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(Part II begins on page 11939)

HIGHLIGHTS OF THIS ISSUE

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

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FEDERAL REGISTER

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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.

Rules and Regulations

Title 9—ANIMALS AND ANIMAL PRODUCTS

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

SUBCHAPTER B—COOPERATIVE CONTROL AND ERADICATION OF LIVESTOCK OR POULTRY DISEASES

PART 51—CATTLE DESTROYED BECAUSE OF BRUCELLOSIS (BANG'S DISEASE), TUBERCULOSIS, OR PARATUBERCULOSIS

Payment of Indemnities

Pursuant to the provisions of sections 3, 4, 5, 11, and 13 of the Act of May 29, 1884, as amended, sections 1 and 2 of the Act of February 2, 1903, as amended, section 3 of the Act of March 3, 1905, as amended, and section 3 of the Act of July 2, 1962 (21 U.S.C. 111–113, 114, 114a, 114a–1, 120, 121, 125, and 134b), Part 51, Title 9, Code of Federal Regulations, is hereby amended in the following respects:

1. In § 51.2, paragraphs (b) and (c) are amended to read:

§ 51.2 Payment to owners for cattle destroyed.

* * * * *

(b) *Tuberculosis and paratuberculosis.* Owners of cattle which are destroyed because of tuberculosis and paratuberculosis may be paid an indemnity by the Department not to exceed 90 percent of the difference between the appraised value of each animal so destroyed and the net salvage received by the owner: *Provided,* That no such payment shall exceed $350: *And provided, further,* That any joint State-Federal indemnity payments, plus salvage, do not exceed the appraised value of the animals.[1]

(c) *Tuberculosis.* The Deputy Administrator may authorize the payment of indemnity to owners of cattle which are destroyed because of tuberculosis not to exceed $100 for any grade animal or $200 for any purebred animal[1] which has been found to be exposed, is a part of a known infected herd, and it has been determined by the Deputy Administrator that the destruction of all cattle in the herd will contribute to the tuberculosis eradication program: *Provided,* That the joint State-Federal indemnity payments, plus salvage, do not exceed the appraised value of the animals.

[1] Cattle presented for payment as purebred shall be accompanied by their registration papers, or shall be paid for as grades: *Provided, however,* That if the registration papers are temporarily not available or if the cattle are less than 3 years old and unregistered, the appropriate Veterinarian in Charge may grant a reasonable time for the presentation of their registration papers.

2. In § 51.6, paragraph (a) is amended to read:

§ 51.6 Time limit for slaughter.

(a) *Tuberculosis and paratuberculosis.* Payment of indemnity will be made under this part for cattle destroyed because of tuberculosis or paratuberculosis only if the animals are slaughtered or die otherwise within 15 days after the date of appraisal, except that the appropriate Veterinarian in Charge, for reasons satisfactory to him, may extend the period beyond 15 days.

* * * * *

(Secs. 3, 4, 5, 23 Stat. 32, as amended; secs. 1 and 2, 32 Stat. 791–792, as amended; sec. 3, 33 Stat. 1265, as amended; sec. 2, 65 Stat. 693; sec. 11, 58 Stat. 734, as amended; sec. 3, 76 Stat. 130, 21 U.S.C. 111–113, 114, 114a, 114a–1, 120, 121, 125, 134b, 29 F.R. 16210, as amended; 37 F.R. 6327, 6505)

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

Having reached the final stages of the bovine tuberculosis eradication program, the few remaining foci of disease are of national importance with the few remaining infected herds constituting a threat to the more than two million tuberculosis-free herds of cattle throughout the United States and a potential threat to human health.

Increased compensation to owners of cattle destroyed because of tuberculosis is essential to the future success of eradication efforts since the salvage value of all tuberculin reactor cattle slaughtered has now been eliminated or drastically reduced.

The purposes of these amendments are: (1) To provide more adequate compensation to owners of cattle destroyed because of tuberculosis; (2) to protect cooperative gains made toward eradicating this disease; and (3) to accelerate the final stages of the bovine tuberculosis eradication program.

In addition to providing more adequate compensation to owners of tuberculous cattle destroyed, the amendments would also eliminate the present requirement that Federal payments made for indemnity be no more than those paid by the State; and would provide added leverage to obtain prompt identification and slaughter of reactors.

Since the amendments relieve restrictions presently imposed but no longer deemed necessary to facilitate the Federal-State cooperative tuberculosis eradication program, they should be made effective promptly in order to be of maximum benefit to affected persons. It does not appear that public participation in this rule making proceeding would make additional relevant information available to this Department.

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

Done at Washington, D.C., this 9th day of June 1972.

G. H. WISE,
Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc.72-9045 Filed 6-14-72;8:49 am]

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

PART 78—BRUCELLOSIS

Subchapter D—Designation of Modified Certified Brucellosis Areas, Public Stockyards, Specifically Approved Stockyards, and Slaughtering Establishments

MODIFIED CERTIFIED BRUCELLOSIS AREAS

Pursuant to § 78.16 of the regulations in Part 78, as amended, Title 9, Code of Federal Regulations, containing restrictions on the interstate movement of animals because of brucellosis, under sections 4, 5, and 13 of the Act of May 29, 1884, as amended; sections 1 and 2 of the Act of February 2, 1903, as amended; and section 3 of the Act of March 3, 1905, as amended (21 U.S.C. 111–113, 114a–1, 120, 121, 125), § 78.13 of said regulations designating Modified Certified Brucellosis Areas is hereby amended to read as follows:

§ 78.13 Modified certified brucellosis areas.

The following States, or specified portions thereof, are hereby designated as Modified Certified Brucellosis Areas:

Alabama. The entire State;
Alaska. The entire State;
Arizona. The entire State;
Arkansas. The entire State;
California. The entire State;
Colorado. The entire State;
Connecticut. The entire State;
Delaware. The entire State;
Florida. The entire State;
Georgia. The entire State;
Hawaii. The entire State;
Idaho. The entire State;
Illinois. The entire State;
Indiana. The entire State;
Iowa. The entire State;
Kansas. The entire State;
Kentucky. The entire State;
Louisiana. The entire State;
Maine. The entire State;
Maryland. The entire State;
Massachusetts. The entire State;
Michigan. The entire State;
Minnesota. The entire State;

Mississippi. The entire State;
Missouri. The entire State;
Montana. The entire State;
Nebraska. Adams, Antelope, Arthur, Banner, Boone, Box, Butte, Boyd, Brown, Buffalo, Burt, Butler, Cass, Cedar, Chase, Cherry, Cheyenne, Clay, Colfax, Cuming, Custer, Dakota, Dawes, Dawson, Deuel, Dixon, Dodge, Douglas, Dundy, Fillmore, Franklin, Frontier, Furnas, Gage, Garden, Garfield, Gosper, Grant, Greeley, Hall, Hamilton, Harlan, Hayes, Hitchcock, Holt, Hooker, Howard, Jefferson, Johnson, Kearney, Keith, Keya Paha, Kimball, Knox, Lancaster, Lincoln, Logan, Loup, Madison, McPherson, Merrick, Morrill, Nance, Nemaha, Nuckolls, Otoe, Pawnee, Perkins, Phelps, Pierce, Platte, Polk, Red Willow, Richardson, Rock, Saline, Sarpy, Saunders, Scotts Bluff, Seward, Sheridan, Sherman, Sioux, Stanton, Thayer, Thomas, Thurston, Valley, Washington, Wayne, Webster, Wheeler, and York Counties;
Nevada. The entire State;
New Hampshire. The entire State;
New Jersey. The entire State;
New Mexico. The entire State;
New York. The entire State;
North Carolina. The entire State;
North Dakota. The entire State;
Ohio. The entire State;
Oklahoma. The entire State;
Oregon. The entire State;
Pennsylvania. The entire State;
Rhode Island. The entire State;
South Carolina. The entire State;
South Dakota. The entire State;
Tennessee. The entire State;
Texas. Anderson, Andrews, Angelina, Aransas, Archer, Armstrong, Atascosa, Austin, Bailey, Bandera, Bastrop, Baylor, Bee, Bell, Bexar, Blanco, Borden, Bosque, Bowie, Brazoria, Brazos, Brewster, Briscoe, Brooks, Brown, Burleson, Burnet, Caldwell, Calhoun, Callahan, Cameron, Camp, Carson, Cass, Castro, Chambers, Cherokee, Childress, Clay, Cochran, Coke, Coleman, Collin, Collingsworth, Colorado, Comal, Comanche, Concho, Cooke, Coryell, Cottle, Crane, Crockett, Crosby, Culberson, Dallam, Dallas, Dawson, Deaf Smith, Delta, Denton, De Witt, Dickens, Dimmit, Donley, Duval, Eastland, Ector, Edwards, Ellis, El Paso, Erath, Falls, Fannin, Fayette, Fisher, Floyd, Foard, Ft. Bend, Franklin, Freestone, Frio, Gaines, Galveston, Garza, Gillespie, Glasscock, Goliad, Gonzales, Gray, Grayson, Gregg, Grimes, Guadelupe, Hale, Hall, Hamilton, Hansford, Hardeman, Hardin, Harris, Harrison, Hartley, Haskell, Hays, Hemphill, Henderson, Hidalgo, Hill, Hockley, Hood, Hopkins, Houston, Howard, Hudspeth, Hunt, Hutchinson, Irion, Jack, Jackson, Jasper, Jeff Davis, Jefferson, Jim Hogg, Jim Wells, Johnson, Jones, Karnes, Kaufman, Kendall, Kent, Kerr, Kimble, King, Kinney, Kleberg, Knox, Lamar, Lamb, Lampasas, La Salle, Lavaca, Lee, Leon, Liberty, Limestone, Lipscomb, Live Oak, Llano, Loving, Lubbock, Lynn, McCulloch, McLennan, McMullen, Madison, Marion, Martin, Mason, Matagorda, Maverick, Medina, Menard, Midland, Milam, Mills, Mitchell, Montague, Montgomery, Moore, Morris, Motley, Nacogdoches, Navarro, Newton, Nolan, Ochiltree, Oldham, Orange, Palo Pinto, Panola, Parker, Parmer, Pecos, Polk, Potter, Presidio, Rains, Randall, Reagan, Real, Red River, Reeves, Refugio, Roberts, Robertson, Rockwall, Runnels, Rusk, Sabine, San Augustine, San Jacinto, San Patricio, San Saba, Schleicher, Scurry, Shackelford, Shelby, Sherman, Smith, Somervell, Starr, Stephens, Sterling, Stonewall, Sutton, Swisher, Tarrant, Taylor, Terrell, Terry, Throckmorton, Titus, Tom Green, Travis, Trinity, Tyler, Upshur, Upton, Val Verde, Van Zandt, Victoria, Walker, Waller, Ward, Washington, Webb, Wharton, Wheeler, Wichita, Wilbarger, Williamson, Wilson, Winkler, Wise, Wood, Yoakum, Young, Zapata, and Zavala Counties;
Utah. The entire State;
Vermont. The entire State;
Virginia. The entire State;
Washington. The entire State;
West Virginia. The entire State;
Wisconsin. The entire State;
Wyoming. The entire State;
Puerto Rico. The entire area; and
Virgin Islands of the United States. The entire area.

(Secs. 4, 5, 23 Stat. 32, as amended; secs. 1, 2, 32 Stat. 791–792, as amended; sec. 3, 33 Stat. 1265, as amended; sec. 2, 65 Stat. 693; 21 U.S.C. 111–113, 114a–1, 120, 121, 125; 29 F.R. 16210, as amended, 37 F.R. 6327, 6505, 9 CFR 78.16)

Effective date. The foregoing amendment shall become effective upon publication in the FEDERAL REGISTER (6–15–72).

The amendment deletes the following area from the list of areas designated as Modified Certified Brucellosis Areas because it has been determined that such area no longer comes within the definition of § 78.1(i): Uvalde County in Texas.

The amendment imposes certain restrictions necessary to prevent the spread of brucellosis in cattle and relieves certain restrictions presently imposed. It should be made effective promptly in order to accomplish its purpose in the public interest and to be of maximum benefit to persons subject to the restrictions which are relieved. Accordingly, under the administrative procedures provisions of 5 U.S.C. 553, it is found upon good cause that notice and other public procedures with respect to the amendment are impracticable, unnecessary, and contrary to the public interest, and good cause is found for making the amendment effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 9th day of June 1972.

J. M. HEJL,
Acting Deputy Administrator, Veterinary Services, Animal and Plant Health Inspection Service.

[FR Doc.72–9046 Filed 6–14–72;8:49 am]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket No. 72–CE–18–AD; Amdt. 39–1463]

PART 39—AIRWORTHINESS DIRECTIVES

Beech Model 60 and A60 Airplanes

Amendment 39–1097, AD 70–22–3, published in the FEDERAL REGISTER on October 24, 1970, is an Airworthiness Directive (AD) which requires a one time dye penetrant inspection of each inboard elevator hinge support (bracket) for cracks on Beech Model 60 and A60 airplanes with more than 150 hours' time in service, and the replacement of cracked hinge supports.

Subsequent to the issuance of AD 70–22–3, additional reports received by the FAA demonstrate a need for repetitive inspections of the left and right hand inboard elevator hinge supports on these model airplanes until they are replaced by improved supports which have been developed by the manufacturer. Accordingly, these requirements are being made the subject matter of a new AD which will supersede AD 70–22–3.

Since a situation exists which requires expeditious adoption of the amendment, notice and public procedure hereon are impracticable and good cause exists for making the amendment effective in less than thirty (30) days.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator 14 CFR 11.89 (31 F.R. 13697), § 39.13 of the Federal Aviation Regulations is amended by adding the following new AD.

BEECH. Applies to Models 60 and A60 (Serial Nos. P–3 through P–200) airplanes with more than 150 hours' time in service.

Compliance: Required as indicated, unless already accomplished.

To detect cracks in P/N 60–524078–1 and 60–524078–2 inboard elevator hinge supports, accomplish the following:

A. Within 25 hours' time in service after the effective date of this AD,

1. For airplanes with Serial Nos. P–3 through P–151 which were not inspected in accordance with AD 70–22–3, remove the tail cone and supports and inspect the supports using dye penetrant procedures.

2. For airplanes with Serial Nos. P–3 through P–151 which were previously inspected in accordance with AD 70–22–3, remove the tail cone and inspect the supports (while installed) using dye penetrant procedures.

3. For airplanes with Serial Nos. P–152 through P–200, remove the tail cone and visually inspect the support with the aid of at least a 5 power magnifying glass.

B. Within 100 hours' time in service after the initial inspection required by Paragraph A, and thereafter at intervals not exceeding 100 hours' time in service, remove the tail cone and visually inspect the supports with the aid of at least a 5 power magnifying glass.

C. If any cracks are found during the inspections required herein, prior to further flight, replace the affected hinge support with an airworthy part.

D. During any reinstallation of the inboard elevator hinge supports, following the inspections required herein or during any replacement required by Paragraph C, position the wedge shaped shims, Beech P/N 60–620000–63 so as to reduce the total gap between the mating surfaces to 0.005 inch or less. Use locally fabricated flat aluminum shims if necessary.

E. When improved left hand and right hand inboard hinge supports provided in Beech Kit No. 60–4005 are installed the inspections required herein are no longer mandatory. Any equivalent improvement must be approved by the Chief, Engineering and Manufacturing Branch, FAA, Central Region.

Beechcraft Service Instructions No. 0342–132, Rev. II, or later revision, refers to this subject.

This AD supersedes AD 70–22–3.

This amendment becomes effective June 20, 1972.

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

Issued in Kansas City, Mo., on June 6, 1972.

CHESTER W. WELLS,
Acting Director, Central Region.

[FR Doc.72-8890 Filed 6-14-72;8:45 am]

[Docket No. 72-CE-20-AD; Amdt. 39-1461]

PART 39—AIRWORTHINESS DIRECTIVES

Bellanca Model 17-30 Airplanes

Amendment 39-1290 (36 F.R. 18301, 18302), amending Amendment 39-1235 (36 F.R. 12091), AD 71-13-4, applicable to Bellanca Model 17-30 airplanes, is an Airworthiness Directive which requires modification of the electrical circuit in the fuel boost pump system in those airplanes equipped with Airborne Model 2B6-9 fuel boost pumps. In addition, the AD established operating procedures for those airplanes equipped with Weldon fuel boost pumps Models 4020-A2A or 10050-A.

Subsequent to the issuance of AD 71-13-4, as amended, it was determined that proper circuit protection was not being provided in some aircraft equipped with the Airborne model fuel boost pumps even though the applicable modification prescribed in AD 71-13-4 had been accomplished. The manufacturer has also designed a change to the circuit for the Weldon pump system to prevent development of excessive fuel boost pump pressure. Accordingly, since the conditions described herein may exist or develop in other airplanes of the same type design, a new AD is being issued superseding AD 71-13-4 (Amendments 39-1290 and 39-1235), requiring on Bellanca Model 17-30 airplanes equipped with the Weldon pump the installation of a spring loaded two position switch and on all Bellanca Model 17-30 airplanes circuit protection for the fuel boost pump.

Since a situation exists which requires expeditious adoption of the amendment, notice, and public procedure hereon are impracticable and good cause exists for making the amendment effective in less than thirty (30) days.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator 14 CFR 11.89 (31 F.R. 13697), § 39.13 of the Federal Aviation Regulations, Amendment 39-1235, as amended by Amendment 39-1290, AD 71-13-4, is being superseded by a new AD which reads as follows:

BELLANCA. Applies to Model 17-30 Airplanes.

Compliance: As indicated below, unless already accomplished.

To prevent possible engine flooding when using the fuel boost pump, accomplished either Part A or Part B as applicable:

PART A

1. On those airplanes equipped with Airborne Model 2B6-9 fuel boost pumps (Airplane serial numbers 30217 through 30262 were delivered from the factory with this model pump installed) which have not been modified in accordance with AD 71-13-4:

a. Within 50 hours' time in service after June 26, 1971, modify the fuel boost pump electrical circuit by installing a three (3) position toggle switch, a three (3) ohm twenty (20) watt resistor, a switch guard and a five (5) amp circuit breaker between the bus and the switch in accordance with Bellanca Service Letter No. 61A, Revision A, dated April 26, 1971, or later FAA approved revisions, and Bellanca Drawing SK-2-1040, Sheet 1, Revision D. Do not connect any other equipment to the fuel boost pump circuit.

b. Within 50 hours' time in service after June 26, 1971, insert Airplane Flight Manual, Revision No. 13, dated May 26, 1971, in the Airplane Flight Manual. (Revision No. 13 is included in Bellanca Service Kit SK-2-1040 referred to in Service Letter No. 61A, Revision A.)

c. Any alternate equivalent method of compliance with paragraphs a and b above must be approved by the Chief, Engineering and Manufacturing Branch, FAA, Central Region, except that an equivalent five (5) amp circuit breaker may be utilized.

