service to farmers, a district board may adopt policies permitting banks and associations to enter into agreements with agents, dealers, cooperatives, other lenders, and individuals to facilitate the making of loans to eligible farmers and ranchers, subject to approval by the bank.

(b) Federal land bank. A bank, or an association with bank approval, may enter into agreement which will accrue to the benefit of the borrower and lender which allows others to perform functions in loan making or servicing other than the evaluation and approval of loans. When such an agreement is developed, and the territory covered by the agreement extends outside the territorial limits of the originating association or bank, a permissive agreement from all affected banks or associations is required. Reasonable compensation may be paid for services rendered.

(c) Production credit associations may enter into agreements with private dealers or cooperatives permitting them to take applications for loans from the association to purchase farm equipment, supplies, and machinery. Such agreements shall normally be limited to persons or businesses selling to farmers or ranchers and shall contain credit limits consistent with sound credit standards. When the sales territory of a dealer or cooperative extends outside the territory of the originating association, or the Farm credit district, agreement of all banks and associations affected shall be obtained before making such loans. Reasonable compensation may be paid to a dealer or cooperative for services rendered in connection with such programs.

(d) Subject to the approval of the respective bank's board of directors, Federal land banks, Federal intermediate credit banks, banks for cooperatives and production credit associations may enter into memorandums of understanding among themselves or with other lenders for the simultaneous processing and closing of loans to a mutual borrower. The basic policies and principles of each lender shall apply.

§ 614.4530 Special loans, production credit associations.

Under policies approved by the bank board and procedures developed by the bank, production credit associations may make the following special types of loans on commodities covered by price support programs. Nothwithstanding the regulations covering other loans made by an association, loans may be made to members on any commodity for which a Commodity Credit Corporation price support program is in effect, at such rate of interest and upon such terms as the bank board may prescribe subject to the following conditions:

(a) The commodity offered as security for the loan shall be eligible for price support under a Commodity Credit Corporation price support program and shall be stored in a bonded public warehouse, holding storage agreement for such commodity approved by Commodity Credit Corporation.

(b) The member shall have complied with all Commodity Credit Corporation eligibility requirements.

(c) The loan shall mature not later than 30 days prior to the expiration of the period during which the Commodity Credit Corporation loan or other price support may be obtained on the commodity and shall be secured by pledge of negotiable warehouse receipts covering the commodity.

(d) The borrower shall appoint the association as his attorney-in-fact to obtain a Commodity Credit Corporation loan (or other such price support as is available) in the event that the borrower fails to do so prior to maturity or repayment of the loan.

Subpart Q—Federal Intermediate Credit Bank Financing of Other Financing Institutions

§ 614.4540 General.

The Federal intermediate credit banks are authorized to discount for, or purchase from commercial banks and other financial institutions, with their endorsement or guaranty, notes and other obligations for loans which have been made for agricultural purposes. No paper shall be purchased from or discounted for a commercial bank, trust company or savings institution if the amount of such paper added to the aggregate liabilities of the institution, exclusive of deposit liabilities, exceeds the lower of the amount of liabilities of the institution permitted under the laws of the jurisdiction creating the institution, or twice the paid-in and unimpaired capital and surplus of the institution. No paper shall be purchased from or discounted for any other financial institution if the amount of such paper added to the aggregate liabilities of the institution exceeds the lower of the amount of liabilities permitted under the laws of the jurisdiction creating the institution, or 10 times the paid-in and unimpaired capital and surplus of the institution. Hereafter, in this part the term "other financing institution" means all financing institutions eligible to borrow from or discount paper with a Federal intermediate credit bank other than institutions of the Farm Credit System.

§ 614.4550 Financing responsibility of the Federal intermediate credit banks regarding other financing institutions.

It is the responsibility of the banks to provide a continuing dependable source of production financing to eligible farmers and ranchers in their districts. The banks shall attempt to meet this responsibility to agricultural producers by assuring to the extent possible the viable institutions actively involved in extending credit to such producers have adequate loan funds with which to perform their function. Therefore, consideration shall be given in cases in which other financing institutions applying for the discount privilege from banks present persuasive evidence that they are unable to meet legitimate needs of their eligible farmers and rancher clientele without access to the discount privilege.

§ 614.4560 Criteria which shall be used to determine whether a discount relationship should be established with an applicant other financing institution.

(a) Approval of an application for access to the discount privilege from any other financing institution shall be subject to proof that there is a continuing need for such discounts to permit the applicant to continue to serve the volume of agricultural loans at least equal to its average volume of such loans for the past 3 years and that the need is not the result of denial or restrictions on discount privileges or other means of obtaining lendable funds customarily available to it. The application shall also establish a sufficiency of each of the following:

(1) Capital structure to support an economically feasible lending operation.

(2) Actual or potential loan volume to permit a reasonably efficient lending operation.

(3) Institution capability, including staff experience and expertise, to extend and administer the volume of lending anticipated on a sound basis.

(b) Approval of an application from a commercial bank or agricultural credit corporation affiliated with a commercial bank shall be further conditioned on the following requirements.

(1) The commercial bank involved as applicant or parent shall have not less than 25 percent of its total loan portfolio in agricultural loans. If this percentage is less than 25 percent, the applicant institution shall present sufficient evidence to show that it is making a special effort to serve the credit needs in its rural area, and the application shall be subject to prior approval of the Farm Credit Administration.

(2) Its gross loan to deposit ratio shall be not less than 60 percent at the seasonal peak. For purposes of this measure, gross loans should include all direct credit extension by the institution in its trade area. Such items as Federal funds or broker loans are to be excluded. If the applicant institution has a historical gross loan to deposit ratio of less than 60 percent at the seasonal peak, the application for access to the discount privilege shall be subject to prior approval of the Farm Credit Administration.

(3) The participation approach with the production credit associations is either unavailable or would not be of assistance to the institution in serving the credit needs of its borrowing farmers and ranchers, but the failure of the institution to participate with a production credit association shall not of itself be cause for denial or revocation of borrowing or discount privileges.

(c) Approval of an application from an agricultural credit corporation which is not affiliated with a commercial bank shall be further conditioned on the following requirements.

(1) *Character of business.* It shall be a body corporate engaged in the business of extending short- and intermediate-term credit to farmers and ranchers for agricultural purposes. A concern engaged in the business of manufacturing, merchandising, real estate brokerage, real estate loans, etc. is not eligible to obtain credit from a Federal intermediate credit bank merely because it has the power to make loans to farmers and ranchers and to borrow money. On the other hand, the fact that a corporation has powers not related to agricultural credit or receives income from other sources shall not of itself render it ineligible. Such institutions should be carefully investigated and each case decided on its merits.

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

(d) In dealing with any other financing institution which is affiliated with a cooperative (through stock ownership, management, interlocking directorates or otherwise), the bank will consider the possible effects of such relationship on the operations and credit policies of the applicant corporation. A financing corporation which is a subsidiary of or affiliated with a farmers' cooperative and is otherwise eligible to borrow from and discount with a Federal intermediate credit bank may qualify to discount with its endorsement or borrow on the security of notes of farmers and ranchers (as distinguished from notes of cooperatives), evidencing loans to finance the cost of supplies, equipment or services obtained from such affiliated cooperative, if the bank board finds that an additional source of credit is needed to facilitate financing of such transactions and the primary benefits of such credit will inure to the borrowing farmers and ranchers.

§ 614.4570 Utilization of the discount privilege.

(a) The other financing institution shall remain in compliance with the approval criteria enumerated in § 614.4560 hereof except that another financing institution which has a discount agreement in force with a Federal intermediate credit bank at the effective date of these regulations shall not be required to meet the criteria included under § 614.4560(b) hereof.

(b) The institution shall maintain reasonable credit quality in its total loan portfolio as well as that credit submitted for discount with the bank.

(c) The institution shall not significantly reduce its agricultural lending activity as a portion of its total credit activity and any substantial increase in the volume of loans tendered to the bank for discount shall be accepted subject to a showing that the increase is a result of the institution's increase in volume of agricultural loans rather than a reduction in the ratio of agricultural loans to nonagricultural loans held by it or to any restriction on its access to other sources of lendable funds.

§ 614.4590 Direct loans to other financing institutions.

A Federal intermediate credit bank is authorized to make loans and advances to other financing institutions, provided that no such loan or advance shall be made on the security of collateral other than notes or other such obligations of bona fide farmers and ranchers as defined in these regulations, unless such loan or advance is made to enable the financing institution to make or carry loans to such bona fide farmers and ranchers for agricultural purposes. In all cases, the amount of collateral required shall be not less than the principal amount of the indebtedness thereby secured.

(a) *Classes of obligations approved as collateral.* The following classes of obligations are approved as collateral for direct loans and advances to other financing institutions.

(1) Obligations of bona fide farmers and ranchers arising from direct credit extension by the financing institution.

(2) Bonds and other direct obligations of the United States.

(3) Federal Farm Loan Bonds and consolidated debentures of the banks for cooperatives.

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

(b) *Purpose of direct loans or advances.* In making loans or advances to any other financing institution on the security of collateral other than that described in (a) of this section, the bank will assure itself that the proceeds of such loans or advances will be used to enable the financing institution to make or carry loans to farmers and ranchers for agricultural purposes.

§ 614.4600 General collateral.

Other financing institutions (except commercial banks), as a condition precedent to borrowing from or discounting with a Federal intermediate credit bank, shall pledge as collateral for any and all obligations to the bank, cash, U.S. Government securities, Federal Farm Loan Bonds, consolidated debentures of the banks for cooperatives, or other readily marketable securities of high rating in an amount equal to such portion of its capital as shall be determined by the bank. At the discretion of the bank, commercial banking institutions may also be required (unless prohibited by law or by supervisory authority) to deposit acceptable collateral. Securities and obligations pledged with the bank shall be deposited under a collateral pledge agreement pursuant to which all securities and obligations so pledged, including all substitutions and additions and the proceeds of any such collateral including all income derived, shall be available to secure any and all obligations to the bank whether direct or contingent, present or future.

§ 614.4610 Filing and recording assignments of security instruments.

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

§ 614.4620 Suspension of right to borrow and discount.