2. On those airplanes equipped with Airborne Model 2B6-9 fuel boost pumps (Airplane serial numbers 30217 through 30262 were delivered from the factory with this model pump installed) which have complied with AD 71-13-4:

a. Within 50 hours' time in service after the effective date of this AD install a five (5) amp circuit breaker between the bus and the fuel boost pump switch in accordance with Bellanca Drawing SK-2-1040, Sheet 1, Revision D. Do not connect any other equipment to the fuel boost pump circuit.

b. Any alternate equivalent method of compliance with paragraph a above must be approved by the Chief, Engineering and Manufacturing Branch, FAA, Central Region, except that an equivelent five (5) amp circuit breaker may be utilized.

PART B

On those airplanes equipped with Weldon fuel boost pump Models 4020-A2A or 10050-A (Airplane Serial Nos. 30002 through 30216 were delivered from the factory with one of these model pumps installed):

1. Effective immediately, do not operate the fuel boost pump any longer than is necessary to achieve required fuel pressure. (Continued use of the fuel boost pump may cause engine flooding under certain operating conditions.)

2. Within 10 hours' time in service after September 14, 1971, install a placard beneath or adjacent to the fuel boost pump switch to read as follows:

TO PREVENT ENGINE FLOODING TURN OFF FUEL BOOST PUMP IMMEDIATELY AFTER FUEL PRESSURE IS RESTORED

NOTE: The operator may make and install this placard using letters approximately one-eighth inch in height.

3. Within 50 hours' time in service after the effective date of this AD:

a. Install a two (2) position spring loaded switch and a five (5) amp circuit breaker between the bus and the fuel boost pump switch in accordance with Bellanca Service Letter No. 71, dated February 16, 1972, or later FAA approved revisions, and Bellanca Drawing SK-2-1040, Sheet 2, Revision A. Do not connect any other equipment to the fuel boost pump circuit.

b. Insert Airplane Flight Manual, Revision No. 14, dated April 17, 1972, in the Airplane Flight Manual. (Revision No. 14 is included in kit referred to in Service Letter No. 71.)

c. Remove placard installed under Part B, Paragraph 2, and install, in same location, placard Bellanca Part No. SK-2-1043 which reads as follows:

AUX FUEL PUMP USE TO RESTORE FUEL PRESSURE RELEASE TO PREVENT ENGINE FLOODING

4. Any alternate equivalent method of compliance with Part B must be approved by the Chief, Engineering and Manufacturing Branch, FAA, Central Region, except that an equivalent five (5) amp circuit breaker may be utilized.

This AD supersedes AD 71-13-4.

This amendment becomes effective June 20, 1972.

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

Issued in Kansas City, Mo., on June 6, 1972.

CHESTER W. WELLS,
Acting Director, Central Region.

[FR Doc.72-8989 Filed 6-14-72;8:45 am]

[Docket No. 72-EA-53; Amdt. 39-1462]

PART 39—AIRWORTHINESS DIRECTIVES

Fairchild Hiller Aircraft

The Federal Aviation Administration is amending § 39.13 of the Federal Aviation Regulations so as to issue an airworthiness directive applicable to Fairchild Hiller UH-12 type rotorcraft.

There have been reports of power loss on the UH-12 type rotorcraft due to slippage of the clutch in the rotor drive system. Since this is a deficiency which can exist or develop in other rotorcraft of similar type design, an airworthiness directive is being issued which requires placarding of the instrument panel.

In view of the foregoing, expeditious adoption of this amendment is required and therefore notice and public procedure hereon are impractical and the amendment may be made effective in less than 30 days.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator, 14 CFR 11.89 (31 F.R. 13697), § 39.13 of the Federal Aviation Regulations is amended by adding the following new Airworthiness Directive:

FAIRCHILD-HILLER—Applies to all UH-12D (Army H23D), UH-12E, UH-12E-L (Army OH-23G, Army H-23F), UH-12L, and UH-12L4 helicopters certificated in any category.

Compliance required within 25 hours in service after the effective date of this AD unless already accomplished.

In order to prevent power loss due to slippage of the mercury clutch in the rotor drive system, install decal placard P/N 81426-3 on the instrument panel in accordance with Fairchild-Hiller Service Letter No. UH-12E-21-3 or UH-12L-21-3 or an equivalent method approved by the Chief, Engineering and Manufacturing Branch, FAA Eastern Region.

The placard is to read—"No further flight if clutch engagement time exceeds 25 seconds."

(Fairchild-Hiller Service Information Letters Nos. 3053 and 5010 and Service Letters Nos. UH-12E-21-3 and UH-12L-21-3 pertain to this subject.)

This amendment is effective June 21, 1972.

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

Issued in Jamaica, N.Y., on June 6, 1972.

ROBERT H. STANTON,
Acting Director, Eastern Region.

[FR Doc.72-8988 Filed 6-14-72;8:45 am]

[Airspace Docket No. 72-GL-14]

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

Alteration of Federal Airway

On March 31, 1972, a notice of proposed rule making was published in the FEDERAL REGISTER (37 F.R. 6595) stating that the Federal Aviation Administration (FAA) was considering an amendment to Part 71 of the Federal Aviation Regulations that would extend V-177 airway from the Duluth, Minn., VORTAC direct to the Ely, Minn. VOR.

Interested persons were afforded an opportunity to participate in the proposed rule making through the submission of comments. All comments received were favorable.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., August 17, 1972, as hereinafter set forth.

Section 71.123 (37 F.R. 2009 and 6574) is amended as follows:

In V-177 "50 MSL, Duluth, Minn." is deleted and "50 MSL, Duluth, Minn.; Ely, Minn." is substituted therefor.

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

Issued in Washington, D.C., on June 7, 1972.

ROBERT G. CARNAHAN,
Acting Chief, Airspace and Air Traffic Rules Division.

[FR Doc.72-8992 Filed 6-14-72;8:46 am]

[Airspace Docket No. 72-GL-15]

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

Designation of Transition Area

On Page 6595 of the FEDERAL REGISTER dated March 31, 1972, the Federal Aviation Administration published a notice of proposed rule making which would amend § 71.181 of the Federal Aviation Regulations so as to designate a transition area in the southern portion of the State of Michigan.

Interested persons were given 45 days to submit written comments, suggestions, or objections regarding the proposed amendment.

No objections have been received and the proposed amendment is hereby adopted without change and is set forth below.

This amendment shall be effective 0901 G.m.t., August 17, 1972.

(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 Des Plaines, Ill., on May 31, 1972.

R. O. ZIEGLER,
Acting Director, Great Lakes Region.

In § 71.181 (37 F.R. 2143), the following transition area is added:

MICHIGAN

That airspace extending upward from 1,200 feet above the surface within the boundary of the State of Michigan south of the 44° parallel.

In § 71.181 (37 F.R. 2143), the following transition areas are amended by deleting reference to that airspace extending upward from 1,200 feet above the surface:

Bad Axe, Mich.	Jackson, Mich.
Battle Creek, Mich.	Lansing, Mich.
Detroit, Mich.	Mount Clemens, Mich.
Flint, Mich.	Mount Pleasant, Mich.
Fremont, Mich.	Muskegon, Mich.
Grand Rapids, Mich.	Saginaw, Mich.
South Bend, Ind.	

In § 71.181 (37 F.R. 2143), the following transition area is amended to read:

LUDINGTON, MICH.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Mason County Airport (latitude 43°57'40" N., longitude 86°24'30" W. and within 2 miles each side of the 055° bearing from the airport extending from the 5-mile-radius area to 8 miles northeast of the airport; and that airspace extending upward from 1,200 feet above the surface, north of the 44° parallel, within 5 miles northwest and 8 miles southeast of the 055° bearing from the airport extending to 12 miles northeast of the airport.

[FR Doc.72-8998 Filed 6-14-72;8:46 am]

[Airspace Docket No. 72-SW-19]

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

Designation of Transition Area

On May 25, 1972, F.R. Doc. 72-7868 was published in the FEDERAL REGISTER (37 F.R. 10564). This document designated a 700-foot transition area at Rocksprings, Tex.

A review of the document indicated that the Rocksprings VORTAC radial was incorrect. Action is taken herein to effect this change.

As this change is editorial in nature and imposes no additional burden on any person or persons, notice and public procedures are not considered necessary.

In view of the foregoing, F.R. Doc. 72-7668 (37 F.R. 10564) is amended by deleting "Rocksprings VORTAC 105° radial" and substituting "Rocksprings VORTAC 125° radial" therefor.

The effective date of the original document, 0901 G.m.t., July 20, 1972, may be retained.

(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 June 7, 1972.

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

[FR Doc.72-8997 Filed 6-14-72;8:46 am]

[Airspace Docket No. 72-SO-34]

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

Designation of Transition Area

On April 27, 1972, a notice of proposed rule making was published in the FEDERAL REGISTER (37 F.R. 8462), stating that the Federal Aviation Administration was considering an amendment to Part 71 of the Federal Aviation Regulations that would designate the Washington, Ga., transition area.

Interested persons were afforded an opportunity to participate in the rule making through the submission of comments. All comments received were favorable.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., August 17, 1972, as hereinafter set forth.

In § 71.181 (37 F.R. 2143), the following transition area is added:

WASHINGTON, GA.

That airspace extending upward from 700 feet above the surface within a 6.5-mile radius of Washington-Wilkes County Airport (lat. 33°47'20" N., long. 82°48'30" W.); within 2.5 miles each side of Athens VOR 112° radial, extending from the 6.5-mile-radius area to 25 miles east of the VOR.

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

Issued in East Point, Ga., on June 6, 1972.

GORDON W. BECKER,
Acting Director, Southern Region.

[FR Doc. 72-8996 Filed 6-14-72 8:46 am]

[Airspace Docket No. 72-SO-55]

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

Alteration of Control Zone and Transition Area

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Gulfport, Miss., control zone and transition area.

The Gulfport control zone is described in § 71.171 (37 F.R. 2056) and the transition area is described in § 71.181 (37 F.R. 2143). In the descriptions, extensions are predicated on the 036° bearing from Keesler RBN; Keesler TACAN 045° and 205° radials, and Gulfport VORTAC 050°, 129°, 213° and 325° radials. The final approach radials for TACAN Runway 3 and TACAN Runway 21 Instrument Approach Procedures to Keesler AFB have been changed to 050° and 200°. Effective August 17, 1972, the final approach radial for VOR Runway 13 Instrument Approach Procedure to Gulfport Municipal Airport will be changed to 314°. The arc radii, arc and procedure turn altitudes for VOR Runway 4, VOR Runway 13, VOR Runway 22 and VOR Runway 31 Instrument Approach Procedures will be increased to 10 nautical miles and 1900 feet MSL. The changes in procedures make it necessary to lengthen three control zone extensions, shorten another and allow a size reduction in the 700-foot transition area.

Safety dictates that corrective action, regarding the final approach course changes, be accomplished as soon as possible. Since these amendments are minor in nature and impose no additional burden on the public, notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., August 17, 1972, as hereinafter set forth.

In § 71.171 (37 F.R. 2056), the Gulfport, Miss., control zone is amended to read:

GULFPORT, MISS.

Within a 5-mile radius of Gulfport Muncipal Airport (lat. 30°24'28" N., long. 89°04'95" W.); within 4 miles each side of Gulfport VORTAC 050° and 319° radials, extending from the 5-mile-radius zone to 10 miles northeast and northwest of the VORTAC; within 4 miles each side of Gulfport VORTAC 129° and 213° radials, extending from the 5-mile-radius zone to 9.5 miles southeast and southwest of the VORTAC; excluding that portion within the Biloxi, Miss., control zone. This control zone is 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.

In § 71.181 (37 F.R. 2143), the Gulfport, Miss., transition area is amended to read:

GULFPORT, MISS.

That airspace extending upward from 700 feet above the surface within an 8.5-mile radius of Gulfport Municipal Airport (lat. 30°24'28" N., long. 89°04'05" W.); within 4.5 miles each side of Gulfport VORTAC 050°, 129°, 213°, and 319° radials, extending from the 8.5-mile-radius area to 11 miles northeast, southeast, southwest and northwest of the VORTAC; within an 8.5-mile radius of Keesler AFB (lat. 30°24'39" N., long. 88°55'26" W.); within 3 miles each side of the 036° bearing from Keesler RBN, extending from the 8.5-mile radius area to 8.5 miles northeast of the RBN; within 2.5 miles each side of Keesler TACAN 050° and 200° radials, extending from the 8.5-mile-radius area to 12.5 miles northeast and southwest of the TACAN.

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

Issued in East Point, Ga., on June 7, 1972.

GORDON W. BECKER,
Acting Director, Southern Region.

[FR Doc.72-8995 Filed 6-14-72;8:46 am]

[Airspace Docket No. 72-GL-13]

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

Designation and Alteration of Transition Areas

On Page 6407 of the FEDERAL REGISTER dated March 29, 1972, the Federal Aviation Administration published a notice of proposed rule making which would amend § 71.181 of the Federal Aviation Regulations so as to designate a transition area in the State of Ohio, and alter the transition areas at Akron, Ohio, Cincinnati, Ohio, Cleveland, Ohio, Columbus, Ohio, Dayton, Ohio, Findlay, Ohio, Lima, Ohio, Mansfield, Ohio, Toledo, Ohio, Zanesville, Ohio, Richmond, Ind., and Fort Wayne, Ind.

Interested persons were given 45 days to submit written comments, suggestions, or objections regarding the proposed amendment. No objections have been received and the proposed amendment is hereby adopted without change as set forth below.

This amendment shall be effective 0901 G.m.t., August 17, 1972.

(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 Des Plaines, Ill., on May 31, 1972.

R. O. ZIEGLER,
Acting Director, Great Lakes Region.

In § 71.181 (37 F.R. 2143), the following transition area is added:

OHIO

That airspace extending upward from 1,200 feet above the surface within the boundary of the State of Ohio.

In § 71.181 (37 F.R. 2143), the following transition areas are amended by deleting reference to that airspace extending upward from 1,200 feet above the surface:

Akron, Ohio	Lima, Ohio.
Cincinnati, Ohio.	Mansfield, Ohio.
Cleveland, Ohio.	Toledo, Ohio.
Columbus, Ohio.	Zanesville, Ohio.
Dayton, Ohio.	Richmond, Ind.
Findlay, Ohio.	Fort Wayne, Ind.

[FR Doc.72-8994 Filed 6-14-72;8:46 am]

[Airspace Docket No. 72-SW-9]

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

Alteration of Transition Area

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Johnson City, Tex., transition area.

On April 18, 1972, a supplemental notice of proposed rule making was published in the FEDERAL REGISTER (37 F.R. 7635) stating the Federal Aviation Administration proposed to alter and reduce the extent of the Johnson City 700-foot transition area.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. All comments received were favorable.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., August 17, 1972, as hereinafter set forth.

In § 71.181 (37 F.R. 2143), the Johnson City transition area is amended to read:

JOHNSON CITY, TEX.

That airspace extending upward from 700 feet above the surface within a 7-mile radius of Johnson City Airport (latitude 30°15'05" N., longitude 98°37'21" W.); within a 5-mile radius of Shepherd Farm Airport (latitude 30°12'30" N., longitude 98°43'20" W.) and within 2.5 miles each side of the 175° bearing from the Johnson City RBN (latitude 30°12'32" N., longitude 98°37'05" W.) extending from the 7-mile-radius area to 8 miles south of the RBN.

For the information of pilots who may be operating in the vicinity and area of the Johnson City Airport, it must be pointed out that the current Johnson City 700-foot transition area, i.e., a 7-mile radius of the Johnson City Airport and a 14.5 by 28.5 rectangular area which encompasses the airport, will be depicted in the forthcoming edition of the San Antonio Sectional Aeronautical Chart of June 22, 1972. The altered 700-foot transition area, as is described in this docket, will become effective August 17, 1972; however, it cannot be correctly displayed on the sectional chart until the subsequent issuance of the San Antonio Sectional Aeronautical Chart on December 7, 1972.

(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 June 7, 1972.

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

[FR Doc.72-8993 Filed 6-14-72;8:46 am]

[Airspace Docket No. 72-AL-1]

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

PART 75—ESTABLISHMENT OF JET ROUTES AND AREA HIGH ROUTES

Designation of Federal Airway and Jet Route

On March 10, 1972, a notice of proposed rule making was published in the FEDERAL REGISTER (37 F.R. 5132) stating that the Federal Aviation Administration (FAA) was considering amendments to

Parts 71 and 75 that would designate VOR Federal Airway No. 481 and Jet Route No. 167.

Interested persons were afforded an opportunity to participate in the proposed rule making through the submission of comments. No comments were received in response to the notice.

In consideration of the foregoing, Parts 71 and 75 of the Federal Aviation Regulations are amended, effective 0901 G.m.t., August 17, 1972, as hereinafter set forth.

1. Section 71.125 (37 F.R. 2042) is amended by adding the following:

V-481 from Johnstone Point, Alaska, via Gulkana, Alaska, to Big Delta, Alaska.

2. Section 75.100 (37 F.R. 2382) is amended by adding the following:

Jet Route No. 167 (Johnstone Point, Alaska, to Fairbanks, Alaska). From Johnstone Point, Alaska, via Gulkana, Alaska; Big Delta, Alaska; INT Big Delta 356° and Fairbanks, Alaska, 122° radials; to Fairbanks.

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

Issued in Washington, D.C., on June 7, 1972.

ROBERT G. CARNAHAN,
Acting Chief, Airspace and Air Traffic Rules Division.

[FR Doc.72-8999 Filed 6-14-72;8:46 am]

Title 18—CONSERVATION OF POWER AND WATER RESOURCES

Chapter I—Federal Power Commission

SUBCHAPTER D—APPROVED FORMS, FEDERAL POWER ACT

[Docket No. R-432; Order 453]

PART 141—STATEMENTS AND REPORTS (SCHEDULES)

Monthly Reporting of Fuel Costs and Quality Characteristics of Fuel

JUNE 7, 1972.