In the event a financing institution shall fail to remain in compliance with the requirements for continuation of the discount relationship set forth in § 614.4560, or should the condition or the operations of an other financing institution become otherwise unsatisfactory to the bank, its right to borrow and discount may be withdrawn or suspended by the

bank until the noncompliance or unsatisfactory condition is corrected. Should it be determined that the debt to capital ratio of the institution exceeds the legal limits set forth herein, the right of such institution to borrow and discount shall be withdrawn or suspended forthwith and shall so remain until necessary correction has been effected. During any period of suspension no new paper shall be purchased from or discounted for the institution and no further advances shall be made to it pending correction, except to the extent necessary to cover commitments on paper held by the bank or to preserve the security and protect the interest of the bank in obligations held by it. Before making additional advances to any other financing institution whose right to borrow or discount has been suspended because the ratio of its total liabilities to unimpaired capital and surplus equals or exceeds the maximum permitted under law, the bank shall satisfy itself that the corporation will not violate any applicable law by assuming liability for such additional advances.

§ 614.4630 Credit to other financing institutions in special circumstances.

When a financing institution is in need of funds in excess of the amount that can be made available through normal processes and if for credit reasons a bank is unwilling to discount or purchase a loan offered by such institution for its face amount, it may discount or purchase less than the full amount of the loan. In such transactions the institution shall be required to apply all repayments on the borrower's obligation first, to pay the bank the amount discounted or purchased by it.

§ 614.4631 Alternate method.

In lieu of discounting or purchasing notes which are not acceptable at face value, a bank may accept such paper at a reduced value as collateral security to a direct loan to the borrowing institution under § 614.4590 hereof.

§ 614.4632 Limitation on alternate method.

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

§ 614.4640 Insolvency of other financing institutions.

(a) In the event an other financing institution having a discount or financing agreement with the bank becomes insolvent or is in process of liquidation, particularly if it fails to service its loans properly and where supervision or orderly liquidation will be facilitated by direct handling of the obligations of the note makers, the bank may, with the consent of the Farm Credit Administration, take over such paper for orderly liquidation. Notes on other obligations pledged with the bank by an other financing institution, either as collateral for a direct loan or as additional security for any and all indebtedness of the institution to the bank, also may be taken over and handled directly with the makers after a title has been acquired in accordance with the provisions of applicable laws and the terms of the pledge agreements executed by the institution involved. The bank's authority to handle the paper directly includes the authority to make additional advances, to grant renewals and extensions, and to take such other actions as may be needed to work out the problems involved. Direct liquidation of paper carried for an other financing institution should be resorted to only in cases where other measures have failed, and it is apparent that direct liquidation is the only practicable means available to the bank for protection of its interest.

(b) Paper handled for insolvent other financing institutions as provided in this section shall not be assigned as collateral for debentures and shall be carried in a separate account as provided in the chart and description of accounts for the banks.

(c) On paper which a bank has taken over from a defaulting financing institution for liquidation, interest shall be collected according to the terms of the loans. Renewals of such notes, when directly payable to the bank, shall bear interest at a rate not to exceed the maximum rate that may be charged other financing institutions on paper eligible for discount by the banks at the time of renewal.

§ 614.4650 Prior loan approval.

Any obligation of a borrower accepted for discount or as collateral for a direct loan to an other financing institution shall have the prior approval of the Farm Credit Administration when the total obligations of such borrower of the offering institution exceeds $100,000 or 50 percent of the paid-in and unimpaired capital and surplus of such institution, whichever is larger.

§ 614.4660 General discount agreement.

As a condition precedent to making loans to or discounting paper for any other financing institution, the bank will require the corporation desiring such credit to execute a general discount loan and pledge agreement.

PART 615—FUNDING AND FISCAL AFFAIRS

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AUTHORITY: The provisions of this Part 615 issued under sec. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

Subpart A—Funding

§ 615.5000 General responsibilities.

To assure continuing public confidence in the high quality of Farm Credit bank securities, whenever each bank of the System on consolidated or Systemwide basis obtains loan funds from the sale of obligations, the maturities, rates of interest, and terms and conditions of each issue shall be subject to approval and shall be signed by the Governor of the Farm Credit Administration and the banks shall be liable thereon. It shall be the responsibility of the finance committees or subcommittees of the banks, in consultation with the fiscal agent, to fix interest rates, terms and conditions of their respective issues. In the exercise of responsibility to supervise the funding of the Farm Credit System, the Governor or a designated representative shall at his discretion be present whenever the maturities, rates of interest and terms and conditions of publicly issued obligations are determined. The Farm Credit Administration should keep the U.S. Treasury informed of all public financing plans and actions by the institutions under its supervision.

§ 615.5010 Fiscal Agency.

(a) The Fiscal Agency of the Farm Credit Banks (authorized under title IV, section 4.9 of the Act) shall be responsible for the marketing of securities, the maintenance of accurate and timely records, and assistance to the banks in the orderly investment of funds. The Fiscal Agency shall conduct funding for the banks at the direction of the appropriate finance committees under the broad policy direction of district boards acting in concert. By resolutions of agreement adopted by the board of each of the banks, appropriate committees may be established for the instruction and direction of the Fiscal Agency.

(b) To provide for an adequate and reliable supply of credit to meet the objectives of this Act and to assure cooperation and coordination among the institutions of the System, the Farm Credit Administration shall maintain a general and continuing administrative review of the Fiscal Agency of the banks.

§ 615.5020 Intersystem funds.

Whenever practical the banks should borrow or lend interbank or intersystem funds prior to borrowing from commercial banks or other financial institutions.

§ 615.5030 Borrowings from commercial banks.

The bank boards, by resolution, shall authorize all commercial bank borrowings.

§ 615.5040 Borrowings from financial institutions other than commercial banks.

The Farm Credit banks may borrow from other financial institutions, such as insurance companies, Federal agencies, or Federal reserve banks only with the approval of the Farm Credit Administration.

Subpart B—Collateral

§ 615.5050 Policy.

(a) Each bank shall have on hand at the time of issuance of any long-term notes, bonds, debentures, or similar obligations, and at all times thereafter, free from any lien or other pledge, notes and other obligations representing loans made under the authority of the Act, notes of Federal land banks, Federal intermediate credit banks, and banks for cooperatives representing secured interbank or intersystem loans, readily marketable securities approved by the Farm Credit Administration or cash, in an aggregate value equal to the total amount of long-term notes, bonds, debentures, or similar obligations outstanding for which the bank is primarily liable.

(b) However, since by contract with the bondholders specific pledge continues to be attached to collateral for obligations of the Federal land banks, heretofore issued under the Federal Farm Loan Act of 1916 and the Farm Credit Act of 1933, until those obligations are retired, the collateral securing them must be accounted for separately from collateral not specifically pledged in connection with obligations of the banks issued hereafter.

(c) Each bank shall set up procedures, with the approval of its board and the Farm Credit Administration, which will insure that said bank is in compliance at all times with the statutory requirements for maintenance of collateral.

(d) Such procedures should include provisions for safe custody, methods to determine that debt instruments meet all requirements of the Act and regulations and certification by a responsible officer of the institution as to eligibility and adequacy of the amount of collateral pledged.

§ 615.5060 Federal land bank loans eligible as collateral.

(a) Net asset value of notes and other obligations representing loans, purchase money mortgages, or sales contracts made or acquired under these regulations is eligible for collateral. Each such obligation shall be certificated by the bank's attorney that the bank's interest in the security gives the equivalent protection of a first lien.

(b) Net asset value of notes and other obligations means the unpaid balance of valid loans excluding delinquencies (including default taxes, insurance premiums, etc. paid by the bank or association), future payment funds, undisbursed loan funds, trust accounts and other borrower deposits or deferred proceeds. Loans in the process of foreclosure and acquired real estate owned shall be carried at their recovery value, or investment value, whichever is lower.

§ 615.5070 Federal intermediate credit bank loans eligible as collateral.

(a) Direct loans to or discounts for production credit associations, whether secured or unsecured, provided all notes represent loans made by production credit associations to their borrowers, shall be pledged as collateral for their total indebtedness to the Federal intermediate credit bank.

(b) Direct loans to or discounts for other financing institutions, shall also be acceptable.

§ 615.5080 Bank for cooperatives loans eligible as collateral.

The value of the unpaid balance of loans to eligible cooperatives is eligible as collateral.

§ 615.5090 Loss of eligibility or reduction in carrying value of collateral.

When the Farm Credit Administration informs a bank that approval has been modified or withdrawn with respect to certain items found not to conform to the appraisal or loan standards prescribed, or any loan has been classified as an actual or potential loss, the bank shall adjust the carrying value of its pledged collateral accordingly or withdraw the loan(s) from collateral.

Subpart C—Issuance of Bonds, Notes, Debentures and Similar Obligations

§ 615.5100 Resolution required.

The bank boards shall, by resolutions, authorize the issuance of long-term notes, bonds, debentures or similar obligations in such amounts as may be required to meet bank's needs. Each such resolution shall specify the maximum amount of obligations which shall be outstanding at any one time and authorize the executive committee or appropriate officers of each bank to do all things necessary and proper to participate in such issues.

§ 615.5101 Lost, stolen, destroyed, mutilated or defaced consolidated obligations and coupons of the Farm Credit banks.

(a) *Basis of relief.* The statutes of the United States, now or hereafter in force, and the regulations of the Treasury Department, now or hereafter in force, governing relief on account of the loss, theft, destruction, mutilation or defacement of U.S. securities, and the regulation of the Treasury Department, now or hereafter in force, governing the payment of mutilated or defaced coupons of U.S. securities, insofar as such statutes and regulations may be applicable, and as modified to relate to the consolidated obligations of the Farm Credit banks and coupons of such obligations shall govern the granting of relief on account of lost,

stolen, destroyed, mutilated or defaced consolidated obligations of the Farm Credit banks and mutilated or defaced coupons of such obligations.

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

§ 615.5102 Restrictive endorsements of bearer securities.

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

§ 615.5103 Loss from payment of spurious debenture.

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

§ 615.5104 Bonds and debentures as illustrations.

Illustrations of Farm Credit bonds, debentures and other securities may appear in information and educational materials if printed in black and white, but not in color, and must be less than ¾ actual size or more than 1½ times the actual size of the original security. Motion picture and microfilms and slides of such securities are permitted in black and white or color for projection on a screen or for use in telecasting.

Subpart D—Other Funding

§ 615.5110 Authority to issue.

Any Farm Credit bank may issue, pursuant to authority contained in section 4.2(b) as modified by section 4.2(e) of the Act, investment bonds or like obligations other than through the Fiscal Agency if the interest rate is not in excess of the interest allowable on savings deposits of commercial banks of comparable amounts and maturities under Federal Reserve regulation on its member banks.

§ 615.5120 Purchase eligibility requirement.

Purchase of a Farm Credit Investment Bond shall be limited to members of Federal land bank associations and production credit associations, employees of the Farm Credit banks or associations, except bank presidents, and to employees of the Farm Credit Administration, except principal officials. An association member need not be an active borrower. Sale of a nominal number of shares of stock in an association will not satisfy the eligibility requirement. Types of owners may be individuals, partnerships, corporations, unincorporated associations, or fiduciary stockholders.

§ 615.5130 Procedures.

Procedures relating to issuance, pricing, payment of interest, redemption, replacement of lost or stolen bonds and other matters shall be promulgated under the authority of this regulation as operating instructions to banks and associations.

Subpart E—Investments

§ 615.5140 Investment eligibility.

In order to provide the System with investment instruments to support its financial operations, to manage its liquidity portfolios and to invest its excess funds, the following obligations are approved.

(a) Consolidated obligations of the Federal land banks, Federal intermediate credit banks and banks for cooperatives.

(b) Direct and full faith and credit obligations of the U.S. Government.

(c) Federal Home Loan Bank notes and bonds.

(d) Federal Home Loan Mortgage Corporation obligations.

(e) Federal National Mortgage Association short-term notes, debentures and participation certificates.

(f) Government National Mortgage Association direct or fully guaranteed obligations.

(g) Farmers Home Administration insured notes.

(h) Tennessee Valley Authority notes and bonds.

(i) Export-Import Bank obligations.

(j) U.S. Postal Service obligations.

(k) Merchant Marine Bonds.

(l) Negotiable certificates of deposit.

(m) Bankers acceptances.

(n) Full faith and credit obligations of a state, municipality, political subdivision, or public agency or instrumentality thereof, when approved by the bank on a case basis within the following limitations: investments in bonds, except revenue obligations, that have been rated A or better (or the equivalent) by a recognized rating service, that mature within approximately 10 years, and are readily marketable.

(o) Other types of obligations authorized by the Farm Credit Administration.

Any eligible investment with a maturity of 12 months or less from the date of pledge shall be valued at face value for collateral purposes supporting bond and debenture issues. Any eligible investment with a maturity of over 12 months from the date of pledge shall be valued at market value for collateral purposes supporting bond and debenture issues.

§ 615.5141 Production credit associations.

Production credit associations shall own such securities, selected from approved investments in § 615.5140, as the supervising bank shall require.

§ 615.5142 Federal land bank associations.

Each Federal land bank association shall invest its available cash funds in excess of the amounts needed to meet its current operating requirements and other obligations in the following:

(a) Consolidated obligations of the Federal land banks, Federal intermediate credit banks, or banks for cooperatives.

(b) U.S. Government securities.

(c) Unsecured obligations of its supervising bank.

(d) Other investments authorized by the bank.

§ 615.5150 Real and personal property.

(a) Real estate and personal property may be acquired, held, or disposed of by all corporate entities of the Farm Credit System for the necessary and normal operations of their business. The purchase or construction of office quarters should be limited to facilities reasonably necessary to meet the foreseeable requirements of the association or associations. Any acquisition which may appear to involve the banks or associations to a substantial degree in real estate or other unrelated business should not be permitted.

(b) The purchase, construction, lease as lessee or sale of Farm Credit bank buildings and appurtenances shall have approval of the Farm Credit Administration. Likewise, purchase, construction, lease as lessee or sale of Federal land bank association or production credit association buildings and appurtenances shall have the approval of the appropriate bank board. It shall be the responsibility of the district board to establish guidelines for use by associations in developing plans for office space to be submitted to the appropriate bank board.

(c) The establishment of computer centers and the procurement by lease or purchase of computer systems, replacement equipment, additional components, and data terminals, by Farm Credit institutions shall be subject to prior approval of the Governor.

§ 615.5151 Additional investments of Federal intermediate credit banks.

Federal intermediate credit banks may purchase nonvoting stock and participation certificates of and pay in surplus to production credit associations when authorized by the bank board of directors

on a case basis and approved by the Farm Credit Administration.

§ 615.5160 Production credit association investment in farmers' notes given cooperatives and dealers.

(a) In accordance with policies prescribed by the boards of directors of the Federal intermediate credit banks, production credit associations may invest in notes, conditional sales contracts, and other similar obligations given to cooperatives and private dealers by farmers and ranchers eligible to borrow from the association. All such programs developed shall be approved by the Farm Credit Administration before they are implemented.

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

(c) The rate of interest on such obligations shall not exceed the limitations set forth in § 614.4310 of this chapter when such notes are offered as collateral for a direct loan from the bank.

(d) The total amount which an association may invest in such obligations at any one time shall not exceed 15 percent of the balance of loans outstanding at the close of the association's preceding fiscal year.

(e) All notes in which an association invests shall be endorsed with full recourse against the cooperative or dealer. The association shall contact each notemaker who meets the association's credit standards to encourage him to become a borrower.

Subpart F—Minimum Investment Requirement

§ 615.5170 Requirement.

The minimum investment requirement shall be comprised of cash and eligible investments, as approved by the Farm Credit Administration. Each banking system, as defined under titles I, II, and III of the Act, shall maintain a minimum investment requirement until December 31, 1972, as follows:

(a) *Federal land banks.* At least 25 percent of capital stock must be held in cash or eligible investments; provided that at least 5 percent of such capital must be invested in U.S. Government Bonds.

(b) *Federal intermediate credit banks.* Maintain an investment portfolio of interest-bearing obligations in the minimum amount of 10 percent of the monthly average amount of debentures sold on behalf of the bank during the preceding fiscal year.

(c) *Banks for cooperatives.* An amount equal to between 20 percent and 25 percent of the banks' capital stock should, as far as practical, be kept invested in cash or eligible investments, exclusive of class B and C stock of the Central Bank for Cooperatives.

§ 615.5180 Association investment portfolios.

The Federal land banks and Federal intermediate credit banks shall require that each association provide as of June 30 or December 31 a listing of its investment portfolio and investment objectives. Associations shall own such securities, selected from approved investments in §§ 615.5140, and 615.5142 as the supervising bank shall require. The banks shall assist the associations in the management of their investment portfolios.

Subpart G—Deposit of Funds

§ 615.5190 General.

All institutions of the Farm Credit System may deposit securities and current funds with and receive interest from any member bank of the Federal Reserve System. Associations may deposit funds with their supervising bank or any commercial bank insured by the Federal Deposit Insurance Corporation.

Subpart H—Net Worth Objective

§ 615.5200 General.

Each bank and association board shall establish a net worth objective to serve as a guide for the accumulation and maintenance of a net worth position adequate to reasonably assure the continued financial solvency of each institution and the continuity of its credit service to farmers and cooperatives, but avoiding the accumulation of net worth in excess of those needs. Each supervising bank board shall also establish an association net worth objective program as a guide for the associations in its district.

§ 615.5210 Annual budgets and projections.

Each bank board shall approve for each bank an operating and financial budget for each fiscal year. Each budget shall contain sufficient background information to indicate the principal assumptions and considerations involved in its formulation, detailed pro forma balance sheets, income and expense statements, bank and association programs to achieve net worth objectives and explanation of significant changes from the previous years. Bank boards also shall approve for each bank long range financial and operating projectons. Approved budgets and longer range projections shall be submitted for review as required from time to time by the Farm Credit Administration.

Subpart I—Debt to Capital Ratios

§ 615.5220 Ratio requirements.

No issue of long-term notes, bonds, debentures, or other similar obligations by a bank or banks, shall be approved if it, together with the amount of other bonds, debentures, long-term notes, or other similar obligations issued and outstanding, exceeds 20 times the capital and surplus of all the banks which will be primarily liable on the proposed issue unless a lesser ratio is fixed by the Farm Credit Administration. The term "capital, legal reserves and surplus" as used in this section includes capital stock, participation certificates, legal reserves, allocated reserves, surplus and unallocated contingency reserves.

§ 615.5230 Special exception.

A bank may, with approval of the Farm Credit Administration, exceed this ratio for temporary periods if the 20 to 1 ratio for all similar banks will not be exceeded. When such exceptions occur, other like banks of the System shall be advised regarding the basis on which approval was given.

§ 615.5240 Production credit associations.

No loan shall be made to or any paper purchased from or discounted for any production credit association if the amount of such paper added to the aggregate liabilities of the association exceeds 10 times the paid-in and unimpaired capital and surplus of the association.

Subpart J—Prescription, Subscription and Retirement of Stock

§ 615.5250 Responsibility.

(a) The board of directors of each Farm Credit institution shall prescribe in its bylaws the classes of stock and participation certificates to be issued to and subscribed by borrowers and others and how they shall be transferred, converted or retired consistent with the law.

(b) The Governor shall prescribe the initial amount of authorized capital stock for a newly chartered production credit association.

§ 615.5260 Retirement of capital stock and allocated equities of banks for cooperatives.

(a) In case of liquidation or dissolution of a present or former borrower, the bank may, but shall not be required to, retire and cancel at book value, not exceeding par, all or a part of the capital stock or any allocated equity in the bank owned by or allocated to such borrower. Before any such retirements shall be made, the bank shall have reasonable assurance that the liquidation or dissolution is or soon will be completed and the business of the borrower is not being continued under circumstances in which it would be appropriate and feasible for any successor to acquire and hold the investment interests of the present or former borrower in the bank. Retirements under this provision shall be authorized by the bank board.

(b) Where the debt of a borrower to the bank is in default, such bank may, but shall not be required to, retire and cancel all or part of any stock or allocated equities of the bank on which the bank has a lien as collateral for the debt, at the book value thereof, not exceeding par value, in total or partial liquidation of the debt, under any of the following conditions.

(1) The borrower has been declared bankrupt.

(2) The borrower has had a substantial part of its property placed in the hands of a receiver.

(3) The borrower has ceased operations, regardless of whether its charter has been surrendered.

(4) In the judgment of the bank, the indebtedness of the borrower to the bank is uncollectable.

§ 615.5270 Purchase of class B stock of the Federal intermediate credit bank by production credit associations.

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

(b) When making such allotments the bank may transfer, retire or reissue outstanding class B stock among the associations as may be necessary to establish the proportion indicated in the preceding paragraph. Stock that is retired or transferred for this purpose shall first be the stock purchased by the association to the extent it is available unless otherwise approved by the Farm Credit Administration. The bank shall pay the association for all stock so retired or transferred and shall collect therefor from any association to which such stock is transferred or reissued, at the fair book value thereof not to exceed par.