On November 26, 1971, the Commission issued a notice of proposed rule making which was published in the FEDERAL REGISTER on December 4, 1971 (36 F.R. 23163), in which the Commission proposed to amend Part 141—Statements and Reports (Schedules) in Subchapter D—Approved Forms, Federal Power Act, of Chapter I, Title 18 of the Code of Federal Regulations, pursuant to the authority conferred upon it under 5 U.S.C. 553 and sections 202, 301, 304(a), 309, and 311 of the Federal Power Act (49 Stat. 848, 849, 854, 855, 856, 858, 859; 67 Stat. 461; 16 U.S.C. 824a, 825, 825c, 825h, 825j). The notice proposed adding a new § 141.61 prescribing the monthly reporting of fuel costs and quality characteristics of fuel received at steam-electric generating plants of electric utilities through a new FPC Form No. 423.

The reasons for the proposed amendment listed in the notice were: (a) To provide monthly information on the availability and cost of fossil fuels to electric utility companies for use in current analyses of the energy and fuel supply situation and the effects on the cost of electric power; (b) to provide timely data on a comparable basis for each type of fuel by quality determinants, thus facilitating the evaluation of developments in fuel supply which may affect the reliability of electric service, emergency preparedness, and the environmental improvement programs for the different air quality control regions in the United States; and (c) to assist the Commission generally in the proper administration of the Federal Power Act.

The notice invited written comment from interested parties by December 27, 1971. Comments were received from Senators Lee Metcalf and Thomas J. McIntyre and Congressmen William S. Moorhead, Neal Smith, Silvio O. Conte, all of whom approved the data collection but disapproved of the confidentiality provision contained in the proposal; 42 utilities and related organizations; Edison Electric Institute and the National Coal Association; the Sierra Club, Friends of the Earth, and the Public Interest Research Group; the Office of Emergency Preparedness, Environmental Protection Agency, Tennessee Valley Authority, Federal Trade Commission, and Public Service Commission of the State of New York, and Foster Associates, Inc., a private consulting firm.

On December 29, 1971, staff counsel issued a notice of staff conference (36 F.R. 25432, December 31, 1971) to be held January 17, 1972, so as to provide commenting parties an opportunity to elaborate on the positions taken in their respective filings. The conference was well attended. Various viewpoints were expressed at the conference. The objections of the utility companies were generally that the data required was unnecessary, duplicative of other reported information, burdensome, violative of proprietary interests, and that the time prescribed for the submission of each monthly report was insufficient. Persons generally approving the form objected to the confidentiality provision on the ground of the public's essential right to such information.

After considering these comments, the Commission on March 9, 1972, issued a notice of proposed alternatives in rule making which was published in the FEDERAL REGISTER (37 F.R. 5509, March 16, 1972). The second notice announced that the Commission was considering alternative actions regarding the issuance of a final rule and invited the submission of comments thereon. The options were set forth as follows:

(1) Issuance of the rule and form as originally noticed and set out as attachment. A hereto exccept for revision in the instruction for reporting "purchase type" to distinguish between new or newly renegotiated contract purchases and other contract purchases and striking all requirements for confidentiality; and

(2) Issuance of the rule as originally noticed but striking all requirements for confidentiality and substitution of the form attached hereto as attachment B for the form attached to the original notice.

Attachment A was substantially in the same form as contained in the original notice. The second alternative was suggested so as to obtain the information without requiring full disclosure of costs of individual plant sources by compositing the required data by metropolitan area and by broad quality classification. In response to the second notice, comments were received from 46 respondents, including the Subcommittee on Special Small Business Problems of the House Select Committee on Small Business, Senator Lee Metcalf, the Office of Emergency Preparedness, Edison Electric Institute, the National Coal Association, the Sierra Club, Friends of the Earth, and the Public Interest Research Group.

Ten of those responding opposed both alternatives. The views expressed by these respondents are similar to comments received following the Commission's first notice of proposed rule making and the conference held on January 17, 1972. In general, they have been summarized above in this order. Twenty-five opposed promulgation of either form. However, in the event that either form is promulgated eight of that number preferred Alternative A and 17 preferred Alternative B. Of the remaining 11 respondents, nine favored "A" and two favored "B". The Edison Electric Institute and the National Coal Association opposed the adoption of either form. On the other hand, there was unanimity in the selection of Alternative A by the Subcommittee on Small Business Problems of the House Select Committee on Small Business, Senator Metcalf, the Office of Emergency Preparedness, the Sierra Club, Friends of the Earth and the Public Interest Research Group.

Arguments presented by respondents regarding the relative merits of either of the alternative forms revolved around several issues: (1) Adequacy and utility of the data to be provided for effectuating the stated purposes of the proposed rule, (2) reporting burden and cost to respondents, (3) the effect on confidentiality in the compositing of the price data by Standard Metropolitan Statistical Area (SMSA) and by broad quality classifications, and (4) inequities in disclosure between small and large companies.

We have reviewed the comments submitted by the responding parties and conclude that Alternative A will best serve the public interest since it will provide data in its most useful form. The fuel cost and quality statistics in Alternative A will prove significantly greater in analytical value than the statistics provided for in Alternative B and would undoubtedly serve more effectively in effectuating the stated purposes of the proposed rule. Among the main points made against Alternative B are: (1) The reported sulphur content would be stated in too large a unit to provide meaningful cost analysis, i.e., content of deliveries would be reported to nearest one-tenth of 1 percent under Alternative A while price data would be provided in only eight steps of sulphur content under Alternative B, (2) omission of the range of cost for specific

grades of fuels, (3) preclusion of calculating the impact of environmental regulation of the SMSA which extends into more than one State and the determination whether State regulatory practices will affect the structure of purchases, (4) obscuring the structure of purchases, (5) presupposing that the sulphur content is the only variable for which cost analyses should be made, and (6) preclusion of the study of costs by contract structure.

A consensus appeared among respondents that reporting under Alternative B would be more burdensome and costly than reporting under Alternative A. Many respondents pointed out the obvious—that to provide the information required to complete Part II of "B", all of the data called for in "A" would first have to be assembled and then processed by aggregation, averaging, and other statistical manipulation by the respondent to obtain the information to be reported.

Congressional and "public interest" groups expressed the view that adoption by the Commission of Alternative B with its composited data by geographic and quality classification would be tantamount to the Commission's approving confidentiality of certain information that would not be confidential if Alternative A were to be adopted. This contention basically is that adoption of Alternative B would shield a great wealth of fuel cost detail provided by Alternative A from public disclosure since it would be aggregated by SMSA and shown by broad classes of sulphur content. Some respondents, including utilities, indicated that adoption of "B" would as a technique of preserving confidentiality prove ineffective, particularly where a utility has only one plant in a SMSA or only one fuel supplier. They suggested that even if the cost information which serves as the basis for composite reporting in "B" is considered to be proprietary, respondents could not be equally protected by such reporting. Consequently, they felt that reporting fuel cost and quality data should be provided in the form proposed as Alternative A. We adopt this view.

The Public Interest Research Group also stressed the contention that "B" would force the smaller utilities to make a proportionately greater disclosure of cost information than their larger competitors from which contract terms can be deduced and thus place them at a competitive disadvantage in the fuel market. The smaller utility with only one plant or one supplier under one contract in reporting details of purchases under "B" would expose its favorable contract terms while the larger utilities with several plants, fuel purchase contracts, and suppliers could more readily conceal their favorable contract terms in the process of compositing the information under "B". This inequity in reporting requirements would not occur with reporting under "A" where full disclosure of contract information for all utility buyers is required.

The amendment and Alternative A of the proposed forms will, therefore, be adopted as proposed in the notice issued March 9, 1972, except to extend the time for filing the report to 45 days following the close of the month of reference and to provide for the submission of five copies of each report. Also the format of FPC Form No. 423 has been revised to facilitate ADP processing.

The Commission finds:

(1) The notice and opportunity to participate in this rule making proceeding with respect to the matters presently before this Commission through the submission in writing and presentation at a conference of data, views, comments, and suggestions in the manner described above are consistent with the procedural requirements prescribed by 5 U.S.C. 553.

(2) Amendment of the regulations under the Federal Power Act and the promulgation of FPC Form No. 423, as hereinafter provided, are necessary and appropriate for carrying out the provisions of the Federal Power Act.

(3) In view of the purpose, intent, and effect of the amendment as hereafter ordered, good cause exists for making it effective as of July 1, 1972. The first report will be required to be filed 45 days after July 31, 1972.

The Commission, acting pursuant to the authority granted by the Federal Power Act, as amended, particularly sections 202, 301, 304(a), 309, and 311 (49 Stat. 848, 849, 854, 855, 856, 858, 859; 67 Stat. 461; 16 U.S.C. 824a, 825, 825c, 825h, 825j) orders:

(A) Part 141—Statements and Reports (Schedules) in Subchapter D—Approved Forms, Federal Power Act, Chapter I, Title 18 of the Code of Federal Regulations is amended by adding a new § 141.61, as follows:

§ 141.61. Form No. 423, Monthly Report of Cost and Quality of Fuel for Steam-Electric Plant.

Form No. 423 is designed to obtain monthly data on the cost and quality of fuels received at steam-electric generating plants. A separate form is to be completed by each electric power producer for each of its steam-electric generating plants with a capacity of 25 megawatts or greater during the reporting month. The completed form is due the 45th day after the close of the reference month.

(B) FPC Form No. 423 as set out in Attachment A[1] to this order is hereby adopted.

(C) The amendment and form adopted herein shall be effective as of July 1, 1972.

The Secretary shall cause prompt publication of this order to be made in the FEDERAL REGISTER.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.72-9002 Filed 6-14-72;8:47 am]

[1] Filed as part of the original document.

Title 22—FOREIGN RELATIONS

Chapter V—U.S. Information Agency

PART 503—AVAILABILITY OF RECORDS

Fees

Chapter V, Part 503, § 503.6 of Title 22 of the Code of Federal Regulations is amended by a revision of paragraph (c)(2) as follows:

§ 503.6 Availability of Agency records.

* * * * *

(c) *Fees.* * * *

(2) *Schedule of fees.* The following specific fees shall apply with respect to services rendered to the public:

(i) Searching for records and collateral assistance, per hour or fraction thereof—$5.

(ii) Making of copies (Xerox or comparable) per page (with a $0.50 minimum)—$0.20.

(iii) For signed statement of nonavailability of record—No fee.

Should a situation arise which is not appropriately covered by the above schedule of fees, the charge applied will include all direct and indirect costs of the service, including, but not limited to materials, labor, machine time, significant supervisory time, and the like.

* * * * *

HENRY LOOMIS,
Acting Director.

[FR Doc. 72-9029 Filed 6-14-72;8:49 am]

Title 30—MINERAL RESOURCES

Chapter I—Bureau of Mines, Department of the Interior

SUBCHAPTER O—COAL MINE HEALTH AND SAFETY

PART 100—CIVIL PENALTIES FOR VIOLATIONS OF THE FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969

On June 8, 1972, appearing in 37 F.R. 11459, the Department of the Interior published amendments to the procedural rules applicable to hearings in civil penalty cases under the Federal Coal Mine Health and Safety Act of 1969. These amendments were primarily contained in Part 4, Title 43, Code of Federal Regulations with conforming amendments in Part 100, Title 30, Code of Federal Regulations. To provide the public with an opportunity to become familiar with the new procedure and insure an orderly changeover, the regulations were not to be effective until June 15, 1972. However, in making these conforming amendments, §§ 100.3 (d), (e), and (f) which should have been amended were inadvertently omitted.

The purpose of this document is to properly conform § 100.3. In making these conforming amendments § 100.3(h) has also been modified. These conforming amendments to § 100.3 make clear that a party may petition for hearing either upon receipt of the initial proposed order of assessment or upon receipt of an affirmed or amended proposed order of assessment. In addition, the time periods for filing an informal protest or a formal petition for hearing are made identical.

These procedural rules are used extensively throughout the coal mining industry and are often used by parties who are not attorneys. To allay any uncertainty these parties may have and to provide a complete and convenient reference to Part 100, the Department has decided to republish Part 100 as amended in its entirety. These amendments to Part 100, Title 30, Code of Federal Regulations, are effective June 15, 1972.

RICHARD R. HITE,
Deputy Assistant Secretary of the Interior.

JUNE 13, 1972.

Part 100, Title 30, Code of Federal Regulations is revised and republished to read as follows:

Sec.
100.1 Purpose.
100.2 Assessment of civil penalties; general.
100.3 Procedures for assessment of civil penalties; protest procedures.
100.4 Hearing procedures.
100.5 Formal penalty assessment.
Appendix A—Guidelines for Assessment of Penalties.

AUTHORITY: The provisions of this Part 100 issued under secs. 109 and 508, Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742; Public Law 91–173).

§ 100.1 Purpose.

The assessment of civil penalties under section 109 of the Federal Coal Mine Health and Safety Act of 1969 shall be made for the purpose of maintaining the health and safety of the miner and of insuring the maximum compliance effort on the part of the coal mining industry.

§ 100.2 Assessment of civil penalties; general.

(a) Each proposed assessment shall be made after taking into consideration: (1) The operator's history of previous violations, (2) the appropriateness of the penalty to the size of the operator's business, (3) whether the operator was negligent, (4) the effect on the operator's ability to continue in business, (5) the gravity of the violation, and (6) the demonstrated good faith of the operator in attempting to achieve rapid compliance after notification of violation.

(b) The amount of the civil penalty proposed shall be within guidelines established by the Secretary (see Appendix A to this part) and revised periodically in the light of experience gained under the Act, except that a particular violation may warrant proposing a civil penalty in an amount more than or less than the range set forth in the guidelines.

§ 100.3 Procedures for assessment of civil penalties; protest procedures.

(a) Each Notice of Violation and Order of Withdrawal issued on or after March 30, 1970, will be reviewed by an Assessment Officer who is appointed by and responsible to the Director, Bureau of Mines, to determine the liability of the operator or miner for a civil penalty and the amount of penalty to be proposed.

(b) (1) Before any administrative proceeding to impose a civil penalty under section 109 of the Act is instituted, the Assessment Officer shall serve, by certified mail, a Proposed Order of Assessment upon the operator or miner charged.

(2) The Proposed Order of Assessment shall specify the Notice of Violation or Order of Withdrawal for which the liability of the operator or miner for a penalty has been determined and shall state the amount of the proposed civil penalty.

(c) In determining the amount of the proposed penalty the Assessment Officer will consider all relevant circumstances, including the operator's history of previous violations, the appropriateness of such penalty to the size of the operator's business, whether operator was neglect, the effect of the operator's ability to continue in business, the gravity of the violation and the demonstrated good faith of the operator in attempting to achieve rapid compliance after notification of violation.

(d) The Proposed Order of Assessment shall also advise the operator or miner charged that he has 20 days from the date of receipt of the Proposed Order of Assessment to either protest the proposed assessment, either partly or in its entirety, or petition for hearing and formal adjudication.

(e) Where an operator or miner fails to either timely protest a proposed assessment or petition for hearing, he shall be deemed to have waived his right of protest and his right of formal adjudication with opportunity for hearing, and the Proposed Assessment Order shall become the final assessment order of the Secretary of the Interior.

(f) The protest to the Proposed Order of Assessment shall be in writing and shall state any facts, explanations, and arguments denying the charges of violation, or demonstrating any extenuating circumstances, error in the Proposed Order of Assessment or other reason why the penalty should not be imposed and may request the revision or modification of the proposed penalty.

(g) (1) The Assessment Officer may extend in writing the time within which the operator or miner has to protest the Proposed Order Assessment.

(2) Upon receipt of a protest, the Assessment Office may reconsider the proposed assessment and may redetermine any proposed civil penalty.

(3) The Assessment Officer, upon reconsideration, may amend or reissue the Proposed Order of Assessment.

(h) The operator or miner charged shall have 20 days from the date of receipt of an amended or reissued proposed order to accept the proposed order, or to reject such order in whole or in part and petition for hearing and formal adjudication. Unless the operator or miner charged files a timely petition for hearing and formal adjudication an amended or reissued proposed assessment order shall become the final assessment order of the Secretary.

§ 100.4 Hearing procedures.

An operator or miner who desires a hearing and formal adjudication shall file a petition for hearing with the Office of Hearings and Appeals in accordance with the procedures set forth in Title 43 Part 4 §§ 4.540 et seq. The address of the Office of Hearings and Appeals is 4015 Wilson Boulevard, Arlington, Va. 22203.

§ 100.5 Formal penalty assessment.

(a) In accordance with the procedural rules provided in Part 4, Title 43, Code of Federal Regulations, a hearing examiner or the Board of Mine Operations Appeals (both in the Office of Hearings and Appeals) shall thereafter issue an order based on findings of fact and conclusions of law.

(b) In assessing a civil penalty against an operator or miner, a hearing examiner or the Board of Miner Operations Appeals shall determine de novo the amount of the civil penalty for each violation in any amount not to exceed in the case of an operator, $10,000, and in the case of a miner, $250.

(c) In determining the existence of a violation or assessing a civil penalty thereon, neither the hearing examiner nor the Board is bound by the provisions or guidelines in this part relating to the making of proposed assessments.

APPENDIX A

GUIDELINES FOR ASSESSMENT OF PENALTIES

Type of violations	*Penalty range (in dollars)*
1. Mine operators:	
A. Violations resulting in the issuance of imminent danger withdrawal orders	5,000–10,000
B. Violations resulting in the issuance of other withdrawal orders	1,000–5,000
C. Other violations	25–1,000
2. Miners: Smoking or the carrying of smoking materials, matches, or lighters	25–250

NOTE: Consideration of all relevant circumstances in the case of a particular violation may warrant the Assessment Officer's proposing a civil penalty in an amount more than or less than the range set forth above.

[FR Doc.72-9053 Filed 6-14-72;8:51 am]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 19289; FCC 72-492]

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

PART 87—AVIATION SERVICES

Air Traffic Control at Temporary Airdrome Control Towers

Report and order. In the matter of amendments of Parts 2 and 87 to allow use of the search and rescue frequency 123.1 MHz for air traffic control at temporary airdrome control towers, Docket No. 19289.

1. A notice of proposed rule making in the above-captioned matter was released on July 27, 1971, and was published in the FEDERAL REGISTER on July 29, 1971 (36 F.R. 14020). The dates for filing comments and replies thereto have passed.

2. Comments were filed by: Aircraft Owners and Pilots Association (AOPA); Experimental Aircraft Association (EAA); Soaring Society of America; Central Committee on Communication Facilities of the American Petroleum Institute (Central Committee). The UGI Corporation (UGI); and the Federal Aviation Administration (FAA). Reply comments were filed by the FAA.

3. AOPA, the Central Committee, and EAA expressed their approval of the use of 123.1 MHz as proposed. The Central Committee also strongly recommended that the condition of no harmful interference be caused to search and rescue communications be adopted as proposed.