§ 615.5280 Equalization of Federal intermediate credit bank class B stock and allocated reserve owned by production credit associations.

Whenever at the end of any fiscal year of the bank, the relative amounts of class B stock of a bank owned by the production credit associations differ substantially from the proportion provided for in the preceding paragraph and additional subscriptions of class B stock through which such proportion could be reestablished are not contemplated, the bank board may direct that such proportion be reestablished with the prior approval of the Farm Credit Administration. In carrying out its purpose the bank may direct, either separately or in combination, such transfers, retirements, and reissuance of outstanding class B stock among the associations as will reestablish the aforesaid proportion as nearly as may be practicable. Stock that is retired or transferred for this purpose shall first be the stock purchased by the association to the extent it is available unless otherwise approved by the Farm Credit Administration. Stock may be transferred from one association to another and retain its same issue date or series designation. Allocated reserve owned by production credit associations may be equalized in a like manner.

§ 615.5290 Purchase of Federal intermediate credit bank participation certificates by other financing institutions.

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

§615.5300 Surrender of Federal intermediate credit bank stock certificates and issuance of new certificates.

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

§ 615.5310 Lost, destroyed, or stolen Federal intermediate credit bank stock or participation certificates.

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

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

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

§ 615.5320 Retirement of Federal intermediate credit bank class B stock, participation certificates, and allocated legal reserve.

After all stock held by the Governor has been retired, the bank may retire class B stock at par, participation certificates at face amount and allocated legal reserve without preferences to all holders thereof, and in such manner that the oldest outstanding stock, participation certificates or allocated legal reserve will be retired first, provided that after such retirements the net worth structure of the bank meets the minimum requirements approved by the Farm Credit Administration. Notwithstanding the foregoing provision, in the event of an equalization of the ownership by production credit associations of capital stock, participation certificates, and allocated legal reserve of the bank, whether in connection with an assessment for capital stock or otherwise, when an association surrenders stock, participation certificates, or allocated legal reserve, it shall first surrender that which was acquired by purchase, to the extent available, and thereafter surrender that acquired through patronage distributions from the bank. In unusual circumstances, class B stock, participation certificates, and allocated legal reserve may be retired for individual holders with the prior approval of the bank board.

Subpart K—Surplus and Reserves

§ 615.5330 Banks for cooperatives.

(a) *Surplus.* "Surplus" is defined as the net accumulation of net savings which has not been appropriated by the board of directors for a specific purpose. Amounts therein may be allocated to patrons or unallocated. Amounts not allocated shall not be distributed as patronage refunds. Each bank shall maintain in surplus an amount not less than 25 percent of all capital stock outstanding.

(b) *Reserve for contingencies.* When authorized by the bank board, an allocated or unallocated reserve for contingencies may be established and maintained when justified for circumstances which may lead to an unbudgeted expense or a loss.

(c) *Reserve for losses on loans.* Each bank shall maintain a general valuation

reserve of at least 1½ percent of net loans outstanding at the end of the fiscal year. In recognition of the risk inherent in the specialized agricultural enterprises being financed, a reserve in greater amount than the minimum is desirable. When the reserve is less than the minimum amount, the bank board shall take appropriate action to increase the reserve so that the minimum requirement is attained within a reasonable period.

§ 615.5340 Land bank system reserves for losses program.

Each bank and association shall establish and maintain reserve accounts for estimated losses on mortgage loans, unendorsed paper, advances, accrued interest, real estate owned, and loans called for foreclosure. The requirements shall be in such amounts as in the judgment of the bank and associations is considered adequate to meet such losses. Such reserves shall not be less than 1 percent of the unmatured balance of each loan outstanding, each loan called for foreclosure and each investment in acquired collateral. The combined amounts of loss reserves and indemnity credits should be considered by the bank in establishing the amount and proportion of reserves required to be carried by the bank and associations. The reserves established and maintained by the associations on endorsed loans and other obligations shall in no event be less than ½ percent of the unmatured balance of each loan outstanding, each loan called for foreclosure, and each investment in acquired collateral. Changes in association's policies for reserve for losses shall be approved by the banks. Any changes in a bank's reserve for losses program shall be submitted to the Farm Credit Administration for its concurrence.

§ 615.5350 Special reserves of Federal land banks.

The banks shall maintain a reserve account against the general assets of the bank as required by section 1.17(a) of the Act. Net earnings for this purpose are defined as the gross earnings reduced by current expenses, losses, and other charges against current earnings.

§ 615.5360 Special reserves of Federal land bank associations.

Each Federal land bank association shall, out of its net earnings at the end of each fiscal year, carry to its reserve account a sum of not less than 10 percent of such earnings until the reserve account equals 25 percent of its outstanding capital stock and participation certificates after restoring any impairment. Thereafter, 5 percent of the net earnings for the year shall be added to such reserve account until it equals 50 percent of the association's outstanding capital stock and participation certificates. Amounts in the reserve in excess of such 50 percent may be withdrawn with the approval of the bank.

Subpart L—Distribution of Earnings

§ 615.5370 Banks for cooperatives earnings.

(a) Whenever at the end of any fiscal year a bank shall have no outstanding capital stock held by the Governor, the net savings shall first be applied to the restoration of the amount of the impairment, if any, of capital stock, as determined by the bank board. Any remaining net savings or losses shall be distributed on a cooperative basis as authorized by the bank board. Less than 25 percent of such remaining net savings may be used to maintain an allocated surplus account. Not more than 10 percent of net savings of the year available for distribution may be used to create or maintain an unallocated surplus or unallocated reserve account. Cash patronage refunds shall not exceed 25 percent of the total amount of net savings allocated or paid to patrons, except with Farm Credit Administration approval. Patronage refunds not paid in cash shall be paid in capital stock as determined by the bank board. A net loss in any fiscal year shall be absorbed on the basis determined by the bank board. Any costs or expenses attributable to a prior year shall not be charged to reserves, surplus, or patronage allocations without the approval of the Farm Credit Administration.

(b) Whenever at the end of any fiscal year a bank shall have stock outstanding held by the Governor, net savings shall be distributed in accordance with section 3.11(a) of the Act.

(c) The phrase "service fees" as used in section 3.11(c) of the Act are loan service fees and not income related to "technical assistance and financially-related services" referred to in section 3.7 of the Act. If net income from "technical assistance and financially-related services" becomes more than incidental, such net income shall be distributed as patronage to borrowers using such services.

Subpart M—Payment of Dividends

§ 615.5390 Dividends on equities.

No dividends shall be paid on stock held by the Governor except that dividends shall be permitted on class C stock investments in production credit associations held by the Governor. Any dividends paid shall be declared by the board of directors of the respective institutions in accord with §§ 615.5400 through 615.5430.

§ 615.5400 Dividends on stock or participation certificates related to farm, rural housing, and farm-related business loans.

It shall be the responsibility of the bank boards, subject to approval of the Farm Credit Administration, to adopt a policy for payment of dividends by banks and associations on a fair and equitable basis to holders of voting stock or participation certificates.

§ 615.5410 Federal land banks.

(a) Noncumulative dividends may be paid out of earnings or from earned surplus on stock and participation certificates at varying rates on different classes and issues on a basis of the comparative contribution of the holders to the capital or earnings, but otherwise dividends shall be paid without preference.

(b) Dividends as in paragraph (a) of this section may be paid after the maintenance of the reserve described in section 1.17(a) of the Act and after the payment of its franchise tax to the U.S. Government, if any.

(c) Declarations of dividends are subject to the approval of the Farm Credit Administration.

§ 615.5420 Production credit associations.

An association may pay dividends on its capital stock and participation certificates in accordance with the provisions of its bylaws, provided that the rate shall not exceed 8 percent, and provided further that when dividends are paid on class B stock and participation certificates they shall also be subject to approval of the Farm Credit Administration when the amount of the association's surplus (after the payment of dividends) is less than 5 percent of its maximum loans outstanding at the end of any month during the most recent 3 years.

§ 615.5430 Banks for cooperatives.

(a) Noncumulative dividends may be paid on nonvoting investment stock only. Such dividends may be paid only out of current earnings.

(b) The rate of dividend may not exceed 8 percent per annum.

Subpart N—Association Supervision

§ 615.5440 General policy.

Bank boards shall, from time to time, prescribe policies and regulations and establish guidelines, consistent with law and these regulations, that are necessary for the banks to discharge their supervisory responsibilities over the respective associations in financial and fiscal affairs. The banks shall supervise and monitor these activities; they shall take corrective actions as required by the circumstances and, they shall keep the boards informed.

PART 616—COORDINATION

Subpart A—General

Subpart B—Credit and Financially Related Services

Subpart C—Other Activities

AUTHORITY: The provisions of this Part 616 issued under secs. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

Subpart A—General

§ 616.6000 Responsibility.

Each district board is responsible for assuring that each of the institutions under its policy or supervisory authority carries on its functions in the most efficient manner to the end that eligible farmers, ranchers, producers or harvesters of aquatic products, rural residents, farm-related businesses and cooperatives have access to complete, convenient, and high quality credit and financially related services at reasonable cost. The Act broadens the lending and service activity authorities of all of the banks and associations to a degree which could permit inefficiencies and overlapping of services among the units of the System in the absence of appropriate coordination. In addition, the interests of those using the System are best served when the activities are closely coordinated.

§ 616.6010 Policy establishment.

Each district board shall establish policies and coordinate the activities of the banks and associations in its district. These policies shall provide appropriate guidance in the areas enumerated herein and others may be included as determined by the district board.

Subpart B—Credit and Financially Related Services

§ 616.6020 Overall policy.

District policies in this area should minimize the possibility of injurious competition between Federal land bank associations, production credit associations, and farmer cooperatives and maximize cooperation among them in providing credit service. The absence of such cooperation will inevitably inure to the disadvantage of those using the services of other institutions of the System. These policies shall recognize that the Federal land banks are long-term real estate mortgage lenders, the production credit associations and the Federal intermediate credit banks make short- and intermediate-term loans repayable in not more than 7 years, and the banks for cooperatives provide a specialized credit service to cooperatives. The policies should include such subjects as collateral to be taken by each type lender, land bank open-end advance and readvance mortgage plans, limitation on the use of balloon-payment provisions in loans by all banks and associations, simultaneous or joint lending to present or prospective borrowers, joint or adjacent housing for associations whenever possible, and sharing of technical assistance, record information and counsel on specific loan cases.