4. The Soaring Society of America also expressed their approval of the proposal. In addition, the Soaring Society requested that the proposed rule making include the use of 123.1 MHz glider traffic control at various soaring contests which they conduct. The intent and scope of this rule making encompasses such a use, and would be permitted when 123.1 MHz is in use at an airdrome control tower for air traffic control.

5. The FAA supported our proposal, but requested that the condition restricting the use of 123.1 MHz to locations "where there are not existing airdrome control facilities" be removed. The FAA stated that occasional situations arise where an additional tower frequency would be needed for temporary air traffic control communications, in addition to the existing airdrome control frequencies. Since the FAA operates and controls the majority of ground airdrome control facilities, and coordination would be made by the FAA with existing airdrome control facilities and participating aircraft, we are adopting a revised version of our proposal by removing the restriction on the use of 123.1 MHz to locations where there are no existing airdrome control facilities.

6. UGI objected to our proposal for the reason that most tube-type transceivers commonly found in older aircraft, are not capable of transmitting on 123.1 MHz and suggested that one of the guarded tower frequencies, preferably 122.5 or 122.7 MHz, be adopted rather than 123.1 MHz. Concerning this objection, the FAA stated in their reply comments that they held discussions with AOPA representatives and air traffic controllers which confirmed the fact that the majority of radio-equipped aircraft are capable of two-way communications on 123.1 MHz. In addition, the rule amendment does not preclude the use of 122.5 or 122.7 MHz at temporary towers. Frequency congestion may preclude use of these frequencies at some locations, but the use of 123.1 MHz would be a desirable alternative.

7. In view of the foregoing: *It is ordered,* That pursuant to the authority contained in sections 4(i) and 303 (b), (c), (f), and (r) of the Communications Act of 1934, as amended, Parts 2 and 87 are amended effective July 21, 1972, as set forth below.

8. *It is further ordered,* That this proceeding is terminated.

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

Adopted: June 7, 1972.

Released: June 12, 1972.

FEDERAL COMUNICATIONS COMMISSION,[1]
[SEAL] BEN F. WAPLE,
Secretary.

I. Part 2 of Chapter 1 of Title 47 of the Code of Federal Regulations is amended by adding the U.S. Footnote designator US112 to Column 5 of § 2.106, Table of Frequency Allocations, for the frequency band 123.075–123.575 MHz and the new U.S. Footnote US112 is added to read as follows:

US112 The frequency 123.1 MHz is for search and rescue communications. This frequency may be assigned for air traffic control communications at special aeronautical events on the condition that no harmful interference is caused to search and rescue communications during any period of search and rescue operations in the locale involved.

II. Part 87 of Chapter 1 of Title 47 of the Code of Federal Regulations is amended as follows:

1. Section 87.183(i) is amended by deleting the footnote Designator B from the frequencies 126.10, 126.15, 126.20, 126.25, and 126.30; the frequency 123.10 MHz is added in its proper numerical order with the footnote Designator B; and footnote B (now reserved) is added to read as follows:

B—The frequency 123.1 MHz may be made available for air traffic communications by airdrome control and aircraft stations at special aeronautical events on the condition that no harmful interference is caused to search and rescue communications during any period of search and rescue operations in the locale involved.

2. Section 87.401(a) is amended by deleting the footnote Designator B from the frequencies 126.10, 126.15, 126.20, 126.25, and 126.30; the frequency 123.10 MHz is added in its proper numerical order with the footnote Designator B; and footnote B (now reserved) is added to read as follows:

B—The frequency 123.1 MHz is available for assignment for air traffic communications by airdrome control stations at special aeronautical events on the condition that no harmful interference is caused to search and rescue operations in the locale involved.

[FR Doc.72-9034 Filed 6-14-72;8:50 am]

[1] Commissioner Reid absent.

[Docket No. 18713; FCC 72-498]

PART 73—RADIO BROADCAST SERVICES

Equipment Performance Measurements By Educational FM Stations

Report and order. In the matter of amendment of § 73.554 of the Commission's rules concerning equipment performance measurements by educational FM stations, Docket No. 18713.

1. We here consider the notice of proposed rule making in this proceeding, adopted October 29, 1969 (FCC 69-1175; 34 F.R. 17916), proposing amendment of § 73.554 in order to require annual equipment performance measurements by noncommercial educational FM stations except low-power 10-watt stations. The proposed amendment would have added language identical to that in § 73.254 (b) and (c) as concerns proof of performance by commercial FM stations. The parties commenting are: George Ragan, Supervisor, TV Engineering, University of Nebraska at Omaha; the National Association of Educational Broadcasters (NAEB); and the University of Nebraska Regents, the permittee for educational Station KVNO, Channel 214, Omaha, Nebr.[1]

2. Our notice was premised on the basis that annual equipment performance measurements are necessary to insure proper station operation and a good quality of broadcast output. Educational noncommercial FM stations had been exempted because it was thought that the expense would be a substantial handicap of this service's development. Because of the greater interest in educational radio and the expected increase of stations operating at higher levels of facilities[2] in the future, improper or malfunctioning equipment would be more serious. We also observed that increased economic support from the Department of Health, Education, and Welfare and the Corporation of Public Broadcasting would lessen any economic burden.

[1] While the Regents did not file timely, its comments are the statement of its Director of Engineering, George Ragan, which he already filed.

[2] The notice estimate was that roughly one-half of educational FM stations are low-power 10-watt (Class D) stations and a large number of the rest operate rather small facilities. As of April 30, 1972, 508 educational FM stations were on the air; there were 2,335 commercial FM stations as of that date.

3. The parties commenting favor the proposal. NAEB elaborates on the statement in the notice to the effect that annual equipment performance measurements are necessary to insure proper station operation and a good quality of broadcast output. It pertinently says:

> With the addition of increasing numbers of educational FM stations across the country, the problems caused by improper or malfunctioning equipment are becoming more serious. * * * [T]he NAEB believes that the instant proposal will not hamper in any significant manner the development of this educational programming service or impose undue burdens on educational FM stations. Moreover, adoption of this proposal will provide regular assurance that such educational FM operations are being conducted in proper fashion, thereby fostering the healthy and responsible growth of this important service.

4. Mr. Ragan and the University of Nebraska Regents were concerned with the unnecessary financial burden of making the measurements during experimental time rather than before or after its proposed programing schedule (4:30 to 11 p.m. Monday through Friday). This is moot, inasmuch as the Commission amended § 73.562 to conform with § 73.262[3] thus allowing testing, maintenance, and adjusting apparatus outside of the experimental period (12 midnight–6 a.m.) on notice to the Commission and the Engineer in Charge of the radio district in which the station is located.

5. As noted above, it was proposed that the amendment of § 73.554 conform to § 73.254. Section 73.254 was amended by an order, adopted February 18, 1970 (FCC 70–178; 21 FCC 2d 979) to correct an omission in the 1968 revision of that rule. This change will be adopted in the amendment to § 73.554.

6. In sum, the public interest, convenience, and necessity is served by requiring noncommercial educational FM stations other than 10-watt stations to make annual proofs of performance and other measurements as do commercial FM stations. The rule requires that equipment performance measurements be made at least once each calendar year, including all circuits between the main microphone terminals and the antenna circuit, and measuring audio frequency response, audio frequency harmonic distortion, and output noise level (frequency modulation and amplitude modulation), at various frequencies at various modulation levels specified in the rules. Information and data as to such measurements will be kept for at least 2 years.

7. Authority for this action is set forth in sections 4(i) and 303 (f), (g), and (r) of the Communications Act of 1934, as amended.

8. *It is ordered,* That § 73.554 is amended as set forth below. This amendment is effective July 21, 1972.

9. *It is further ordered,* That this proceeding is terminated.

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[3] See Order, adopted July 8, 1970 (FCC 70-737; 23 FCC 2d 967).

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

Adopted: June 7, 1972.

Released: June 12, 1972.

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

Section 73.554 of the Commission's rules and regulations is amended by the addition of paragraphs (c) and (d) as follows:

§ 73.554 Transmitter performance.

* * * * *

(c) The licensee of each noncommercial educational FM broadcast station with transmitter output power above 10 watts shall make equipment performance measurements at least once each calendar year: *Provided, however,* That the dates of completion of successive sets of measurements shall be no more than 14 months apart. One set of measurements shall be made during the 4-month period preceding the filing date of the application for renewal of station license. Equipment performance measurements for auxiliary transmitters are not required. Equipment performance measurements shall be made with equipment adjusted for normal program operation and shall include all circuits between the main studio microphone terminals and the antenna circuit, including telephone lines, preemphasis circuits and any equalizers employed, except for microphones, and without compression if a compression amplifier is installed. The measurement program shal yield the following information:

(1) Audio frequency response from 50 to 15,000 hertz (Hz) for approximately 25, 50, and 100 percent modulation. Measurements shall be made on at least the following audio frequencies: 50, 100, 400, 1000, 5000, 10,000, and 15,000 Hz. The frequency response measurements should normally be made without deemphasis; however, standard 75 microsecond deemphasis may be employed in the measuring equipment or system provided the accuracy of the deemphasis circuit is sufficient to insure that the measured response is within the prescribed limits.

(2) Audio frequency harmonic distortion for 25, 50, and 100 percent modulation for the fundamental frequencies of 50, 100, 400, 1000, and 5000 Hz. Audio frequency harmonics for 100 percent modulation for fundamental frequencies of 10,000 and 15,000 Hz. Measurements shall normally include harmonics to 30,000 Hz. The distortion measurements shall be made employing 75 microsecond deemphasis in the measuring equipment or system.

(3) Output noise level (frequency modulation) in the band of 50 to 15,000 Hz in decibels (dB) below the audio frequency level representing a frequency swing of 75 kHz. The noise measurements shall be made employing 75 microsecond deemphasis in the measuring equipment or system.

(4) Output noise level (amplitude modulation) in the band of 50 to 15,000 Hz in dB below the level representing 100 percent amplitude modulation. The noise measurements shall be made employing 75 microsecond deemphasis in the measuring equipment or system.

(d) The data required by paragraph (c) of this section, together with a description of instruments and procedure signed by the engineer making the measurements, shall be kept on file at the transmitter and retained for a period of 2 years, and shall be made available during that time upon request to any duly authorized representative of the Federal Communications Commission.

[4] Commissioner Reid absent.

[FR Doc.72-9031 Filed 6-14-72;8:50 am]

[Docket No. 12782; FCC 72-501]

PART 73—RADIO BROADCAST SERVICES

Competition and Responsibility In Network Television Broadcasting

Memorandum opinion and order setting effective dates. In the matter of Amendment of Part 73 of the Commission's rules and regulations with respect to Competition and Responsibility in Network Television Broadcasting, Docket No. 12782.

1. The Commission here considers the matter of setting an effective date for the two provisions of the television network rules adopted in 1970 which were stayed pending appeal, the U.S. Court of Appeals (C.A. 2) having affirmed the Commission on May 3, 1971, as discussed below. The two rules, sometimes called the "syndication" and "financial interest" rules, are contained respectively in subdivisions (i) and (ii) of subparagraph (1) of §73.658 (j), adopted in May 1970 in the Report and Order in Docket 12782.[1] In substance,

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[1] See Report and Order in Docket 12782, 23 FCC 2d 382, 18 R.R. 2d 1825. As modified (as to effective dates only) in August 1970, § 73.658(j) (1) reads as follows:

"(1) Except as provided in subparagraph (3) of this paragraph, no television network shall:

"(i) After October 1, 1971, sell, license, or distribute television programs to television station licensees within the United States for nonnetwork television exhibition or otherwise engage in the business commonly known as 'syndication' within the United States; or sell, license, or distribute television programs of which it is not the sole producer for exhibition outside the United States; or reserve any option or right to share in revenues or profits in connection with such domestic and/or foreign sale, license, or distribution; or

"(ii) After October 1, 1970, acquire any financial or proprietary right or interest in the exhibition, distribution, or other commercial use of any televison program produced wholly or in part by a person other than such television network, except the license or other exclusive right to network exhibition within the United States and on foreign stations regularly included within such television network; provided that if such network does not timely avail itself of such license or other exclusive right to network exhibition within the United States, the grantor of such license or right to network exhibition may, upon making a timely offer reasonably to compensate the network, reacquire such license or other exclusive right to exhibition of the program."

the first prohibits the national TV networks from engaging in the domestic distribution of TV programs for nonnetwork exhibition (syndication), or foreign distribution of such programs except where they are the sole producers of them, and from having any financial interest in such activities. The second prohibits these networks from acquiring any financial or proprietary interests in programs of which they are not the sole producers, except the interest in network exhibition. In pleadings filed on August 3, 1971, two of the networks, ABC and NBC, ask that the "stay" of the effectiveness of these rules be continued.

2. These provisions were adopted in May 1970, along with the "Prime Time Access Rule" (§ 73.658(k)), which is not involved here. They were affirmed on reconsideration in our decision of August 1970, except that the effective dates of subdivisions (i) and (ii) were moved from September 1, 1971, and September 1, 1970, respectively, to October 1, 1971, and October 1, 1970. Requests for stay of the rules were denied in this decision (see 25 FCC 2d 318, 335–336).

3. The three networks and others appealed to Court from the new network rules (all three networks attacking the "syndication" and "financial interest" rules), and the appeals were consolidated in the U.S. Court of Appeals for the Second Circuit. ABC and NBC then filed with the Commission new requests for stay, pending the appeal, and these were granted in part in a Memorandum Opinion and Order adopted October 14, 1970 (FCC 70–1119, 26 FCC 2d 28). Section 73.658(j)(1)(i) was stayed in its entirety until further Order of the Commission; and § 73.658(j)(1)(ii) was similarly stayed until further order with respect to "programs not produced for, or included in or intended to be included in the network schedule of the network acquiring such rights and interests * * *."

4. On May 3, 1971, the U.S. Court of Appeals (C.A. 2) issued its decision denying the various petitions for review and affirming the Commission ("Mount Mansfield Television, Inc. v. FCC," 442 F. 2d 470, 21 R.R. 2d 2087, Case No. 35242 et al.). The Court's mandate was received on June 25, 1971.

THE PLEADINGS OF ABC AND NBC

5. On August 3, ABC and NBC filed pleadings asking that the stay be continued in its present form.[2] ABC asks that the situation remain as is for a substantial period, such as 2 years, while the Commission gathers information as to the effect of network syndication on the limited basis now permitted under the "stay" (para. 3, above), which will indicate whether any further restriction is really required. NBC's main request is that the present situation be continued indefinitely, with the Commission reviewing the situation periodically to see if the rule as now in effect is accomplishing the objectives sought.

6. Central to the argument of both parties is the fact that the "financial interest" rule was not stayed, and is thus in effect, with respect to "any other financial interest in a program which is included in, or produced for inclusion in, the networks' own schedule" (except where they are the sole producers of it). Thus, ABC and NBC claim, the networks are not able to use the tremendous "leverage" they have by virtue of their network distribution system, to acquire subsidiary interests in programs which they acquire or may acquire for such network distribution; nor are they able to exact such subsidiary interests as a precondition to acceptance for network showing. With this, and with the "prime time access rule" now limiting network domination of valuable prime viewing time, it is said that the essential elements of the situation dealt with in Docket 12782 have been eliminated, and no further corrective action is needed.[3] ABC urges that the "stay" situation represents an appropriate balancing of private and public interests, both for the period of the litigation for which it was adopted, and permanently. It is also urged that the emphasis in the Docket 12782 proceeding was on the networks' control of station time and, to a limited extent ,on the effect of the networks "leverage" through being able to acquire programs for widespread network exhibition, without any real exploration of whether—with these aspects of the situation corrected by the remedies now in effect—further very drastic remedies, such as the "death sentence", are required or appropriate, or whether lesser remedies might be sufficient. ABC also asserts that the Commission, if it permits the stay to remain in effect, will now be in a position to evaluate the question of whether the networks engaging in syndication on the limited basis now permitted really has any adverse effects, and can and should gather information on this score before moving further.[4] ABC states that if the Commission still believes on the basis of future developments that the situation requires it, it will be in a position to impose the "death sentence" at any time. ABC also states that if the Commission believes that it is really necessary, ABC would not object to a prohibition against network selling programs via syndication to their own affiliates (similar to § 73.658(i), concerning "spot representation" by networks of television stations), leaving them free to sell to other stations in the United States and abroad.

7. The August 1970 decision on reconsideration mentioned two other bases for the restrictions on syndication and acquisition of financial interests: (1) The extent to which the networks' relationship and often dominant position with respect to their affiliates might give them an inordinate amount of "leverage" in selling programs via syndication to these stations; and (2) with respect to their supplying other stations which are not affiliates, there is a basic conflict of interest in a situation where the networks service their affiliates with network programs, and other stations—competing with the affiliated stations—with nonnetwork material. See FCC 70–872, paragraphs 28–30; 25 FCC 2d 318, 330–331. ABC and NBC in connection with the first, and ABC in connection with the second, argue that these are simply not a basis for any restrictions beyond those which are now in effect under the unstayed portion of the rule, particularly since the record in Docket 12782 contained no evidence in support of either proposition or showing abuses. NBC in particular in connection with the first point, refers to the material in that proceeding (Arthur D. Little study for 1966) which showed that CBS affiliates purchased only 5 percent of their syndicated programs from the CBS syndication arm, NBC affiliates the same from NBC's syndication organization, and ABC affiliates only 3 percent from the ABC syndication unit.[5] It is asserted that the harm involved is thus "potential" or "hypothetical", even as to domestic sales; and NBC also argues that as to foreign sales, which make up over 65 percent of its syndication activity, there is not even the potential for harm.

[2] "Motion for Continuance of Stay" filed by American Broadcasting Cos., Inc. (ABC); "Petition to Continue in Effect the Present Stay of Effective Dates Applicable to a Portion of § 73.658(j) of the Commission's rules" filed by National Broadcasting Co., Inc. (NBC).

[3] Both parties quote the statement in the October 1970 "stay" decision where we said that these matters were the "principal focus" of the proceeding (26 FCC 2d 31): "The acquisition of syndication rights by networks as a prerequisite or condition of development or choice of programs for network exhibition was the principal focus of our prohibition against the acquisition by the networks of subsidiary program rights. Both the prohibition on network domestic syndication distribution and the restrictions on foreign sales by networks were directed in large part to elimination of this area of possible abuse."

[4] The October 1970 "stay" decision required the networks to report to the Commission, every 3 months, the program rights and interests they acquired which would have been prohibited by the "stayed" rules if they were in effect. ABC suggests that a similar reporting procedure, perhaps expanded to include other information, could be followed for the interim period.

[5] In an informal presentation to the Broadcast Bureau in connection with its petition, NBC submitted a summary of material from the Docket 12782 record, containing much data of the same sort, tending to show that affiliates do not purchase more syndicated material for their own network's syndication arm than they do from other such as other network syndication units, that the respective network syndication arms do not sell more of their product to the network's affiliates than to others (and much less than to independents), and that the network syndication units are, overall, "small potatoes" in the syndication business, compared to other nonnetwork distributors. This material, considered herein, includes "Table 68" of the 1966 Little Report and two tables based on it, "Table 47" of the 1969 Little Report, material from the ABC and CBS affiliates 1966 comments and CBS affiliates 1969 comments, and data from the 1970 CBS and NBC petitions for reconsideration and NBC petition for stay.

8. ABC and NBC also urge that there are public-interest advantages in the networks remaining in the syndication business, to help provide a healthy impetus to the development of independent program sources—which, as NBC points out, was one of the chief objectives of the TV network-rule decision. NBC claims that four advantages will accrue: (1) Network syndication units will provide healthy competition additional to other syndicators (even though with only a modest share of the market); (2) with the network groups needing material to market, this will contribute to the development of syndicated material; (3) the network organizations will be an additional competitive force in the bidding, to the benefit of the independent packagers offering the material (e.g., NBC could bid for off-ABC or off-CBS material); (4) independent packagers will be able to utilize the networks' extensive organizations for foreign distribution if they wish. ABC urges an additional point: That a number of the large present syndicators are also program producers (or affiliated with production operations), e.g. Columbia Pictures-Screen Gems, Transamerica-United Artists, and therefore they have a fundamental and basic conflict of interest when it comes to syndicating programs obtained from small, independent producers ABC states that it is important to have distributors available who can act fairly and without this conflict, to serve the small independent producers. ABC also urges its own economic well-being: That unlike CBS and NBC, its network operations have long lost money, so that it needs the economic assistance which it gets from its syndication activities; removal of this would put further strain upon its TV network and indirectly on the news and public affairs activities which cause the losses, and should not be required if the Commission can accomplish its public-interest objectives without it.

9. The parties also urge that the Commission in its May 1970 decision stated that it would follow developments under the "prime time access rule" and take corrective action if it appeared that any undesirable results were occurring (see 23 FCC 2d 401); and that this is even more appropriate in the present area, since an adjustment in the primetime rule and situation can easily be made at any time, whereas here business activities, once disposed of, could not be reinstituted by the networks for many years.

NBC Argument Based on the CBS-Viacom Situation

10. NBC devotes over half of its petition to a different argument, based on a claim that equity requires that NBC be treated comparably to CBS, whose "spin-off" of nonnetwork program interests and CATV holdings to a new company—"Viacom International, Inc."—has been the subject of Commission consideration since the adoption of the TV network rules. In order to evaluate NBC's argument, it is necessary to set forth briefly the background of this matter.

11. In the latter part of 1970, CBS was confronted with the necessity to divest itself in the near future of syndication and other nonnetwork interests in TV programs, and CATV holdings, in order to comply with the TV network rules adopted in Docket 12782 (May 1970) and the rule against TV networks having CATV interests (Docket 18397, adopted in June 1970). To do this, it created a new company, Viacom International, Inc., to which both sets of interests were to be "spun off". The stock of the new corporation was to be distributed to CBS shareholders, one share for each seven shares of CBS stock. Formal pleadings were filed by parties concerned with both parts of the new organization's activities, those relating to TV program interests being filed by Columbia Pictures Industries, Inc. et al. Since questions appeared to exist as to whether the arrangements announced by CBS would amount to compliance with the rules because of the continuing connection between the companies, on December 31, 1970, the Commission ordered that CBS not take further action to effect the distribution of Viacom stock to CBS shareholders, and directed CBS to submit further information as to the structure of Viacom and details of its relationship with CBS. "Columbia Pictures Industries, Inc. et al.," 26 FCC 2d 901, 904–905.

12. On the basis of the further information, the Commission issued a decision in this matter in June 1971 ("Columbia Pictures Industries, Inc. et al.," 30 FCC 2d 9). The decision noted the stock distribution arrangement mentioned, and also the fact that (unlike the original CBS proposal) under a revised CBS plan those CBS officers, directors or division presidents who would receive more than 100 shares of Viacom stock, and all other individual CBS stockholders who would have more than 1 percent of Viacom stock, would put their holdings in a voting trust, and that if the Commission required the three principal CBS individual shareholders would reduce their Viacom holdings to under 1 percent, within a reasonable time, such as 6 years.[6] As to the corporate structure of Viacom, six of its nine directors would be independent; three, including the executive officers, would be persons formerly employed by CBS. With respect to TV program interests, Viacom is to take over CBS' domestic and foreign syndication operations; and CBS will assign to it (without reimbursement) the syndication rights to numerous programs, but retaining a share of the profits from syndication as well as the actual possession and control of the negatives of all programs. Viacom's remuneration for its domestic syndication efforts is all direct costs plus a share of gross receipts, ranging from 10 percent to 40 percent depending on whether the syndication sale is "national," "regional," or "local." The programs covered by the CBS-Viacom agreement included specified programs as to which CBS had syndication rights at the time of the agreement, plus whatever rights CBS acquired in programs first presented on the network during the 1970–71 and 1971–72 seasons.[7]

13. In the June 1971 decision, the Commission rejected both some of the contentions of the opposing parties (including the need for an adjudicatory hearing) and CBS' argument that, as modified, its arrangement complied fully with the rules. In substance, it was held that: (1) The basic "spin-off" method of divestiture is not inappropriate: *Provided*, That various elements in it are properly conditioned, even though initially there will be a high degree of common ownership (it was noted that the stock of both companies is actively traded so that commonality of ownership will attenuate); (2) the arrangements concerning the Viacom Board of Directors are satisfactory, with a clear majority being persons having no past or present connection with CBS, and the CBS-Viacom arrangements concerning programs and syndication activities are likewise acceptable; but (3) with Viacom being a creature of CBS management, mere voluntary disposal of common holdings of stock over the course of time is not enough, even with the voting trust arrangement described, since, while the latter would minimize the degree of direct common control by both companies, it would not remove the economic incentives involved. It was held that, as to all CBS officers and directors, CBS Broadcast Group division presidents, and 1-percent CBS stockholders, compliance with the new rules required total divestiture of all Viacom stock within a reasonable time; and the latter was put at 2 years from the date of release of the opinion (June 4, 1971). See 30 FCC 2d 15–17.[8]

14. NBC's argument: NBC argues that, in view of the last "Columbia Pictures" decision, basic administrative fairness requires that the syndication-divestiture requirement be stayed as to

[6] CBS stated that it would advise institutional investors holding in both companies that they must reduce their holdings in one company or the other to less than 1 percent (or 3 percent in the case of mutual funds). The stock in the voting trust was to be voted by the trustee proportionately as other Viacom stock, not in the voting trust, was voted.

[7] As the decision noted, certain aspects of the CBS-Viacom arrangement considered in the June 1971 decision represented substantial modifications of the original arrangement. The later: (1) Called for eight directors, six of them with prior CBS connections; (2) had no provision for the voting trust arrangement mentioned; and (3) gave Viacom an unspecified grant of certain rights with respect to future TV programs produced by the CBS network.

[8] The Commission's decision concerning the CBS-Viacom arrangement was affirmed by U.S. Court of Appeals (C.A. 9) in November 1971 (Iacopi v. FCC, 451 F. 2d 1142, 23 R.R. 2d 2043).

NBC for at least as long as CBS management is permitted to own Viacom as well as CBS stock—or until June 4, 197 . It is urged that until this divestiture occurs, CBS will not be in compliance with the rules because of an unacceptable degree of common control, and will thus have a competitive advantage over NBC. NBC also urges that the evaluation of the situation must take into account the continuing relationship between CBS and Viacom—which may last much longer—under the terms of the agreement assigning program syndication rights. It is pointed out that this agreement covers some 125 programs, in the syndication of which CBS retains a large financial interest (up to 90 percent in some cases after direct costs are deducted, as mentioned above). It is also noted that CBS retains a high degree of control over the conduct of Viacom's syndication operation, including the rights to audit its books, to discuss the number of syndication runs a program will have, to discuss the terms and conditions of the first exercise of syndication rights, and (if dissatisfied therewith) to veto the particular syndication agreement unless Viacom guarantees to hold CBS harmless. NBC also states that many of the programs covered have not yet had their first syndication run (at least domestically), including some (e.g. "Gunsmoke") still on the network; and some will not even have their first network run until 1971–72; so that these rights run well into the future. NBC asserts, as it did previously in seeking a stay, that this type of "spinoff" is impossible within the framework of the NBC structure; therefore, divestiture for it means dealing with a third party, and it will not be in a position to get anything like the terms and conditions which CBS has imposed on Viacom. Thus, it is asserted, taking into account both the commonality of control noted by the Commission, and these contractual rights, CBS will hold a significant competitive edge over NBC until mid-1973 and beyond.

15. On August 16, 1971, Viacom International, Inc., filed a "Statement" commenting on NBC's argument insofar as it relates to Viacom-CBS, and, while not opposing NBC's request, stating that NBC has misconstrued the nature of the relationship between these parties and of the Commission's decision. It is pointed out that the Commission's decision specifically did not accept, and characterized as "unpersuasive", the Columbia Pictures allegations concerning the terms of the CBS-Viacom syndication agreement. See 30 FCC 2d 17. As to the matter of stock holding, the "Statement" calls attention to the voting trust mentioned above, and asserts that the Commission specifically found that immediate divestiture of Viacom stock by CBS management was not required for compliance with the rule. It is concluded that "* * * Viacom has been since June 4, 1971, independent of CBS.

DISCUSSION AND CONCLUSIONS

16. Upon again considering this matter in view of the vigorous arguments advanced, we are of the view that reinstitution of the rules as adopted, and lifting of the "stay" completely, is appropriate and required in the public interest.

17. To turn first to the basic questions (i.e., those not related to the comparison with the CBS-Viacom situation), we point out initially that nothing new has been advanced. All of the material advanced and summarized above has been urged repeatedly before, in comments in the proceeding, in petitions for reconsideration filed by ABC and NBC in June 1970, in later pleadings seeking a stay pending appeal, and before the U.S. Court of Appeals. They have been carefully considered both by us and by that tribunal. The adoption of these rules, aside from the "prime time access rule," received substantial discussion in the Commission documents mentioned as well as in the Court of Appeals decision (see 23 FCC 2d 397–399, 25 FCC 2d 330–332, 26 FCC 2d 29–32, and 440 F. 2d 486–487). The much greater space devoted to the "prime time access rule" reflected the more fundamental changes involved in the adoption of that regulation, affecting directly hundreds of television stations and being the subject of widespread comment. The material considered before included ABC's suggested lesser alternative remedies (advanced in its petition for reconsideration and referred to in its reply brief in the Court of Appeals). We point out that in the August 1970 decision on reconsideration, we rejected the claim of one party (Screen Gems, a leading independent program producer) that the prohibition should extend further than the rule provides (see 25 FCC 2d 318, 330–332).

18. However, we recognize that the rules involved here do involve a very substantial restriction, barring certain parties from engaging in what is otherwise a legitimate form of business activity, in which others are free to engage; and therefore it is appropriate to set forth the reasons why, after careful consideration again, we have reached the same conclusions as before. Essentially, the basis for our decision, that the rules should be put into effect as they were adopted, rests on this consideration: "There is no reason to assume that the tremendous leverage of network exhibition is or would be confined to one individual program, and not be present in connection with dealings for other programs offered by the same seller." It simply is not realistic to suppose that, as long as the groups on both sides of the respective bargaining tables are largely the same,[9] dealings concerning syndication rights or profit shares in a particular program (not to be considered for network exhibition) could not be influenced by the question of whether the seller has offered, is offering simultaneously, or will offer in the future, a program which he hopes will be accepted for network showing. The facts as to the networks' dominance of both portions of the TV program market—their almost unvarying practice of acquiring subsidiary rights or interests in programs taken for network exhibition—is to the contrary, as detailed in the report and order (e.g., paragraph 19, 23 FCC 2d 393). The same leverage would also apply "vice versa": The fact of previous, simultaneous or future grant of syndication rights, in other programs, affecting the networks' decision as to whether to accept a particular program for network use. Moreover, in this respect as in others, we must consider the "potential" for abuse and anticompetitive developments, as well as the actual facts shown. That there is such potential is too obvious to need elaboration. Fair competition, if not impossible, is at best unlikely when the heavy dependence of program suppliers on their network patrons renders them vulnerable to demands for syndication rights or shares of profits, if not in the particular program in question at least in other programs. It may be that the networks, for antitrust reasons if nothing else, would not attempt to monopolize the syndication market; but at least it appears that they would be in a position to get rights in whatever they wish. If there were truly different markets involved, with different sellers even though the same network and affiliated organization, the situation might be different. But this does not appear to be the case. Therefore, chiefly for this reason, we are of the view that the public interest requires the reinstatement of the rules as adopted in 1970, at the earliest reasonable date.

19. In reaching this conclusion, we have taken into account certain facts advanced by NBC in its petition for stay and noted in the October 1970 "stay" decision (26 FCC 2d, 28, 29), concerning the composition of the material which NBC's syndication organization, NBC Enterprises, sells in syndication. NBC pointed out that of the material acquired during the previous 5 years for syndication distribution, only about 25 percent of that obtained for domestic syndication, and 35 percent of that secured for foreign syndication, was acquired as part of the process of obtaining programs for NBC network exhibition.[10] We canot regard this as of decisional significance, in view of the considerations mentioned in the last paragraph—the pervasiveness, potential or actual, of the tremendous leverage arising from control of network exhibition.

[9] The number of major program producers or packagers is fairly small; the 1970 report and order listed 15 as furnishing at least one prime-time network program in each season between 1957 and 1964.

[10] In domestic syndication, 1,005 half-hours were acquired independently of the network-program process, including 618 of first-run material, 223 of material off other networks, and 164 appearing previously on the NBC network but where the sellers reserved the syndication rights and later sold them to NBC Enterprises. The corresponding figures for foreign distribution were 540, 655, and 196, plus 696 half-hours entirely NBC-produced and 195 entirely foreign-produced, a total of 2,282 half-hours. This of course does not include any material in which NBC acquired not the right to syndicate itself but a share of the profits from syndication.

20. It is true, to be sure, that there are varying degrees of actual or potential evils involved in different types of situations covered by the rule. For example, ABC in its petition for reconsideration advanced, as one alternative, a rule which would permit the networks to continue "foreign distribution of programs to which they have already acquired the rights." This would not involve any of the other considerations applicable to domestic syndication (which are discussed in the next paragraph), nor would it directly involve any "leverage" with respect to a particular program supplier, since the rights have already been sold and bought. However, in a situation of this type, there is still anticompetitive potential in that the presence of network syndication arms in the market is likely to inhibit vigorous competitive effort by competing independent syndicators and producers, simply because these parties may have occasion later to approach the network with a program for network exhibition. Moreover, to the extent they were permitted to continue in such distribution, the networks would, to a substantial extent, be enjoying rights they got originally as part of the acquisition of the program, and use of their "network exhibition leverage," in a manner contrary to the public interest even if it was not illegal. Therefore, we do not believe that, even in cases such as this, modification should be considered. In any event, while ABC urged this as a possible approach at one point, it later claimed that it must continue to acquire new programs in order to keep its syndication business viable (see 26 FCC 2d 30), which, of course, would involve the general problem of levearage mentioned above. It does not urge this approach now, and there is no reason to consider it, except with respect to permitting foreign syndication of programs entirely produced by the network.

21. The decision on reconsideration (25 FCC 2d 331) referred to two other considerations which support the prohibition against the networks engaging in "domestic" syndication: The use of their strong position vis-a-vis their affiliates to sell them nonnetwork material, and the conflict of interest involved in selling to nonaffiliates. While we agree that the record in Docket 12872 did not show any actual abuses of this sort, and that the networks are not inordinately dominant factors in the syndication market itself, as stated before the potential for abuse is there.

22. The other arguments advanced may be disposed of shortly. As to the public-interest advantages said to accrue from continuation of the networks' syndication activities, we find these outweighed by the manifest need to eliminate the anticompetitive impact arising from network exhibition leverage on activities in the nonnetwork television markets. There is also no reason why these activities could not continue substantially at present, only conducted by others, for example if ABC and NBC dispose of their syndication rights and organizations to third parties. Thus these organizations could continue to furnish competition to other program syndicators and provide an effective marketing mechanism.[11] As to the desirability of a "further look," we do not believe this to be warranted in view of the importance of the objectives these restrictions are designed to accomplish. ABC's argument that the stay adopted pending appeal represents an appropriate basic adjustment of interests must be rejected, for reasons set forth above. The stay was adopted simply pending appeal, made indefinite in time simply because it was not known how long that would last (26 FCC 2d 31–32). It certainly was not intended to, and does not, represent an appropriate resolution of this proceeding for the indefinite future. ABC's argument concerning the importance to it of the revenues it derives from syndication must also be rejected, in view of the highly important public-interest considerations mentioned and also the rather small amount involved in relation to network revenues and profits. We note in this connection that ABC has stated recently that it expects, for the first time in several years, to show a profit in 1972 on its networking activities. Consequences to ABC adverse to the public interest are not to be expected from this decision.[12]

23. *Setting effective dates.* We turn, then, to the matter of setting reasonable dates for the effectiveness of the rule. Those set in the August 1970 decision on reconsideration—October 1, 1970, for the prohibition on the acquisition of financial interests, and October 1, 1971, for the termination of syndication activities—were roughly 7 weeks and slightly over 13½ months respectively, from the date of that decision. We must also consider in this connection the NBC argument concerning the CBS-Viacom situation (paragraphs 10–15 above). To summarize that situation briefly, before June 1971 CBS had spun off its syndication activities and program interests to a new corporation, Viacom International, and in some ways the steps taken before that time established a considerable degree of independence (e.g., the voting trust arrangement discussed in paragraph 12 and footnote 7, above). However, CBS management and substantial stockholders still retained sufficiently large common interests, so that we held the rule would not be complied with as long as these still existed. They have until June 4, 1973, to divest themselves of the common interests. On the other hand, as NBC points out, there will be some nexus, with respect to particular programs, for some time after that.