§ 616.6030 Rural housing.

Coordination policies relative to rural housing should define the appropriate lending authorities in accordance with the following guidelines.

(a) Federal land banks should finance the purchase or construction of rural housing where the owner requires long-term financing. Production credit association lending, while not excluding the purchase or construction of conventional homes, should emphasize remodeling and repair of permanent homes and financing mobile homes where the owner needs intermediate-term financing.

(b) A reasonable approach to term of years and repayment capacity should benefit borrower and lender while restricting overlap to a minimum.

§ 616.6040 Farm-related businesses.

The district policies as to farm-related businesses shall assure that these lending activities do not conflict with the objectives and responsibilities of any institution of the System. This policy shall include a provision for clearance or concurrence by the bank for cooperatives on all loans to farm-related businesses which are or will be in competition with a cooperative. In event there is no concurrence, the district board shall rule. However, with the concurrence of the bank for cooperatives, the policy may permit loans by production credit associations and Federal land banks to small cooperatives furnishing eligible farm-related services.

§ 616.6050 Loans to cooperatives for the purpose of directly financing the operating needs of their members.

Policies of district boards should be designed to encourage farmers and ranchers to obtain needed financing directly from their appropriate associations. These policies should recognize, however, that interests of farmers and ranchers may, at times, best be served when financing is obtained from cooperatives which may borrow from a bank for cooperatives. In establishing coordination policies in this regard, district boards shall give due consideration to, among other things, the cooperative's ability to analyze and supervise such credit extension; the credit policy to be established; the preference of the farmers and ranchers; the quantity, quality, availability, and convenience of the credit service being offered by the appropriate associations; the need by cooperatives to offer the types of financing services offered by their competitors; and the natural relationships which exist between a cooperative's main functions of marketing, providing supplies or providing services, and the financing services incident to such marketing, supplies or services. District policies should assure that such lending activities do not conflict with the objectives and responsibilities of the Federal land banks and associations, the Federal intermediate credit banks, and the production credit associations and that, in all cases, the best interests of the farmers and ranchers are served.

§ 616.6060 Financially related services.

Financially related services offered to borrowers by institutions in one part of the System should be made available to the borrowers of the other banks and associations of the district to the fullest extent possible. Duplication of financially related services by Farm Credit institutions in the same district shall be avoided whenever possible.

Subpart C—Other Activities

§ 616.6070 Public information programs.

In disseminating information to the general public as described in Part 618 of this chapter, the banks shall maintain close coordination of such programs within the district. This coordination is essential for effective scheduling of advertising, press and public relations events, and related activities. Economies should be achieved, but more important, unified contact with the communications media minimizes complexities of the Farm Credit System structure in messages being transmitted to member borrowers, prospective borrowers and the general public. Where banks join together across district lines in carrying out information functions, they shall inform and consult with the Farm Credit Administration to assure that the best interest of all banks is served.

PART 617—EXAMINATIONS, AUDITS, AND IRREGULARITIES

Subpart A—Examinations and Audits

Subpart B—Irregularities—Personnel

Subpart C—Irregularities—Borrowers and Others

AUTHORITY: The provisions of this Part 617 issued under secs. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

Subpart A—Examinations and Audits

§ 617.7000 Farm Credit System institutions.

The Farm Credit Administration is required by section 5.20 of the Act to examine and audit each institution of the System, and each of their agents, at such times as the Governor may determine, but each bank and each production credit association shall be examined and audited not less frequently than once each year. Such examinations and audits shall be under the direction of the chief Farm Credit Administration examiner.

§ 617.7010 Violation of Federal criminal statutes.

The Farm Credit Administration also has the responsibility to investigate any known or suspected violation of Federal criminal statutes relating to the affairs of such institutions, or to see that such investigation is conducted. Such investigations shall be under the direction of the chief examiner.

§ 617.7020 Other financing institutions.

Upon request of the Governor or any bank of the System, Farm Credit examiners shall make examinations and written reports of the condition of any organization, other than national banks, to which, or with which, any institution of the System contemplates making a loan or discounting paper.

(a) Any organization other than State banks, trust companies, and savings associations shall, as a condition precedent to securing discount privileges with a bank of the Farm Credit System, file with such bank its written consent to examination by Farm Credit examiners as may be directed by the Farm Credit Administration. (Section 5.22 of the Act.) Such organizations shall also agree to furnish the bank, the Farm Credit Administration, or any Farm Credit examiner, at any time upon call, full and current information regarding its financial condition and operations.

(b) State banks, trust companies, and savings associations may be required in like manner to file a written consent that reports of their examination by constituted State authorities may be furnished by such authorities upon the request of the Farm Credit Administration. (Section 5.22 of the Act.)

§ 617.7030 Farm Credit Administration examiners' responsibilities.

(a) Examinations, audits, and investigations shall be made by Farm Credit Administration examiners appointed by the Governor. Such examinations and audits shall be under the direction of the chief examiner. Their responsibilities are to be discharged in the interest of carrying out the Act and in the interest of the investing public, the stockholders, and the directors and employees of the System. Examiners shall have full authority to inquire into any and all matters which affect or may affect the interests of the Farm Credit Administration or any institution in the Farm Credit System. Such matters include, but are not limited to, the financial affairs, transactions, and condition of such institutions; effectiveness of management in all aspects of the operations of such institutions; compliance with all laws applicable, all regulations and procedures issued by the Farm Credit Administration and all institutions of the System, and all generally accepted business management, credit, and accounting principles and standards as applicable to the operations of such institutions; and known or suspected violations of Federal criminal statutes relating particularly to acts of employees of such institutions or involving the affairs of such institutions.

(b) To facilitate such inquiries, examiners are empowered to examine any documents and records in the custody of any Farm Credit institution; to take over the custody of such documents and records upon issuance of a receipt therefor to the institution; to examine, with permission of the owner or custodian if needed, any other documents or records, wherever located, which may be pertinent to such inquiries; to interview and interrogate any employee, borrower, or other person regarding any matters pertinent to such inquiries; to obtain signed or sworn statements and administer oaths; and to make personal observations of any physical conditions pertinent to such inquiries. Examiners are not authorized to issue to any person an order or instruction to perform or not to perform any action.

§ 617.7040 Bank designated examiners.

The Governor may also designate employees of the Federal intermediate credit banks as Farm Credit examiners for the purpose of conducting credit examinations of production credit associations. Such examinations shall be made under guidelines provided by the chief examiner and in accordance with the principles and procedures set forth in the Manual for Credit Examinations of Production Credit Associations.

§ 617.7050 Use of independent certified public accountants.

If the Governor determines it to be necessary or appropriate, the required examinations and audits of Farm Credit institutions may be made by independent certified public accountants, certified by a regulatory authority of a State, and in accordance with generally accepted auditing standards. Such examinations shall be under the direction of the chief examiner.

§ 617.7060 Frequency of examinations and audits.

(a) Farm Credit System institutions shall be examined and audited in accordance with the following schedule and at such other times as the Governor may determine.

(1) Each bank and production credit association—once each year.

(2) Each Federal land bank association—once each 18 months.

(3) The office of the Fiscal Agency—once each year.

(4) Each data processing installation—once each year.

(5) All other agents of the banks and associations—once each year.

(b) Examinations of other financing institutions indebted to a Federal intermediate credit bank, whether directly or indirectly, shall be made by the bank for its own account, under the terms of the General Rediscount, Loan, and Pledge Agreement entered into between the borrowing institution and the bank.

(c) Examinations of corporations actively borrowing from or discounting paper with a Federal intermediate credit bank shall be made at least once each year and at such other times as the bank may determine. With the approval of the Farm Credit Administration, a bank may adopt a program of less frequent examinations of any corporation that is relatively inactive, or whose ratio of peak debt to collateral pledged to the bank is low.

§ 617.7070 Coverage

Examination and audits of Farm Credit System institutions, and their agents, shall include but not be limited to the following.

(a) Audit of the books, accounts, financial records, files, and other papers.

(b) Verification of accounts of borrowers to the extent considered necessary.

(c) Review and evaluation of the following.

(1) The quality of credit extended.

(2) The administration of credit.

(3) Credit actions by employees, loan committees, and other committees delegated loan approval and loan refusal authority.

(4) Operating and administrative procedures and practices, including the adequacy of internal control.

(5) Data processing systems and operations.

(d) Determination whether programs and activities (including financial-related services) are conducted in compliance with governing laws, rules, policies, and related regulations.

(e) Effectiveness of management and application of policies in carrying out the provisions of the Act and in serving all eligible borrowers.

§ 617.7080 Reports.

(a) Reports of examination and audits of banks, and other reports as deemed necessary by the chief examiner, shall be presented to the respective bank board by an examiner at the first scheduled board meeting subsequent to receipt of the report, and such meeting shall include an executive session with the board. Reports of examination and audit of associations by examiners shall be submitted to the supervising bank for transmittal to the respective board of directors for review and appropriate action at the first scheduled board meeting subsequent to receipt of the report by the institution examined.

(b) The examination and audit comments dealing with the effectiveness of management covered by § 617.7070(e) shall be submitted first to the Governor and when appropriate be transmitted by him with comments to the district board.

(c) Reports of examination are the property of the Farm Credit Administration and are furnished to the institution examined for its confidential use. Reports of examinations of banks or associations made by examiners or Federal intermediate credit bank officials and other personnel who have been authorized by the Governor to make credit examinations may be disclosed only with the consent of the chief examiner. Consent is given for disclosing reports of regular examinations to the banks and associations involved or interested, but such disclosure of reports of special examinations and investigations shall be only by action or consent of the chief

examiner in each instance. Information needed for filing claims with surety companies may be extracted from such reports.

(d) Consent is also given for disclosing reports of regular examinations to authorized representatives of the Farm Credit Administration and, when requested for confidential use in official investigations, to agents of the Federal Bureau of Investigation, Department of Justice; Bureau of the Chief Postal Inspector, U.S. Postal Service; the Secret Service; the Internal Revenue Service; and Office of the Inspector General, Department of Agriculture.

§ 617.7090 Liquidation.

In the event of voluntary or involuntary liquidation of a bank or association, or any of their agents, and upon completion of such liquidation, the books and records of the institution shall be forwarded to the office of the district resident examiner for final examination and audit. If circumstances warrant, such final examination and audit shall be made at the institution's offices.

Subpart B—Irregularities—Personnel

§ 617.7100 Investigation.