24. In view of all the circumstances, including the considerable degree of independence of Viacom from CBS but also some continuing connection, it is appropriate to set the date of June 1, 1973, for ABC and NBC to divest themselves of their syndication activities and interests as now prohibited by the rule as reinstated. This is approximately the same date as the required termination of any significant CBS-Viacom common ownership (June 4, 1973), and—nearly a year from now—should be sufficient for orderly disposition of these holdings. For the acquisition of any new interests—which is where the greatest potential for anticompetitive evil exists—it is obviously necessary to specify a much earlier date, and we are setting that date as August 1, 1972, some 7 weeks from now (just as in the earlier decision). In view of the problems which arose in the CBS-Viacom situation, we are requiring ABC and NBC to report to the Commission, by February 1, 1973, the steps they have taken or contemplate to comply with the rules as now in effect.

25. In view of the foregoing, and pursuant to authority contained in sections 4(i), 301, and 303 (b), (f), (g), (i), and (r) of the Communications Act of 1934, as amended: *It is ordered,* That:

(1) Section 73.658(j)(1)(i) of the Commission's rules is effective June 1, 1973;

(2) Section 73.658(j)(1)(ii) of the Commission's rules is fully effective August 1, 1972.

26. *It is further ordered,* That, effective August 1, 1972.

(1) Section 73.658(j)(1)(i) of the Commission's rules is amended by substituting "June 1, 1973" for "October 1, 1971" therein; and

(2) Section 73.658(j)(1)(ii) of the Commission's rules is amended by substituting "August 1, 1972" for "October 1, 1970" therein.

27. *It is further ordered,* That American Broadcasting Co., Inc. (ABC), and National Broadcasting Co., Inc. (NBC), shall notify the Commission, on or before February 1, 1973, of the details of the steps they have taken or plan to take to comply with the provisions of §§ 73.658 (j)(1)(i) and 73.659(j)(1)(ii) of the Commission's rules.

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[11] Indeed, at least as to NBC, it does not appear that it would necessarily have to get out of the foreign syndication business. It could continue to distribute abroad nearly 40 percent of the material it has been handling, as set forth in footnote 9, above (the 696 hours of NBC-produced material and the 195 hours of foreign-produced material, or a total of 891 out of 2,282 half-hours). See footnote 3 of the October 1970 decision (26 FCC 2d 31) concerning the distribution of material entirely foreign produced.

[12] There is another reason for not granting the ABC and NBC requests, and that is the form in which they are presented. What they seek really is a revision of the rule, and this should be considered, if at all, only through rule making proceedings in which other parties have a chance to comment. For example, CBS (which has taken steps to divest itself of its syndication interests and activities) could claim competitive injury just as NBC does here; and independent program suppliers and syndicators should also have opportunity to be heard.

(Secs. 4, 301, 303, 48 Stat., as amended, 1066, 1081, 1082; 47 U.S.C. 154, 301, 303)

Adopted: June 7, 1972.

Released: June 13, 1972.

FEDERAL COMMUNICATIONS COMMISSION,[15]
[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.72-9032 Filed 6-14-72;8:50 am]

[Docket No. 19261; FCC 72-493]

PART 89—PUBLIC SAFETY RADIO SERVICES

PART 91—INDUSTRIAL RADIO SERVICES

PART 93—LAND TRANSPORTATION RADIO SERVICES

Expanded Nonvoice Communication techniques including Radioteleprinter, Radiofacsimile, and Ambulance Telemetering

Memorandum opinion and order. In the matter of amendment of Parts 89, 91, and 93 of our rules to provide for expanded nonvoice communication techniques including radioteleprinter, radiofacsimile and ambulance telemetering, Docket No. 19261.

1. The International Municipal Signal Association (IMSA) has petitioned for reconsideration of rule changes for certain of the Public Safety Radio Services, relating to licensing of ambulance biomedical telemetry systems, as adopted by a report and order in the above-entitled proceeding (FCC 72-274, adopted March 23, 1972). The petitioner is concerned with new requirements for assignment of the frequency pairs 460.525/465.525 and 460.550/465.550 MHz. These frequencies were formerly available for regular base-mobile Fire Radio Service operations. As a result of action in this proceeding, new assignments for this purpose are no longer authorized. Instead, these frequencies are now assignable in the Fire, Local Government, and Special Emergency Radio Services for dispatch (base) and dispatch-response (mobile) of ambulance biomedical telemetry systems under areawide radio communication plans. On a secondary basis, mobile use of the frequencies may also include biomedical telemetry transmissions.

2. IMSA's petition asks that we modify the new rules to require applicants to coordinate their applications for the two pairs of frequencies mentioned above using the coordination procedues prescribed in § 89.15 of the rules. The petitioner also requests that an applicant for these frequencies be required to submit a copy of its areawide radio communication plan as part of its application.

3. With respect to this latter request relating to communication plans, the requirement sought by IMSA is implicit in the new rules which set forth the standards under which these frequencies may now be assigned (see §§ 89.259(g)(13), 89.359(g)(10), and 89.525(f)(2)). Thus, under these rules, the Commission reserves the right to require the submission of radio communication plans for centrally dispatched telemetry systems. In these early stages of development of coordinated ambulance telemetry systems, the Commission intends to ask for and review most plans to ascertain the nature and direction of programs in this regard. However, this can be done on a case by case basis, as needed, without requiring each applicant in a given system to submit a basic plan. Reconsideration action in this regard, therefore, is not warranted.

4. To support its petition for reinstatement of coordination requirements for the frequencies involved, IMSA states:

> Eliminating the coordination requirement with respect to the use of these frequencies may, unnecessarily, create severe interference problems not only affecting the current licensees but also denying realization of the intended use of these channels. We are certain that amicable accommodations can be reached should Special Emergency Radio Service licensees desire to operate a common dispatch system on these channels if the frequencies are already being used by a fire department. It is essential, however, that the coordination requirement be maintained to assure that both parties have adequate notice of the potential conflicting use of these frequencies.

5. The Commission does not share IMSA's concern as to these frequencies. The two frequency pairs selected were in major part chosen on the basis that they are not extensively assigned, there being about 12 communities licensed on each pair for Fire Radio Service operations, with only five of these using both frequency pairs. Moreover, we can anticipate that at least some of the present licensees on these frequencies will want to participate in communication plans for their area involving central dispatch of telemetry systems and will take the opportunity to modify their fire radio operations on these channels to other frequencies. It is pointed out that since only two frequency pairs are made available to dispatch telemetry-equipped medical emergency vehicles, they were to be extensively shared in most communities. We feel that the most effective use of the two pairs of frequencies in question, as well as the other five pairs, can best be achieved through cooperation and careful system designs planned to accommodate substantially the needs of as many users as possible. Under these conditions, the coordination procedures prescribed by § 89.15 are of questionable value.

6. We find, for the foregoing reasons, that no valid basis exists for reconsideration of the rule changes which deleted the coordination requirements for these frequencies. It will, nevertheless, be helpful for applicants to be aware of the present Fire Radio Service operations on the channels involved so that they may be taken into consideration when a selection is made as to which dispatch frequency should be chosen. Accordingly, an attachment to this order lists present occupancy of this nature on these frequencies.

7. In accordance with the foregoing: *It is ordered,* That the petition for reconsideration submitted by the International Municipal Signal Association is denied. *It is further ordered,* That this proceeding is terminated.

Adopted: June 7, 1972.

Released: June 12, 1972.

FEDERAL COMMUNICATIONS COMMISSION,[1]
[SEAL] BEN F. WAPLE,
Secretary.

As taken from the Commission's license files of May 1, 1972, the following licensees are authorized to operate on the frequencies shown in the Fire Radio Service:

	Licensee/Frequencies
Albany, N.Y.	460.550/465.550
Alexandria, Va.	460.525/465.525
Charlotte, N.C.	460.525/465.525; 460.550/465.550
Colorado Springs, Colo.	460.525/465.525
De Kalb County, Ga.	460.525/465.525
Georgia, State of	460.550
Houston, Tex.	460.525/465.525; 460.550/465.550
Jersey City, N.J.	460.550/465.550
Los Angeles, Calif.	460.525/465.525
Louisville, Ky.	460.550/465.550
Miami, Fla.	460.525/465.525; 460.550/465.550
Miami Beach, Fla.	460.525/465.525; 460.550/465.550
New York, N.Y.	460.525/465.525
Niagara Falls, N.Y.	460.525/465.525
Portland, Oreg.	460.525/465.525; 460.550/465.550
Pueblo, Colo.	460.550/465.550
Riverside, Calif.	460.550/465.550
Tampa, Fla.	465.550
Worcester, Mass.	460.525/465.525

[FR Doc.72-9033 Filed 6-14-72;8:50 am]

Title 50—WILDLIFE AND FISHERIES

Chapter I—Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior

PART 28—PUBLIC USE

Merritt Island National Wildlife Refuge, Fla.

F.R. Doc. 71-14006 dated 9-23-71 is hereby rescinded; the following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER (6-15-72).

§ 28.28 Special regulations, public access, used, and recreation; for individual wildlife refuge areas.

FLORIDA

MERRITT ISLAND NATIONAL WILDLIFE REFUGE

Public use on the Merritt Island National Wildlife Refuge, Titusville, Fla.,

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[15] Commissioner Reid absent; Commissioner Wiley not participating.

[1] Commissioners Johnson and Wiley not participating; Commissioner Reid absent.

is permitted only on the areas designated as open to public use. These open areas, comprising 80,000 acres, are delineated on a map available at the refuge headquarters and from the office of the Regional Director, Bureau of Sport Fisheries and Wildlife, Peachtree-Seventh Building, Atlanta, Ga. 30323. Portions of the area open to public use may be closed from time to time without prior notice due to security requirements deemed necessary by the Director, John F. Kennedy Space Center, Fla. Public use shall be in accordance with all local, State, and Federal laws, ordinances, and regulations except for the following special conditions:

(1) The refuge is open to public use activities only from 1 hour before sunrise until 1 hour after sunset.

(2) Firearms, spears, bows and arrows, and other types of weapons are not permitted on the refuge except when specifically authorized in conjunction with refuge hunting programs.

(3) Air thrust boats are not permitted on the refuge except for official use.

(4) Conservation oriented camping is permitted on the refuge only with advance written authorization from the refuge manager.

(5) Fires are permitted only in approved sections of the designated campgrounds.

(6) Picnicking is permitted only in designated areas.

(7) Swimming, surfing, and surf fishing are permitted only on specifically designated portions of the beach.

(8) On the refuge ocean barrier beach area between Mosquito Lagoon and the Atlantic Ocean, motor vehicles, including dune buggies and two-wheeled vehicles, are not permitted off established paved or graded roads and parking areas except that vehicles may travel the beach below mean high tide north of NASA's Camera Pad No. 10. Vehicles must gain access to the front beach only at designated dune crossings located at Camera Pad No. 10 and at a point 2 miles south of the north boundary of the refuge. All other off-road use by vehicles is prohibited.

(9) Glass beverage bottles are prohibited within the 5-mile beach area south of Camera Pad No. 10 served by the concession contract.

The provisions of this special regulation supplement the regulations which govern public use on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 28, and are effective until revoked.

C. EDWARD CARLSON,
Regional Director, Bureau of Sport Fisheries and Wildlife.

JUNE 7, 1972.

[FR Doc. 72-9018 Filed 6-14-72;8:48 am]

Title 6—ECONOMIC STABILIZATION

Chapter III—Price Commission

PART 300—PRICE STABILIZATION

Clarification of Pay Limitations; Low Profit Firms

The purpose of this amendment to Part 300 of the regulations of the Price Commission is to clarify and more closely delineate certain requirements of §§ 300.31 and 300.32 thereof with respect to executive pay limitations applicable to firms wishing to qualify as low profit firms under those sections.

Current §§ 300.31(f) and 300.32(a) state that a firm may not qualify as a low profit firm thereunder so long as "it pays or credits to any of its principal officers or employees, or any of its officers or employees who are owners or relatives of owners" of the firm, a rate of salary or other compensation or benefit that exceeds his total compensation or benefits for its last fiscal year by more than 5.5 percent. The Commission has determined that this provision is too restrictive as it applies to officers or employees who are not owners or relatives of owners and is therefore deleting the phrase "any of its principal officers or employees or."

In this connection, the word "owner" is being defined to express the Commission's intention that it apply only to an officer or employee who owns (or is considered to own) more than 5 percent of the outstanding stock of a corporation.

Because the purpose of this amendment is to provide clarification and immediate guidance and information as to the price stabilization program, and to relieve a restriction, it is hereby found that notice and public procedure thereon is impracticable and that good cause exists for making it effective less than 30 days after publication.

(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, Jan. 27, 1972; Cost of Living Council Order No. 4, 36 F.R. 20202, Oct. 16, 1971)

In consideration of the foregoing, Part 300 of Title 6 of the Code of Federal Regulations is amended as set forth below, effective June 1, 1972.

Issued in Washington, D.C. on June 12, 1972.

C. JACKSON GRAYSON, Jr.,
Chairman, Price Commission.

1. Paragraph (f) of § 300.31 is amended to read as follows:

§ 300.31 Low profit firms: Manufacturers, wholesalers, and retailers.

* * * * *

(f) *Pay limitations.* No firm may qualify as a low profit firm if, during its current fiscal year, and for as long as it continues to use this section as a basis for further increasing any price, it pays or credits to any of its officers or employees who is an owner or a relative of an owner of the firm a rate of salary or other compensation or benefit which exceeds the rate of salary or other compensation or benefit it paid or credited to that officer or employee during its most recent fiscal year, plus 5.5 percent for each fiscal year thereafter. For the purposes of this paragraph, the word "owner" means an officer or employee who owns (or is considered to own within the meaning of section 318(a)(1) of the Internal Revenue Code) on any day of the fiscal year concerned, more than 5 percent of the outstanding stock of the firm.

* * * * *

2. Paragraph (c) of § 300.32 is amended by striking out the last sentence and inserting the following in place thereof:

§ 300.32 Low profit firms: Certain service organizations.

* * * * *

(c) *General rule.* * * * However, no firm may qualify as a low profit firm if, during its current fiscal year, and for as long as it continues to use this section as a basis for further increasing any price, it pays or credits to any of its officers or employees who is an owner or a relative of an owner of the firm a rate of salary or other compensation or benefit which exceeds the rate of salary or other compensation or benefit it paid or credited to that officer or employee during its most recent fiscal year, plus 5.5 percent for each fiscal year thereafter. For the purposes of this paragraph, the word "owner" means an officer or employee who owns (or is considered to own within the meaning of section 318(a)(1) of the Internal Revenue Code) on any day of the fiscal year concerned, more than 5 percent of the outstanding stock of the firm.

* * * * *

[FR Doc.72-9093 Filed 6-14-72;8:50 am]

PART 300—PRICE STABILIZATION

Windfall Profits; Renegotiated Construction Contracts

The purpose of this amendment is to add a new § 300.58 to the regulations of the Price Commission, relating to construction industry payments in cases in which wages and salaries of construction workers have been affected by action of the Construction Industry Stabilization Committee (CISC). The new section provides for renegotiation of construction contracts, if the wage and salary level of construction workers used in determining the final payment is reduced by any action of CISC. Each renegotiation shall be conducted pursuant to the provisions of the contract relating to renegotiation, or if there are none in the contract, pursuant to customary renegotiation practices and procedures of the construction industry. It also requires that the amount by which the final payments are to be reduced by renegotiation must fairly reflect the results of the CISC action, including any

allowable cost increases resulting therefrom.

Because the purpose of this amendment is to provide immediate guidance and information as to price stabilization rules for construction contracts, it is hereby found that notice and public procedure thereon is impracticable and that good cause exists for making it effective less than 30 days after publication.

(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, Jan. 27, 1972; Cost of Living Council Order No. 4, 36 F.R. 20202, Oct. 16, 1971)

In consideration of the foregoing, Part 300 of Title 6 of the Code of Federal Regulations is amended, effective June 14, 1972, by adding a new § 300.58 after § 300.54 reading as follows:

§ 300.58 Windfall profits: Renegotiation of construction contracts by reason of actions taken by the Construction Industry Stabilization Committee (CISC).

In addition to any other provision of this part relating to profit margins or allowable cost, the final payments under any construction contract entered into after March 29, 1971, all or part of which contract is performed by construction workers whose wages and salaries are subject to review by the Construction Industry Stabilization Committee (CISC) pursuant to Executive Order No. 11588 (3 CFR Comp., 36 F.R. 6339), shall be renegotiated if the wage and salary level of construction workers used in determining the final payment is reduced pursuant to a decision of the CISC. The renegotiation shall be conducted pursuant to the provisions of the contract concerned relating to renegotiation, or if there are no such provisions in the contract, pursuant to customary renegotiation procedures and practices of the Construction Industry. The amount by which the final payment with respect to any contract shall be reduced as a result of the renegotiation must fairly reflect the results of the CISC action, including any allowable cost increases resulting therefrom.

Issued in Washington, D.C., on June 12, 1972.

C. JACKSON GRAYSON, Jr.,
Chairman, Price Commission.

[FR Doc.72-9092 Filed 6-14-72;8:50 am]

Title 7—AGRICULTURE

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

[Valencia Orange Reg. 396]

PART 908—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 908.696 Valencia Orange Regulation 396.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 908, as amended (7 CFR Part 908), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on June 13, 1972.

(b) *Order.* (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period June 16, 1972, through June 23, 1972, are hereby fixed as follows:

(i) District 1: 227,000 cartons;

(ii) District 2: 273,000 cartons;

(iii) District 3: 150,000 cartons.

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

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

Dated: June 14, 1972.

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

[FR Doc.72-9152 Filed 6-14-72;11:24 am]

[Lemon Reg. 537]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

Correction

In F.R. Doc 72-8862 appearing on page 11673 of the issue for Saturday, June 10, 1972, the following corrections are to be made on the date and the signature:

1. The line directly below the authority citation should read "Dated: June 7, 1972," instead of "Dated: June 8, 1972."

2. The signature should read "Floyd F. Hedlund, *Director*, * * *," instead of "Paul A. Nicholson, *Deputy Director*, * * *".

Title 10—ATOMIC ENERGY

Chapter I—Atomic Energy Commission

PART 2—RULES OF PRACTICE

PART 50—LICENSING OF PRODUCTION AND UTILIZATION FACILITIES

Temporary Operating Licenses

The Atomic Energy Commission has adopted amendments to its rules of practice, 10 CFR Part 2, and its regulation,

licensing of production and utilization facilities, 10 CFR Part 50, to reflect the enactment of Public Law 92–307 on June 2, 1972.

Public Law 92–307 added a new section 192 to the Atomic Energy Act of 1954, as amended, (the Act) providing for the use of expedited procedures, in proceedings in which a hearing is otherwise required before issuance of an operating license, in connection with the issuance of certain temporary operating licenses for nuclear power reactors whose electrical energy is needed to meet specified energy needs. The hearing on the temporary operating license is to be conducted with expedited procedures as the Commission may by rule, regulation, or order deem appropriate for a full disclosure of material facts on all substantial issues raised in connection with the proposed temporary operating license.

Under the Act, prior to the addition of new section 192, the Commission was afforded considerable flexibility to develop and apply hearing procedures suitable to the nature of its proceedings. Section 192 is in no way a limitation on the Commission's preexisting authority; rather, in keeping with the expedited procedures now mandated, it expands the procedural flexibility formerly provided. The new procedures set out below, in conformity with the intent and thrust of Public Law 92–307, are specifically directed to the potential emergency power needs of this year and next.

The temporary operating licenses authorized by new section 192 would not deprive the public of a full substantive review of the health and safety and environmental matters which may be contested. All substantive requirements of applicable law would have to be satisfied. The safety evaluation by the AEC's regulatory staff and the report of the Advisory Committee on Reactor Safeguards on the project would have to be available.

The temporary operating license is to be vacated if the Commission finds that the applicant is not prosecuting the application for the full-term license with due diligence. The issuance of a temporary license would not prejudice the position of any party who is participating in the contested hearing on the full-term license.

The legislation provides for the filing of affidavits either in support of or in opposition to a petition for a temporary operating license. The hearing on the petition is not necessarily to be a trial-type hearing. If the affidavits raise a substantial issue of material fact, which, in the judgment of the Commission, must be considered for the purposes of the findings required to support issuance of the temporary operating license, the hearing would provide an opportunity, under the expedited procedures referred to above, and to the extent considered necessary by the Commission, for interested parties to present evidence and ask questions pertinent to the substantial issue of material fact. This authority can be used in contested hearings and proceedings which are pending and in progress on the date of enactment of Public Law 92–307. If a temporary license is issued by the Commission, the final Commission action would be subject to judicial review under the Administrative Orders Review Act of 1950. The authority to issue temporary operating licenses pursuant to the legislation is limited to October 30, 1973.

The amendments to Parts 2 and 50 set out below are designed to conform Commission regulations and procedures to the new legislation.

A new § 50.57(d) has been added to reflect the Commission's authority, granted by Public Law 92–307, to issue temporary operating licenses for emergency purposes under expedited procedures. The new paragraph provides that where a hearing is required in a pending proceeding for a full-term license, a motion for a temporary operating license may be filed with the presiding officer and shall be accompanied by an affidavit or affidavits setting forth the facts upon which the applicant relies to justify issuance of a temporary operating license. Any party to the proceeding may file affidavits in support of, or in opposition to, the motion within specified time limits.

A temporary operating license may be issued upon findings that:

(i) The provisions of section 185 of the Act have been met with respect to the temporary operating license;

(ii) Operation of the facility during the period of the temporary operating license in accordance with its terms and conditions will provide adequate protection of the environment during the period of the temporary operating license; and

(iii) Operation of the facility in accordance with the terms and conditions of the temporary operating license is essential toward insuring that the power generating capacity of a utility system or power pool is at, or is restored to, the levels required to assure the adequacy and reliability of the power supply, taking into consideration factors which include, but need not be limited to, alternative available sources of supply, historical reserve requirements for the systems involved to function reliably, the possible endangerment to the public health and safety in the event of power shortages, and data from appropriate Federal and State governmental bodies which have official responsibility to assure an adequate and reliable power supply.

The presiding officer will hold a hearing on that motion and any supporting material after ten (10) days notice and publication once in the FEDERAL REGISTER. The hearing will be limited to oral argument deemed pertinent by the presiding officer to the above findings and, in the event any substantial issues of material fact are raised in the affidavits filed in connection with the proposed temporary operating license, as determined by the presiding officer, the presentation of evidence and asking of questions to the extent considered necessary by the presiding officer for the full disclosure of such facts or to facilitate the resolution of such issues. The hearing will be conducted in accordance with expedited procedures set out in a new Subpart F of Part 2. The presiding officer will make appropriate findings as specified above. If the findings are in the affirmative, an order will be issued authorizing issuance of a temporary operating license for the requested operation.

Any decision or other document authorizing the issuance of a temporary operating license will recite with specificity the reasons justifying the issuance. The temporary operating license will contain such terms and conditions as the Commission deems appropriate, including the requirement that the licensee not retire, dismantle, or perform any maintenance that could reasonably be delayed on any of its existing generating capacity on the ground of the availability of the capacity from the facility which is operating under the temporary license.

Any temporary operating license issued before the final detailed statement on the environmental impact has been completed will be further subject to the provisions of amended section D of Appendix D to Part 50. In that case, the issuance of the temporary operating license will also require either (1) a finding that the proposed licensing action will not have a significant adverse impact on the quality of the environment; or (2) consideration and balancing of specified environmental and public interest factors. In such a case, temporary operation beyond twenty percent (20%) of full power will not be authorized except upon specific prior approval of the Commissioners.

The availability of expedited procedures for a temporary operating license does not preclude an applicant from making a motion for a license for limited operation pursuant to the Commission's present regulations in Part 50 and, if the motion is opposed, the issuance of such a license after compliance with the provisions of Subpart G of Part 2. Moreover, atomic safety and licensing boards are expected to avoid unnecessary duplication in situations where an applicant, who has previously filed such a motion for limited operation, elects to file a new motion under the expedited procedures now provided.

As noted above, the expedited procedures for use in hearings on temporary operating licenses are outlined in a new Subpart F of Part 2.

The hearing required to be held on a motion for a temporary operating license is not necessarily a trial-type hearing. As the Report of the Joint Committee on Atomic Energy (H.R. Rept. No. 92–1027, S. Rept. No. 92–787) states, the requirement for a trial-type hearing was not considered appropriate to provide the procedural flexibility needed for the Commission to be responsive to emergency situations. The basic purpose of the hearing on the temporary operating license is to amplify, to the extent necessary, matters that have been put forward in the required affidavits and pleadings. If the required affidavits do not raise a

substantial issue of material fact which, in the judgment of the presiding officer, must be considered for the purposes of the findings in subsection 192b of the Act, there would be no need for the presentation of evidence or the asking of questions.

In this connection, it may be noted that statutes providing for adjudications required to be determined on the record after opportunity for agency hearing—that is, a proceeding subject to sections 5, 7, and 8 of the Administrative Procedure Act (5 U.S.C. 554, 556, and 557)—have been construed as not requiring an evidentiary hearing when no issues of material fact are presented, or as affording the agency a degree of flexibility in determining the procedures appropriate to the issues presented, particularly when time is of the essence, Citizens for Allegan County v. FPC, 414 F. 2d 1125 (D.C. Cir., 1969); Persian Gulf Outward Freight Conf. v. Federal Maritime Commission, 375 F. 2d 335 (D.C. Cir., 1967); Marine Space Enclosures, Inc. v. Federal Maritime Commission, 420 F. 2d 577 (D.C. Cir., 1969). The Report of the Joint Committee on Atomic Energy on Public Law 92-307 (H.R. Rept. No. 92-1027, S. Rept. No. 92-787) shows (p. 9) that the Congress was aware of this judicial construction of the "hearing" requirements of regulatory statutes. As noted above, under the Act, prior to the addition of new section 192, the Commission was afforded considerable flexibility to develop and apply hearing procedures suitable to the nature of its proceedings.

Subpart F provides atomic safety and licensing boards with additional authority and flexibility to tailor the hearing procedures to the particular circumstances and to achieve the required and expected degree of expedition. In consonance with the legislative mandate that these procedures be "expedited procedures," the presiding officer is directed to establish a proceeding schedule with appropriate time limitations for each phase. While, in keeping with the expedited nature of the proceeding, no requests for interrogatories, depositions, or other discovery will be entertained, in the absence of extraordinary circumstances as determined by the presiding officer, the Commission intends to make publicly available on a liberal basis, documents in its files pertinent to issues stated for consideration in the notice of hearing. Furthermore, the Commission expects applicants for temporary operating licenses to do the same with respect to such documents in their files. Any failure on the part of applicants to make such documents available should be considered by the presiding officer in determining the adequacy of the basis for a decision.

Unless the presiding officer finds that the presentation of evidence is necessary either for full disclosure of material facts on a substantial issue raised in connection with the proposed temporary operating license or to facilitate the resolution of any such substantial issue, the hearing will be limited to oral argument. If any substantial issue of material fact raised in the affidavits is specified for consideration in the notice of hearing, the parties to the proceeding will be permitted to present evidence and ask questions pertinent to such issue to the extent considered necessary by the presiding officer. The hearing will not be used as an occasion for reopening matters which have already been considered in the proceeding nor issues which relate to the full-term license rather than the temporary license. In view of the statutory mandate for expedition, the presiding officer is expected to be particularly mindful of the need for preventing abuse of the hearing process. It is expected that the hearing will not be adjourned once begun, but will continue until concluded.

After the hearing on the temporary operating license, the presiding officer will promptly make the findings required by Public Law 92-307, and the Commission's regulations. Unless the Commission orders otherwise, the presiding officer on a motion for issuance of a temporary operating license would be the presiding officer designated for the hearing on the application for a full-term license. The presiding officer is expected to give appropriate priority to the temporary operating license proceeding in view of the nature of the proceeding.

The Commission is aware that the expedited procedures outlined here will impose a substantial burden on all of the parties to a proceeding. The need for a prompt decision when emergency situations arise warrants these procedures. These procedures will assure a fair hearing and a prompt decision if the parties will abide by them in good faith. An applicant filing a motion for a temporary operating license has a heavy responsibility to provide sufficient factual justification so that further requests for data will be unnecessary. This will require the disclosure of substantial underlying data relating to the duration of the authority and the level of operation sought, and it will not be sufficient for the applicant to present merely unsupported opinions.

The other parties also have a heavy burden. They must establish the substantial issues of material fact at an early date and develop specific contentions with reference to those issues. Equally important is the need to focus on the contested substantial issues of material fact in such a way that the need for evidentiary presentations or questions, if any, is apparent. The use of broad unsupported attacks or attempts to relitigate issues already foreclosed in the hearing on the full-term license will not be permitted.

A draft of the amendments set out below was placed in the Commission's Public Document Room on May 30, 1972. In addition, counsel for parties participating in pending proceedings on applications for operating licenses for nuclear power reactors were invited by the staff to attend a meeting on June 2, 1972, to discuss the amendments. Some of the comments received at that meeting are reflected in the amendments set out below.

In the formulation of the amendments set out below, the Commission has had the benefit of the analysis and recommendations contained in a petition for rule making filed on May 17, 1972, by the Environmental Defense Fund, Inc. The Commission has given careful consideration to that petition and is appreciative of the analysis and recommendations made therein.

Since the amendments which follow are intended to implement in the Commission's regulations new statutory provisions which recognize the need for, and direct expedition in temporary operating license proceedings, the Commission has found that general notice of proposed rule making and public procedure thereon are impracticable, and that good cause exists for making the amendments effective upon publication in the FEDERAL REGISTER.

Pursuant to the Atomic Energy Act of 1954, as amended, and sections 552 and 553 of title 5 of the United States Code, the following amendments to Title 10, Chapter 1, Code of Federal Regulations, Parts 2 and 50, are published as a document subject to codification to be effective upon publication in the FEDERAL REGISTER.

The Commission invites all interested persons who desire to submit written comments or suggestions for consideration in connection with the amendments to send them to the Secretary of the Commission, U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Chief, Public Proceedings Branch, within 30 days after publication of this notice in the FEDERAL REGISTER. Consideration will be given to such submission with the view to possible further amendments. Copies of comments received by the Commission may be examined at the Commission's Public Document Room, 1717 H Street NW., Washington, DC.

1. In § 50.57 of 10 CFR Part 50, the first sentence of paragraph (c) is amended and a new paragraph (d) is added to read as follows:

§ 50.57 Issuance of operating license.

* * * * *

(c) An applicant may, in a case where a hearing is held in connection with a pending proceeding under this section, make a motion in writing, pursuant to this paragraph, for an operating license authorizing low power testing (operation at more than 1 percent of full power for the purpose of testing the facility) and further operations short of full power operation. * * *

(d)(1) An applicant for an operating license for a nuclear power reactor, in a case where a hearing is required in a pending proceeding under this section, may make a motion in writing, pursuant to this paragraph for a temporary operating license authorizing operation of the facility pending final action on the application.

(2) A motion for a temporary operating license for a nuclear power reactor may be filed at any time subsequent to the filing of (i) the report submitted by the Advisory Committee on Reactor Safeguards pursuant to section 182b. of the Act, (ii) the regulatory staff's

safety evaluation of the application, and (iii) the regulatory staff's final detailed statement on the environmental impact of the facility prepared pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969. If such motion requests a temporary operating license authorizing operation of a nuclear power reactor for which the operating license application was filed on or before September 9, 1971, such motion may be filed before such final detailed statement on the environmental impact of the facility has been completed.

(3) The motion shall be accompanied by an affidavit or affidavits setting forth the facts upon which the applicant relies to justify issuance of the temporary operating license. Any party to the proceeding may file affidavits in support of, or in opposition to, the motion within the time limit for filing such affidavits specified in § 2.603 of this chapter. The presiding officer shall hold a hearing on such motion and any supporting material filed in connection therewith upon ten (10) days notice and publication in the FEDERAL REGISTER. Such hearing shall be limited to (i) oral argument deemed pertinent by the board to the findings specified in (*a*) through (*c*) of this subparagraph and (ii) presentation of evidence and asking of questions to the extent considered necessary by the presiding officer either to facilitate the resolution of any substantial issue of material fact specified in the notice of hearing, or for full disclosure of such facts. Such hearing shall be conducted in accordance with expedited procedures as outlined in Subpart F of Part 2 of this chapter. The presiding officer, prior to taking any action on such motion, shall make findings on the following matters:

(*a*) Whether the provisions of section 185 of the Act as specified in paragraph (a) of this section have been met with respect to the temporary operating license;

(*b*) Whether operation of the nuclear power reactor during the period of the temporary operating license in accordance with its terms and conditions will provide adequate protection of the environment during the period of the temporary operating license; and

(*c*) Whether operation of the nuclear power reactor in accordance with the terms and conditions of the temporary operating license is essential toward insuring that the power generating capacity of a utility system or power pool is at, or is restored to, the levels required to assure the adequacy and reliability of the power supply, taking into consideration factors which include, but need not be limited to, alternative available sources of supply, historical reserve requirements for the systems involved to function reliably, the possible endangerment to the public health and safety in the event of power shortages, and data from appropriate Federal and State governmental bodies which have official responsibility to assure an adequate and reliable power supply.

(4) If the presiding officer makes affirmative findings on the matters specified in subparagraph (3) of this paragraph, and other applicable requirements of the Commission's regulations have been met, he shall issue a written order authorizing the Director of Regulation to issue a temporary operating license for the requested operation.

(5) No temporary operating licenses pursuant to this paragraph will be issued after October 30, 1973.

(6) Any decision or other document authorizing the issuance of a temporary operating license pursuant to this paragraph shall recite with specificity the reasons justifying the issuance.

(7) All temporary operating licenses issued pursuant to this paragraph will contain such terms and conditions as the Commission may deem appropriate, including the duration of the license and any provisions for the extension thereof, and the requirement that the licensee not retire, dismantle, or perform any maintenance that could reasonably be delayed on any of its existing generating capacity on the ground of the availability of the capacity from the facility which is operating under the temporary license. The Commission will vacate the temporary operating license issued pursuant to this paragraph if it finds that the applicant is not prosecuting its application for the full-term operating license with due diligence.

2. A footnote is added at the end of paragraph A 12. of Appendix D of 10 CFR Part 50 to reads as follows:

[9a] In a proceeding in which a hearing is required for the issuance of an operating license for nuclear power reactor, the applicant may make a motion in writing, pursuant to § 50.57(d), for a temporary operating license authorizing operation of the facility pending final action on the application. If such a motion is made, the provisions of § 50.57(d) and Subpart F of Part 2 of this chapter shall apply in regard to the Atomic Safety and Licensing Board's determination in the matter.

3. In Section D of Appendix D of 10 CFR Part 50, paragraph 2 is amended, the sixth, seventh, and eighth sentences of paragraph 3 are deleted, and a new sixth sentence is added to paragraph 3, to read as follows:

D. *Procedures Applicable to Pending Hearings or Proceedings to be Noticed in the Near Future*

* * * * *

2. (a) In a proceeding in which a hearing is required for the issuance of an operating license for a nuclear power reactor, where the final detailed statement required by paragraph 8 of section A has not been completed, the applicant may, pursuant to § 50.57(c), make a motion in writing for the issuance of a license authorizing the loading of fuel in the reactor core and limited operation within the scope of § 50.57(c), or, if the application for the operating license was filed on or before September 9, 1971, may, pursuant to § 50.57(d), make a motion in writing for the issuance of a temporary operating license.

(b) The Atomic Safety and Licensing Board, if the pertinent requirements of § 50.57 (c) or (d), as appropriate, have been satisfied, may grant the applicant's motion upon:

(i) Finding that the proposed licensing action will not have a significant, adverse impact on the quality of the environment, or

(ii) Considering and balancing the following factors:

(*a*) Whether it is likely that operation during the prospective review period will give rise to a significant, adverse impact on the environment; the nature and extent of such impact, if any; and whether redress of any such adverse environmental impact can reasonably be effected should modification or termination of the license result from the ongoing NEPA environmental review;

(*b*) Whether operation during the prospective review period would foreclose subsequent adoption of alternatives in facility design or operation of the type that could result from the ongoing NEPA environmental review; and

(*c*) The effect of delay in facility operation upon the public interest. Of primary importance under this criterion are the power needs to be served by the facility; the availability of alternative sources, if any, to meet those needs on a timely basis; and delay costs to the licensee and to consumers:

Provided, however, That operation beyond twenty percent (20%) of full power will not be authorized except upon specific prior approval of the Commissioners.[1]

If any party, including the staff, opposes the request, the provisions of § 50.57 (c) or (d), as appropriate, will apply with respect to the resolution of the objections of such party and the making of findings required by § 50.57 (c) or (d) and this paragraph. The Commission or the presiding Atomic Safety and Licensing Board, as appropriate, may prescribe the time within which the proceeding, or any portion thereof, will be completed. Any license so issued will be without prejudice to subsequent licensing action which may be taken by the Commission with regard to the environmental aspects of the facility, and any license issued will be conditioned to that effect.