The Farm Credit Administration shall make an investigation of any case involving irregularities, including apparent criminal violations, by bank or association personnel, upon a determination that an investigation of such case is necessary or advisable.

§ 617.7110 Reporting of violations.

Violations of Federal criminal statutes involving the banks and associations shall be reported to the president of the bank and the general counsel of the district or an attorney who is designated for the purpose. The violations shall then be reported to the Farm Credit Administration.

(a) If any bank or association employee or director discovers irregularities in the funds and accounts of a bank or association or misconduct on the part of an employee or director of a bank or association, or has reasonable grounds for the belief that irregularities or misconduct exist, the employee, or director shall report the matter to the appropriate officer of the bank and furnish such information as he has obtained or developed. The bank shall determine what further steps, if any, will be taken by its representative in the case.

(b) The bank shall immediately notify the resident examiner and other appropriate officials of the Farm Credit Administration, and furnish them with all available information concerning the matter.

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

(d) Where irregularities occur in a production credit association office which also handles transactions for a Federal land bank association, or vice versa, or where persons involved are jointly employed by a production credit association and a Federal land bank association, notice of such irregularities shall be given to appropriate officials of both banks involved.

§ 617.7120 Cases for referral.

It shall be the function of the general counsel of the district (or designated bank attorney) to refer directly to the local U.S. attorney the following cases for consideration of criminal action under established procedures.

(a) Cases in which the general counsel (or designated bank attorney) determines there is substantial evidence of the violation of a Federal criminal statute.

(b) Cases in which the U.S. attorney, after discussion with the general counsel (or designated bank attorney), decides than an additional investigation by the Federal Bureau of Investigation or the Secret Service shall be undertaken.

(c) Cases in which the resident examiner notifies bank officials that further investigation by the Federal Bureau of Investigation or the Secret Service is appropriate.

Subpart C—Irregularities—Borrowers and Others

§ 617.7130 Investigation.

The bank shall make an investigation of any case involving violations of Federal criminal statutes by its borrowers.

§ 617.7140 Types of violations.

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

§ 617.7150 Reporting of violations.

(a) *Notice to bank.* Violations of Federal criminal statutes involving borrowers shall be reported to the president of the bank, and the general counsel of the district or an attorney who is designated for the purpose. The violations shall then be reported to the Farm Credit Administration.

(b) *Report of details.* Promptly after giving notification that there may be a violation of a Federal criminal statute, the association shall ascertain the full details involved in the alleged violation and prepare a concise and specific report which will include each of the items listed in the criminal violations worksheet prescribed by the Farm Credit Administration. This complete report shall be sent directly to the district general counsel or bank attorney with the association's recommendation regarding prosecution. It is the responsibility of the general counsel or bank attorney to review the material submitted, to request additional factual information necessary for him to make his determination as to whether there is substantial evidence of the violation of a Federal criminal statute or whether further investigation should be undertaken to produce additional factual evidence which may be needed in the prosecution.

§ 617.7160 Cases for referral.

It shall be the function of the general counsel of the Farm Credit district (or a designated bank attorney) if he determines that there is substantial evidence that a violation has been committed of any of the foregoing as well as other Federal criminal statutes, to refer the matter to the U.S. attorney for consideration of prosecution under established procedures. At no time after it appears to the association or bank that a violation may have occurred shall any employee of the association or bank threaten the borrower with criminal prosecution, whether in an effort to collect the indebtedness, recover property, or otherwise.

§ 617.7170 Notice to local police and bonding company.

In case of burglary, holdup, or violations of other non-Federal criminal statutes, the bank or association shall immediately notify local police authorities. The association shall also notify an appropriate office of the bank. Losses of other natures for any institution which can be recovered under the district bankers blanket bond shall be immediately reported in accordance with established procedures.

PART 618—GENERAL PROVISIONS

Subpart A—Technical Assistance and Financially Related Services

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618.8270 Travel.

AUTHORITY: The provisions of this Part 618 issued under secs. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

Subpart A—Technical Assistance and Financially Related Services

§ 618.8000 Authorization.

Banks and associations may provide technical assistance to borrowers, members, applicants, and stockholders eligible to borrow and may make available to them such financially related services appropriate to on-farm operations as are determined feasible and approved by the district board.

§ 618.8010 District board policies.

District board policies governing the provision of technical assistance and financially related services shall be established within the following general guidelines.

(a) All services shall be optional, and the borrowers, shall be notified that they are not required to accept the service offered in lieu of a similar service offered by others in cases where the service is required as a loan condition.

(b) All costs to users shall be disclosed in a separate and distinct fashion from interest charges.

(c) There should be maximum cooperation among units of the System to assure that competition in offering service programs among various parts of the system is restricted to an absolute minimum. To the extent possible, members of banks and associations within a district should be served by a single financially related service program or at a minimum, common programs should be offered by the banks and associations within a given district.

(d) Bank board approval for an association to offer a financially related service program shall be conditioned on the application of a feasibility determination including the following four criteria.

(1) Need for the service—based on persuasive evidence that membership need for and interest in the proposed service is sufficient to insure that a quality service can be provided at reasonable cost and that similar service is not being provided adequately (cost, quality, availability) by others in the community.

(2) Capacity to render the service—based on the finding that the association has the institutional capacity to render the proposed service in an effective and efficient manner.

(3) Probability of equitable cost recovery—based on a reasonable presumption that the proposed service program will, at the minimum, generate sufficient revenue to cover all incremental costs. In any case, a service program requiring a substantial and continuing subsidization from or interference with the lending function shall not be permitted.

(4) Effect on operations of the association—based on an analysis of the implications flowing from the decision to offer or refuse to offer the proposed financially related service.

(e) The bank shall review annually, or more frequently if necessary, the individual association financially related service programs which have been approved by the bank to ascertain that the approval requirements of the programs are being followed. The results of these reviews shall be presented to the bank board. If an association is found not to be in compliance, a probationary period shall be established. Failure to comply within the probationary period shall result in withdrawal of the service.

(f) Such records as are necessary to facilitate the review program required herein shall be maintained by each bank or association involved in providing financially related services.

§ 618.8020 Farm Credit Administration approval.

Each proposed financially related service and technical assistance program and district policy with regard to an individual program shall be subject to the approval of the Farm Credit Administration. District policies governing services approved prior to the issuance of these regulations shall be submitted to the Farm Credit Administration for approval. These approvals shall be based on the determination that legal authority to offer the service exists and System-wide implications of offering the service would be favorable on balance.

Subpart B—Leasing

§ 618.8050 Leasing authority.

Farm Credit institutions are authorized to own and lease property as follows:

(a) Federal land banks may own and lease, or lease with option to purchase, to persons eligible for assistance, facilities needed in the farming operations of such persons.

(b) Federal land bank associations have no such leasing authority.

(c) Federal intermediate credit banks may own and lease, or lease with option to purchase, to persons eligible for assistance, equipment needed in the operations of such persons.

(d) Production credit associations may own and lease, or lease with option to purchase, to stockholders of the association, equipment needed in the farming operations of the stockholder.

(e) Banks for cooperatives may own and lease, or lease with option to purchase, to stockholders eligible to borrow from the bank, equipment needed in the operations of the stockholder.

§ 618.8060 Leasing limitations.

This authority shall not be operative until such time as adequate programs have been formulated and approved by the Bank's board and the Farm Credit Administration.

Subpart C—Procedures and Guidelines

§ 618.8100 Farm Credit Administration.

The Farm Credit Administration shall issue procedures and guidelines as necessary from time to time to facilitate carrying out requirements of the law and regulations. These instructions shall describe procedures, include sample resolutions and forms and specify records to be retained. The institutions supervised shall comply with such procedures and guidelines. These procedures will include such things as the following:

(a) Appraisal and credit standards.

(b) Graphic standards.

(c) Electronic data processing standards.

(d) Charts and descriptions of accounts.

(e) Instructions for preparation of financial and statistical reports.

(f) Instructions for production credit association credit examinations.

Subpart D—Nomination and Election of Directors

§ 618.8150 Federal Farm Credit Board.

(a) Polls for the designation of nominees for consideration by the President for appointment to the Federal Farm Credit Board shall be conducted by the election officer of the Farm Credit Administration, an official appointed by the Governor to supervise elections in the System. The results of all such polls shall be certified by the chief examiner.

(b) Information pertaining to the results of any poll shall not be disclosed before the poll has closed, the voting results have been certified, and official announcement has been made by the Governor, except notification of the number of votes received by each nominee or candidate in a poll may be made to the nominees or candidates by the election officer. Information regarding voting by individual associations shall not be disclosed at any time.

(c) The banks shall provide a complete list of all persons and organizations entitled under the law to vote in a nomination poll on request of the election officer. The lists provided shall show the number of stockholders entitled to vote in each Federal land bank association or each production credit association as of a date specified in the request for such lists.

(d) At least 1 month before the nomination ballot is mailed out, the election

officer shall send to the appropriate voting group a preliminary notice and instructions for the designation of a person to be considered for appointment to the Federal Farm Credit Board.

(e) If the final designation poll results in a tie, a runoff poll between those tying shall be held.

(f) For both the nomination poll and the final designation poll, the directors of a Federal land bank association or production credit association at a lawful board meeting will vote by the adoption of resolutions as prescribed on the ballots. A majority of the number of directors provided for in the association's bylaws must be present at each meeting, and the vote of the majority of the directors present will control. The final designation resolution may not be adopted until after the ballot is received by the association.

(g) Vacancies on the Federal Farm Credit Board shall be filled for the unexpired portion of the term. Special nomination and designation polls for this purpose shall be conducted by the election officer. Pending the nomination of designees and the appointment by the President to fill the unexpired term, the board of directors of the district for which the vacancy or extended disability exists may select a representative to meet with the Federal Farm Credit Board without the right to vote. He shall be entitled to reimbursement for transportation and travel expenses and shall receive the same per diem compensation as an appointed member of the Federal Farm Credit Board.

§ 618.8160 District boards of directors.

(a) The election officer of the Farm Credit Administration appointed by the Governor shall develop and maintain procedures for the conduct of nomination and election polls for election of district board directors.

(b) Polls for the nomination and election of district board directors shall be conducted by the district election officers under supervision of the election officer. The results of all such polls shall be certified by an examiner designated by the Governor.

(c) Information pertaining to the results of any poll shall not be disclosed before the poll has closed, the voting results have been certified, and official announcement has been made by the Governor, except that notification of the number of votes received by each nominee or candidate in a poll may be made to the nominees or candidates by the election officer or district election officer. Information regarding voting by individual associations shall not be disclosed at any time.

(d) The banks shall provide a complete list of all persons and organizations entitled under the law to vote in a nomination poll on request of the district election officer. The lists provided shall show the number of stockholders entitled to vote in each Federal land bank association or each production credit association as of a date specified in the request for such lists.

(e) The district election officer shall send the appropriate voting groups a preliminary notice and instructions for the election of a district director at least 1 month before the nomination ballot is mailed out by him. It is the objective of the Act that in each election of a district director the nominating group should endeavor to assure representation to all sections of the district territory and as nearly as possible to all types of agriculture in the area and that at least two nominees who are willing to stand for election to that office are nominated. The preliminary notice shall include instructions to the voting groups that in nominating candidates they be guided by this objective.

(f) If the election poll results in a tie, a runoff election between those tying shall be held.

(g) For both the nomination poll and the election poll, the directors of a Federal land bank association or production credit association at a lawful board meeting will vote by the adoption of resolutions as prescribed on the ballots. A majority of the number of directors provided for the association's bylaws must be present at each meeting, and the vote of the majority of the directors present will control. The election resolution may not be adopted until after the election ballot is received by the association.

Subpart E—Miscellaneous Provisions

§ 618.8200 Publication of reports.

The Farm Credit Administration in the exercise of its supervisory responsibility shall publish reports of the banks or associations whenever, in its judgment, it is necessary for the disclosure of financial conditions and lending operations. Combined financial statements shall be published as of June 30, and December 31.

§ 618.8210 Conducting information programs.

Recognizing the importance of informed members and prospective members to the success of a cooperative organization, the banks and associations should conduct information programs to inform the farmers and the general public about their organization, functions, and services. These efforts may include use of publications, advertising, motion pictures, news releases, broadcast materials, special educational events and other member relations and public information methods. Such programs shall be coordinated within each district and, where appropriate, across district lines as prescribed in Part 616 of this chapter.

§ 618.8220 Contributions to and membership in other organizations.

Contributions to voluntary associations, clubs, societies, or other groups or payment of memberships in such organizations shall be authorized only after the bank or association board determines that such contributions or memberships will result in commensurate benefits to the bank or association in the conduct of its business and only after consideration of possible tax consequences.

§ 618.8230 Allocation of expenses for administrative services.

(a) Prior to the first day of each fiscal year the Farm Credit Administration shall estimate the cost of administrative expenses for the ensuing fiscal year and shall apportion the amount so determined among the banks of the System on such equitable basis as the Farm Credit Administration shall determine and assess against and collect in advance from the banks the amounts apportioned. Assessments shall be made quarterly and the banks shall remit the amount assessed within 30 days of assessment.

(b) As soon as practicable after the end of each fiscal year the Farm Credit Administration shall determine, on a fair and reasonable basis, the cost of operation of the Farm Credit Administration and the part thereof which fairly and equitably should be allocated to each bank and association as its share of the cost. If the amount allocated is greater or lesser than the amount collected proper adjustment shall be made at the time of the next quarterly assessment. Each year there shall be a report to the district boards of directors and the board of directors of the Central Bank for Cooperatives concerning expenditure of such assessments for the expenses of the Farm Credit Administration.

§ 618.8240 Quarters and facilities for the Farm Credit Administration.

With the concurrence of two-thirds of the district boards, the Farm Credit Administration may assess the banks such advances of funds as may be required to lease property in the District of Columbia or elsewhere for quarters of the Farm Credit Administration and for related purposes as provided by the Act.

§ 618.8250 Purchases and sales of personal property.

Personal property shall be bought and sold by the banks and associations in accordance with policies and practices adopted by the district board. In order to avoid grounds for allegations of favoritism or fraud a bank or association shall not sell surplus property above a stated value established by the board to an employee except through open competitive bidding.

§ 618.8260 Purchase of automobiles through General Services Administration.

(a) Banks may purchase automobiles through the facilities of the General Services Administration by placing orders with the Farm Credit Administration. A purchase order will be issued to the General Services Administration showing in detail the exact specifications shown on the bank's order. The low bid for all orders submitted shall be accepted by the banks provided that the low bid is awarded according to the exact specifications outlined in the purchase order.

(b) No automobile purchased through the General Services Administration shall be disposed of before 2 years after delivery to the bank unless it has been driven at least 50,000 miles. Exceptions to this general rule will be made only if

an automobile has been wrecked or damaged and is determined by the bank in writing submitted to the Farm Credit Administration to be beyond economical repair.

§ 618.8270 Travel.

Travel and subsistence expenses of officials and employees of the banks shall be allowed in accordance with travel regulations adopted by the district board. Similar travel regulations will be developed for associations by the supervisory bank. The regulations shall contain a statement of policy on the use of official cars for private use and will take into consideration regulations issued by the Internal Revenue Service which are applicable to the employer.

Subpart F—Releasing Information

§ 618.8300 General regulation.

Except as necessary in performing official duties or as authorized in the following paragraphs, no director or employee of a bank, association, or agency thereof shall disclose information of a type not ordinarily contained in published reports or press releases regarding any such banks or associations or their borrowers or members.

§ 618.8310 Lists of borrowers.

Federal intermediate credit banks and production credit associations may issue lists of borrowers for the information of buyers, warehousemen, and others who deal in produce or livestock of the kind that secures such loans. Otherwise lists of borrowers shall not be released by any bank and association, unless such release is approved by the chief executive officer of the bank.

§ 618.8320 Data regarding borrowers and loan applicants.

(a) Except as provided in paragraph (b) of this section, the directors, officers, and employees of every bank and association shall hold in strict confidence all information regarding the character, credit standing, and property of borrowers and applicants for loans. They shall not exhibit or quote the following documents: loan applications; supplementary statements by applicants; letters and statements relative to the character, credit standing, and property of borrowers and applicants; recommendations of loan committees; and reports of inspectors, fieldmen, investigators, and appraisers.

(b) The requirements of paragraph (a) of this section are subject to the following exceptions.

(1) Examiners and other authorized representatives of the Farm Credit Administration and the bank concerned shall have free access to all information, records, and files.

(2) Accredited representatives of the offices named in § 617.7080 of this chapter may, at their request, be given information pertinent to their official investigations or individual cases, and may examine such portions of the records and files as contain the information.

(3) The chairman of the presidents committees and the presidents of the banks may supply statistical and other impersonal information pertaining to groups of borrowers, applicants, and loans, in response to requests from any department or independent office of the Government of the United States, or responsible private organizations, with the understanding that the information will not be published.

(4) Information concerning borrowers may be given for the confidential use of any Farm Credit institution in contemplation of the extension of credit or the collection of loans.

(5) Impersonal information based solely on transactions or experience with a borrower, such as amounts of loans, terms, and payment records may be given by a bank or association for the confidential use of any reliable organization in contemplation of the extension of credit.

(6) Credit information concerning any borrower may be given when such borrower consents thereto in writing.

(7) In litigation between a borrower (or his successor in interest) and a bank or association, any competent evidence may be introduced with respect to any relevant statements made orally or in writing by or to the borrower or his successor.

(8) An unsuccessful applicant for credit which primarily is for personal, family, or household purposes, if his application was rejected either wholly or partly because of information contained in a consumer report from a consumer reporting agency shall be advised as required in section 615(a) of the Fair Credit Reporting Act (84 Stat. 1133), and if his application was rejected either wholly or partly because of information obtained from a person other than a consumer reporting agency shall be advised as required in section 615(b) thereof.

(c) The exceptions in paragraph (b) of this section shall be exercised by Farm Credit institutions with full awareness of the requirements of the Fair Credit Reporting Act.

§ 618.8330 Director, officer or employee summoned as witness.

(a) If a director, officer or employee of any association or bank is summoned as a witness in litigation to which neither the Government nor any Farm Credit organization is a party, for the purpose of testifying or producing documentary evidence with respect to matters which he is precluded by these regulations to disclose, he shall arrange, if possible, with the attorney who obtained the summons, to be excused from testifying. If not excused, he shall appear in response to the summons but, before testifying or producing documentary evidence as to confidential information, he shall respectfully advise the court of these regulations against disclosing such information and respectfully request that its confidential nature be safeguarded. After so doing, he may then testify or produce documentary evidence as to such information only to the extent and under the conditions directed by the court.

(b) Upon receiving any such summons, the director, officer, or employee may request advice and assistance from an attorney for the organization with which he is connected. For this purpose, the directors, officers, and employees of associations shall consult an attorney for the supervising bank.

§ 618.8340 Information regarding personnel.

Lists of bank and associations employees shall not be released without the approval of the chief executive officer of the supervising bank. This section is subject to the following exceptions.

(a) Taxing authorities shall be supplied, on request, with the names, addresses, and compensation of the officers, agents, and employees of any bank or association.

(b) Banks may release lists of their associations and their chief executive officers.

(c) For use by their respective groups of associations and cooperatives in designating nominees for the Federal Farm Credit Board and in nominating and electing members of a district board, the banks may release lists of directors of their associations, and a bank for cooperatives may release lists of the cooperatives that hold stock in it.

(d) Banks and associations may release employees' names, addresses, positions, and spouses' names to reputable concerns for listing in local directories. The concern must agree this information is for directory purposes only. Employees wishing to do so shall be allowed to withhold their names.

§ 618.8350 Authority reserved to release information.

The provisions of Subpart F shall not operate to limit or restrict the discretionary authority of the Governor or any deputy governor to release, or authorize the release of, information by or pertaining to the Farm Credit Administration or any bank or association.

Subpart G—Disposition of Obsolete Records

§ 618.8360 Authorization.

Banks and associations are authorized to dispose of obsolete corporate, credit, accounting, and financial records and other papers not required for research, legal, or audit purposes under a Farm Credit Administration approved records disposal program, except for the following.

(a) Original corporate records, including articles of incorporation, bylaws, capital stock records, and minutes of stockholders, directors, and committees.

(b) Payroll records including gross salary and deductions for retirement, social security, and income tax withholdings.

(c) Basic personnel records including personnel folders, service records, cards, and earnings records for all active and former employees covered under the Civil Service Retirement Act.

(d) Records required by Federal or State laws.

(e) Federal records (see following Subpart H of this part).

(f) Financial reports of the banks and associations as of June 30 and December 31 each year.

(g) Applications, notes, security instruments, financial statements, and any individual records pertaining to loans charged off where the net loss after recoveries exceeds $1,000.

(h) Listing of obsolete records destroyed.

§ 618.8370 Records disposal.

Each bank and association shall maintain an up-to-date records disposal schedule which has the approval of the bank boards. The records disposal schedule of each association shall be approved by its supervising bank.

Subpart H—Federal Records

§ 618.8380 Record material.

Records of the Federal Government consists of all written or printed papers, letters, documents, books, maps, charts, plans, drawings, punchcards, tabulation sheets, motion pictures or other photographic records, sound recordings, and any other records made or received by any agency of the Federal Government in pursuance of Federal law or the transaction of public business, and preserved or appropriate for preservation as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the Government or because of the informational value of data contained therein. Extra copies of documents preserved only for evidence, and memoranda or other papers that do not serve as the basis for official actions, are not considered record material.

§ 618.8390 Federal records in the districts.

The following are Federal records:

(a) Records in the Federal land banks and Federal land bank associations relating to Commissioner loans, including those records that existed as of the date any loans were purchased by the banks.

(b) Records of the Federal Farm Mortgage Corporation.

(c) Records of the Federal intermediate credit banks and production credit corporations in existence on December 31, 1956.

(d) Records created prior to January 1, 1957, relating to the liquidation of any production credit association.

(e) Records in the office of joint services up to December 31, 1956, relating to Commissioner loans, the Farm Credit Administration, and to the Federal intermediate credit banks, production credit associations, and Federal Farm Mortgage Corporation, including joint records of any such bank or corporation and a Federal land bank, bank for cooperatives, production credit association, or national farm loan association.

§ 618.8400 General Services Administration regulations.

The General Services Administration has prescribed regulations on the management and disposal of all Federal records. Copies of these regulations have been sent to all Federal intermediate credit banks. They are available for use by Farm Credit Administration employees, and the office of joint services.

§ 618.8410 Transfers to Federal Records Center.

Any bank or office of joint services that wishes to be relieved of the custody of Federal records, but cannot do so either because authority to destroy or microfilm them has not been obtained or because the retention periods approved by National Archives and the Congress require that the records by held either permanently or for further periods of time, may request the Farm Credit Administration to arrange with the General Services Administration to have such records transferred to a regional Federal Records Center.

§ 618.8420 Requests for additional disposal authority.

If any bank or office of joint services wishes to dispose of Federal records for which disposal authority has not been obtained from the National Archives and the Congress, two samples of the records involved, together with a description of each record and the proposed retention period, should be sent to the Farm Credit Administration, which will refer the proposal to the National Archives and will notify the bank or office of joint services of the action taken.

Subpart I—Internal Controls

§ 618.8430 Responsibilities.

The board of directors of each bank and association shall assure that the institution for which it is responsible has an adequate system of internal control, including segregation of responsibilities, appropriate accounting, and dual control over assets, liabilities, income, and expenses.

PART 619—DEFINITIONS

Sec.

AUTHORITY: The provisions of this Part 619 issued under secs. 5.9, 5.18, 5.26, 85 Stat. 619, 621, 624.

§ 619.9000 The Act.

The Farm Credit Act of 1971; Public Law 92–181 and amendments.

§ 619.9010 Additional security.

Supplementary collateral to the primary security taken in connection with the loan.

§ 619.9020 Agricultural land.

Land improved or unimproved which is devoted to or available for the production of crops and other products such as but not limited to fruits and timber or for the raising of livestock.

§ 619.9030 Agricultural products.

That which is the direct result of husbandry and cultivation of the soil. The product is in its natural, unmanufactured condition.

§ 619.9040 Aquatic products.

Fish and other marine life.

§ 619.9050 Associations.

Refers to Federal land bank associations and production credit associations.

§ 619.9060 Bona fide farmer or rancher.

A person owning agricultural land, or engaged in the production of agricultural products and livestock including aquatic products under controlled conditions.

§ 619.9070 Commercial subdivision.

A tract of land which has been divided into blocks or plots with streets, roadways, and other facilities for development as residential or industrial sites by a builder or real estate developer having financial profit as the primary aim.

§ 619.9080 Cooperative.

See § 613.3070.

§ 619.9090 Cooperative basis.

Conduct of the business for the mutual benefit of the members as patrons.

§ 619.9100 Cooperative member.

Person having stock or other ownership interest in a cooperative and acquires membership under its bylaws.

§ 619.9110 Consolidation.

Creation of one new organizational entity from two or more existing entities or parts thereof.

§ 619.9120 **Custom-type services.**

The performance of on-farm functions on a "for-hire" basis which farmers and ranchers typically have done for themselves.

§ 619.9130 **Differential interest rates.**

An interest rate program under which different rates of interest may be made applicable to individual or classes of loans on the basis of type, purpose, amount, quality of loan, or a combination of these factors.

§ 619.9140 **Farm-related businesses.**

A person which is engaged in furnishing to farmers and ranchers custom-type farm-related services performed on the farm directly related to their on-farm operating needs.

§ 619.9150 **Federated cooperative.**

An entity in which at least 80 percent of the voting control is vested in two or more eligible cooperatives.

§ 619.9160 **Five basic credit factors.**

See § 614.4150 of this chapter.

§ 619.9170 **Fixed interest rate.**

The rate of interest specified in the note or loan document which will prevail as the maximum rate chargeable to the borrower during the period of the loan.

§ 619.9180 **Fixed interest spread.**

A percentage to be added to the cost of money to the bank or association as the means of establishing a lending rate.

§ 619.9190 **Legal entity.**

Any partnership, corporation, estate, trust, or other entity which is legally vested with authority to conduct a business.

§ 619.9200 **Loss sharing agreements.**

A contractual arrangement under which a group of associations, a group of banks, or a group of associations and a bank agree to share the risk of loss on loans made in excess of a specified amount or proportion of an individual participant institution's loans, net worth, reserves for losses, etc.

§ 619.9210 **Merger.**

Combining of one or more organizational entities into another similar entity.

§ 619.9220 **Moderate-priced housing.**

See § 613.3040(d) of this chapter.

§ 619.9230 **Open-end mortgage loan plans.**

A mortgage loan which permits the borrower to obtain additional sums during the term of the loan.

§ 619.9240 **Participation agreement.**

A contract under which a lender agrees to sell a portion of a loan to one or more purchasers under specific terms set forth in the agreement.

§ 619.9250 **Participation certificates.**

Evidence of investment in a bank or association to which all the rights and obligations of stock attach with the exception of the right to vote in the affairs of the institution.

§ 619.9260 **Primary security.**

The basic collateral securing the loan.

§ 619.9270 **Producer or harvester of aquatic products.**

A person or persons engaged in the production or harvesting of aquatic products in open waters under uncontrolled conditions.

§ 619.9280 **Production or harvesting of aquatic products in open waters under uncontrolled conditions.**

Extraction of aquatic products where no element of husbandry of the product is involved prior to such extraction where the applicant and the public have equal access to the product.

§ 619.9290 **Recovery value.**

See § 614.4241 of this chapter.

§ 619.9300 **Rural area.**

See § 613.3040(f) of this chapter.

§ 619.9310 **Rural residence.**

See § 613.3040(b) of this chapter.

§ 619.9320 **Sound loan.**

See § 614.4140 of this chapter.

§ 619.9330 **Speculative purposes.**

To buy or sell with the expectation of operated on a cooperative basis for the

§ 619.9340 **Variable interest rate.**

An interest rate on the outstanding loan balances, which may be changed from time to time during the period of the loan, if provision is made in the note or loan document.

Approved, Federal Farm Credit Board.

MILLARD F. DAILY,
Chairman.

[FR Doc.72-8510 Filed 6-6-72;8:45 am]

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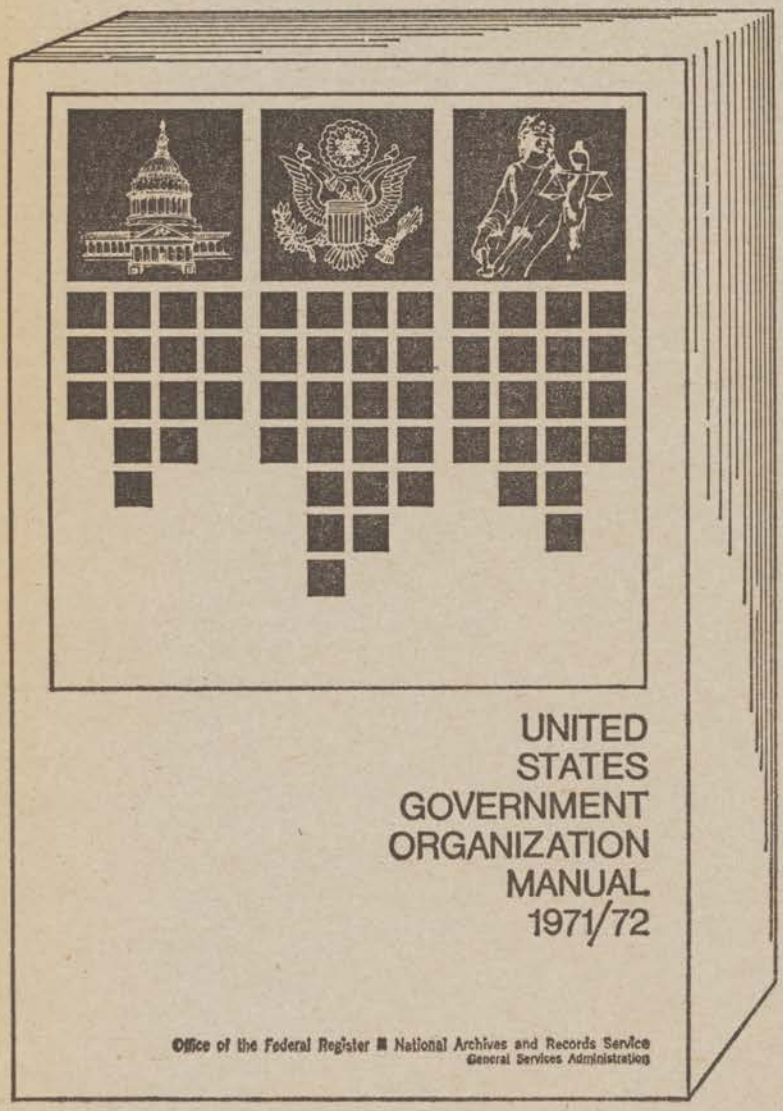

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