3. * * *

If, in such proceedings, the final detailed statement required by paragraph 8 of section A has not been completed, the Commission may issue a license authorizing the loading of fuel in the reactor core and limited operation within the scope of § 5057 (c) or may, for a nuclear power reactor for which the appplication for the operating license was filed on or before September 9, 1971, issue a temporary operating license authorizing operation of the facility, after making the appropriate findings on the matters specified in § 50.57(a) and

(i) Upon a finding that the proposed licensing action will not have a significant, adverse impact on the quality of the environment or

(ii) After consideration of and balancing of the factors specified in paragraph 2.(b)(ii) of this section D:

Provided, however, That operation beyond twenty percent (20%) of full power will not be authorized except in emergency situations or other situations where the public interest so requires. * * *

(Secs. 161, 192, 68 Stat. 948, 86 Stat. 191; 42 U.S.C. 2201, 2242)

4. A new Subpart F is added to 10 CFR Part 2 to read as follows:

[1] No findings shall be made by the Board concerning operation beyond twenty percent (20%) of full power.

Subpart F—Procedures Applicable to Proceedings for the Issuance of Temporary Operating Licenses for Nuclear Power Reactors Pursuant to Section 192

Sec.
2.600 Scope of subpart.
2.601 Filing of motion and accompanying affidavits.
2.602 Contents of affidavits.
2.603 Affidavits filed in response to a motion.
2.605 Notice of hearing.
2.605 Hearing.
2.606 Final order.
2.607 Applicability of other sections.

AUTHORITY: The provisions of this Subpart F issued under sec. 161, 192, 68 Stat. 948; 86 Stat. 191; 42 U.S.C. 2201, 2242.

§ 2.600 Scope of subpart.

This subpart prescribes the procedures applicable to proceedings for the issuance of temporary operating licenses for nuclear power reactors pursuant to section 192 of the Act.

§ 2.601 Filing of motion and accompanying affidavits.

Any motion filed by an applicant for a temporary operating license for a nuclear power reactor pursuant to section 192 of the Act and § 50.57(d) of this chapter shall be in writing and the motion, including the accompanying affidavits setting forth the facts upon which the applicant relies to justify issuance of the temporary operating license, shall be served on all parties to the proceeding.

§ 2.602 Contents of affidavits.

The applicant's motion for a temporary operating license shall be accompanied by an affidavit or affidavits setting forth all the facts upon which the applicant relies to justify issuance of the temporary operating license. Any such affidavit and any affidavit filed in response thereto shall state separately the the facts and arguments and include the exhibits upon which the party relies. The facts asserted in any affidavit filed shall be sworn to or affirmed by persons having knowledge thereof, which latter fact shall affirmatively appear in the affidavit. Except under unusual circumstances such persons should be those who will appear as witnesses at the hearing on the temporary operating license to orally substantiate the facts asserted if a substantial issue of material fact to which an affidavit speaks is specified in the notice of hearing. Any affidavit filed pursuant to § 2.601 shall be accompanied by a list of documents relied on to support the facts stated in the affidavit and the place where such documents are available for inspection.

§ 2.603 Affidavits filed in response to a motion.

Any party may, within fourteen (14) days after filing of a motion by an applicant pursuant to § 50.57(d) of this chapter, or, upon a timely request and upon good cause shown, within such additional time not to exceed ten (10) days as the presiding officer[1] may prescribe, file written affidavits in support of, or in opposition to, the motion. An affidavit in opposition to the motion shall be accompanied by a short and concise statement of the material facts as to which it is contended there exists a substantial issue. Any affidavit and any accompanying statement shall be served on all parties to the proceeding.

§ 2.604 Notice of hearing.

(a) After the time for filing affidavits in response to an applicant's motion has expired, the presiding officer will promptly issue a notice of hearing to be published in the FEDERAL REGISTER ten (10) days prior to the date set for hearing in the notice. The notice will state:

(1) The time, place, and nature of the hearing;

(2) The authority under which the hearing is to be held;

(3) The names and addresses of the persons who are parties to the proceeding;[2]

(4) Any substantial issue or issues of material fact raised in affidavits filed in connection with the proposed temporary operating license which in the judgment of the presiding officer must be considered for the purposes of the findings required by § 50.57(d) of this chapter; and

(5) The time within which the hearing will be concluded and any intermediate procedural dates. Such time and dates will be in consonance with the mandate of section 192 of the Act for expedited procedures.

(b) The Secretary will serve such notice of hearing, by telegram, on all parties to the proceeding.

§ 2.605 Hearing.

(a) No prehearing conference will be held unless the presiding officer determines that such a conference would be likely to expedite the conduct of the hearing. In that event, the presiding officer shall determine the type of conference that will best serve that objective, consistent with fairness. No requests for interrogatories, depositions, or discovery shall be entertained in the absence of extraordinary circumstances as determined by the presiding officer. The presiding officer is authorized to fix time limitations and regulate the course of the proceeding and the conduct of the parties so as to achieve the maximum expedition of the proceeding consistent with fairness.

(b) (1) Unless the presiding officer finds that the presentation of evidence or the asking of questions is necessary either for full disclosure of material facts on any substantial issue specified for consideration in the notice of hearing or to facilitate the resolution of any such substantial issue, the hearing shall be limited to oral argument by any party pertinent to the findings required by § 50.57(d) for the issuance of a temporary operating license.

(2) If any substantial issue of material fact is specified for consideration in the notice of hearing, the hearing shall include, in addition to oral argument, the presentation of evidence and/or the asking of questions pertinent to such issues to the extent considered necessary by the presiding officer either for full disclosure of such facts or to facilitate the resolution of such issues.[3]

(3) The record developed pursuant to this paragraph shall be adequate to support the findings required to be made with respect to the temporary operating license.

(c)(1) Each party shall serve copies of any written testimony or documentary exhibit submitted pursuant to paragraph (b)(2) of this section on each other party and the presiding officer at least three (3) days in advance of the date of the hearing session at which such testimony or documentary exhibit is to be presented. The presiding officer may waive this requirement of service with the consent of all parties.

(2) Written testimony shall be incorporated in the transcript of the proceeding as if read or, in the discretion of the presiding officer, may, if offered by a party pursuant to paragraph (b)(2), of this section be admitted in evidence as an exhibit.

(3) A party intending to question a witness sponsored by another party shall give notice to all other parties of the subject matter of the questioning as soon as possible after written direct testimony is received, and in any event, twenty-four (24) hours before such questioning is begun.

(4) The provisions of § 2.743 (c), (d), (e), and (f) shall apply to the introduction and admission of evidence pursuant to paragraph (b)(2) of this section.

(5) All parties will be expected to make available witnesses to orally substantiate the facts asserted in connection with any substantial issue of material fact specified for consideration in the notice of hearing.

(d) Redundant, irrelevant or nonproductive testimony or questioning will not be permitted and the presiding officer shall impose suitable restrictions to that end. Evidence pertaining to matters which have already been considered in the operating license proceeding or which relate to the issuance of a full-term license shall not be received. The presiding officer shall maintain appropriate limits on the questioning of witnesses consistent with fairness and expedition of the proceeding. In view of the need for expedition, the presiding

[1] The presiding officer in proceedings subject to this subpart will ordinarily be an atomic safety and licensing board established pursuant to § 2.721.

[2] Such persons will not include any persons who are not parties to the proceeding on the application for the full-term license, except for good cause shown.

[3] Such additional procedures may be waived by the parties.

officer is expected to be particularly mindful of the need for preventing abuse of the hearing.

(e) The parties are encouraged, in the public interest, to stipulate the qualifications of any withness and, where uncontroverted, any relevant fact or the contents or authenticity of any document.

§ 2.606 Final order.

After hearing, the presiding officer will promptly make findings on the matters specified in § 50.57(d) of this chapter based on facts demonstrated or arguments made in the affidavits and pleadings filed, oral arguments made pursuant to § 2.605(b)(1) and the additional record, if any, established pursuant to § 2.605(b)(2), and issue an order either granting, in whole or in part, or denying the applicant's motion. The action of the presiding officer shall be taken without prejudice to the position of any party to the proceeding for the issuance of the full-term operating license and failure to assert any ground for denial or limitation of such temporary operating license shall not bar the assertion of such ground in connection with the full-term operating license. Such order will constitute the final action of the Commission fifteen (15) days after its date, unless exceptions are taken or the Commission or the Atomic Safety and Licensing Appeal Board, as appropriate, on its own motion directs that the decision be certified to it for review. Exceptions to the order of the presiding officer may be taken in accordance with the procedures in § 2.762, except that the time for filing exceptions to such order is ten (10) days. The presiding officer's order shall be effective immediately upon issuance.

§ 2.607 Applicability of other sections.

Subpart A of this part does not apply to proceedings under this subpart. Subpart G of this part applies to proceedings under this subpart only to the extent that Subpart G of this part is not in conflict with this subpart and only to the further extent that a particular provision of Subpart G of this part is considered by the presiding officer to be appropriate to the particular circumstances of the proceeding.

Dated at Germantown, Md., this 13th day of June 1972.

For the Atomic Energy Commission.

W. B. McCool,
Secretary of the Commission.

[FR Doc.72-9094 Filed 6-14-72;8:50 am]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 3]

MERCHANT MARINE AND FISHERIES

Proposed Capital Construction Fund

Notice is hereby given that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate and prescribed by the Secretary of Commerce or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing (preferably eight copies) to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, by August 14, 1972. Any written comments or suggestions not specifically designated as confidential in accordance with 26 CFR 601.601(b) may be inspected by any person upon written request. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner by August 14, 1972. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805), and section 607 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1177).

[SEAL] JOHNNIE M. WALTERS,
Commissioner of Internal Revenue.

HOWARD W. POLLOCK,
Administrator, National Oceanic and Atmospheric Administration.

ROBERT J. BLACKWELL,
Assistant Secretary of Commerce for Maritime Affairs.

In order to conform the Capital Construction Fund Regulations (26 CFR Part 3) to the amendments of the Merchant Marine Act, 1936 (46 U.S.C. 1101), as amended by section 21 of the Merchant Marine Act of 1970 (84 Stat. 1031), such regulations are hereby amended as set forth below. Section 3.3(b)(4) of the regulations hereby proposed supersedes those provisions of § 3.1 (temporary regulations concerning execution of agreements and deposits made in a capital construction fund) of this chapter, which were prescribed by T.D. 7156 approved December 23, 1971 (36 F.R. 25228).

The regulations contained in 26 CFR Part 3 are revised to read as follows. Such regulations are effective with respect to taxable years beginning after December 31, 1969.

PART 3—MERCHANT MARINE AND FISHERIES CAPITAL CONSTRUCTION FUND

Sec.

AUTHORITY: The provisions of this Part 3 issued under sec. 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805), and sec. 607 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1177).

§ 3.0 Statutory provisons; section 607, Merchant Marine Act, 1936, as amended.

SEC. 607 (a) Agreement Rules.

Any citizen of the United States owning or leasing one or more eligible vessels (as defined in subsection (k)(1)) may enter into an agreement with the Secretary of Commerce under, and as provided in, this section to establish a capital construction fund (hereinafter in this section referred to as the "fund") with respect to any or all of such vessels. Any agreement entered into under this section shall be for the purpose of providing replacement vessels, additional vessels, or reconstructed vessels, built in the United States and documented under the laws of the United States for operation in the United States foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States and shall provide for the deposit in the fund of the amounts agreed upon as necessary or appropriate to provide for qualified withdrawals under subsection (f). The deposits in the fund, and all withdrawals from the fund, whether qualified or nonqualified, shall be subject to such conditions and requirements as the Secretary of Commerce may by regulations prescribe or are set forth in such agreement; except that the Secretary of Commerce may not require any person to deposit in the fund for any taxable year more than 50 percent of that portion of such person's taxable income for such year (computed in the manner provided in subsection (b)(1)(A)) which is attributable to the operation of the agreement vessels.

(b) Ceiling on Deposits.

(1) The amount deposited under subsection (a) in the fund for any taxable year shall not exceed the sum of:

(A) That portion of the taxable income of the owner or lessee for such year (computed as provided in chapter 1 of the Internal Revenue Code of 1954 but without regard to the carryback of any net operating loss or net capital loss and without regard to this section) which is attributable to the operation of the agreement vessels in the foreign or domestic commerce of the United States or in the fisheries of the United States.

(B) The amount allowable as a deduction under section 167 of the Internal Revenue Code of 1954 for such year with respect to the agreement vessels,

(C) If the transaction is not taken into account for purposes of subparagraph (A), the net proceeds (as defined in joint regulations) from (i) the sale or other disposition of any agreement vessel, or (ii) insurance or indemnity attributable to any agreement vessel, and

(D) The receipts from the investment or reinvestment of amounts held in such fund.

(2) In the case of a lessee, the maximum amount which may be deposited with respect to an agreement vessel by reason of paragraph (1)(B) for any period shall be reduced by any amount which, under an agreement entered into under this section, the owner is required or permitted to deposit for such period with repsect to such vessel by reason of paragraph (1)(B).

(3) For purposes of paragraph (1), the term "agreement vessel" includes barges and containers which are part of the complement of such vessel and which are provided for in the agreement.

(c) Requirements as to Investments.

Amounts in any fund established under this section shall be kept in the depository or depositories specified in the agreement and shall be subject to such trustee and other fiduciary requirements as may be specified by the Secretary of Commerce. They may be invested only in interest-bearing securities approved by the Secretary of Commerce; except that, if the Secretary of Commerce consents thereto, an agreed percentage (not in excess of 60 percent) of the assets of the fund may be invested in the stock of domestic corporations. Such stock must be currently fully listed and registered on an exchange registered with the Securities and Exchange Commission as a national securities exchange, and must be stock which would be acquired by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and the preservation of their capital. If at any time the fair market value of the stock in the fund is more than the agreed percentage of the assets in the fund, any subsequent investment of amounts deposited in the fund, and any subsequent withdrawal from the fund, shall be made in such a way as to tend to restore the fund to a situation in which the fair market value of the stock does not exceed such agreed percentage. For purposes of this subsection, if the common stock of a corporation meets the requirements of this subsection and if the preferred stock of such corporation would meet such requirements but for the fact that it cannot be listed and registered as required because it is nonvoting stock, such preferred stock shall be treated as meeting the requirements of this subsection.

(d) Nontaxability for Deposits.

(1) For purposes of the Internal Revenue Code of 1954—

(A) Taxable income (determined without regard to this section) for the taxable year shall be reduced by an amount equal to the amount deposited for the taxable year out

of amounts referred to in subsection (b)(1)(A).

(B) Gain from a transaction referred to in subsection (b)(1)(C) shall not be taken into account if an amount equal to the net proceeds (as defined in joint regulations) from such transaction is deposited in the fund,

(C) The earnings (including gains and losses) from the investment and reinvestment of amounts held in the fund shall not be taken into account,

(D) The earnings and profits of any corporation (within the meaning of section 316 of such Code) shall be determined without regard to this section, and

(E) In applying the tax imposed by section 531 of such Code (relating to the accumulated earnings tax), amounts while held in the fund shall not be taken into account.

(2) Paragraph (1) shall apply with respect to any amount only if such amount is deposited in the fund pursuant to the agreement and not later than the time provided in joint regulations.

(e) Establishment of Accounts.

For purposes of this section—

(1) Within the fund established pursuant to this section three accounts shall be maintained:

(A) The capital account,

(B) The capital gain account, and

(C) The ordinary income account.

(2) The capital account shall consist of—

(A) Amounts referred to in subsection (b)(1)(B),

(B) Amounts referred to in subsection (b)(1)(C) other than that portion thereof which represents gain not taken into account by reason of subsection (d)(1)(b),

(C) 85 percent of any dividend received by the fund with respect to which the person maintaining the fund would (but for subsection (d)(1)(C)) be allowed a deduction under section 243 of the Internal Revenue Code of 1954, and

(D) Interest income exempt from taxation under section 103 of such Code.

(3) The capital gain account shall consist of—

(A) Amounts representing capital gains on assets held for more than 6 months and referred to in subsection (b)(1)(C) or (b)(1)(D), reduced by—

(B) Amounts representing capital losses on assets held in the fund for more than 6 months.

(4) The ordinary income account shall consist of—

(A) Amounts referred to in subsection (b)(1)(A),

(B) (i) Amounts representing capital gains on assets held for 6 months or less and referred to in subsection (b)(1)(C) or (b)(1)(D), reduced by—

(ii) Amounts representing capital losses on assets held in the fund for 6 months or less,

(C) Interest (not including any tax-exempt interest referred to in paragraph (2)(D) and other ordinary income (not including any dividend referred to in subparagraph (E)) received on assets held in the fund,

(D) Ordinary income from a transaction described in subsection (b)(1)(C), and

(E) 15 percent of any dividend referred to in paragraph (2)(C).

(5) Except on termination of a fund, capital losses referred to in paragraph (3)(B) or in paragraph (4)(B)(ii) shall be allowed only as an offset to gains referred to in paragraph (3)(A) or (4)(B)(i), respectively.

(f) Purposes of Qualified Withdrawals.

(1) A qualified withdrawal from the fund is one made in accordance with the terms of the agreement but only if it is for:

(A) The acquisition, construction, or reconstruction of a qualified vessel,

(B) The acquisition, construction, or reconstruction of barges and containers which are part of the complement of a qualified vessel, or

(C) The payment of the principal on indebtedness incurred in connection with the acquisition, construction or reconstruction of a qualified vessel or a barge or container which is part of the complement of a qualified vessel.

Except to the extent provided in regulations prescribed by the Secretary of Commerce, subparagraph (B), and so much of subparagraph (C) as relates only to barges and containers, shall apply only with respect to barges and containers constructed in the United States.

(2) Under joint regulations, if the Secretary of Commerce determines that any substantial obligation under any agreement is not being fulfilled, he may, after notice and opportunity for hearing to the person maintaining the fund, treat the entire fund or any portion thereof as an amount withdrawn from the fund in a nonqualified withdrawal.

(g) Tax Treatment of Qualified Withdrawals.

(1) Any qualified withdrawal from a fund shall be treated—

(A) First as made out of the capital account.

(B) Second as made out of the capital gain account, and

(C) Third as made out of the ordinary income account.

(2) If any portion of a qualified withdrawal for a vessel, barge, or container is made out of the ordinary income account, the basis of such vessel, barge, or container shall be reduced by an amount equal to such portion.

(3) If any portion of a qualified withdrawal for a vessel, barge, or container is made out of the capital gain account, the basis of such vessel, barge, or container shall be reduced by an amount equal to—

(A) Five-eighths of such portion, in the case of a corporation (other than an electing small business corporation, as defined in section 1371 of the Internal Revenue Code of 1954), or

(B) One-half of such portion, in the case of any other person.

(4) If any portion of a qualified withdrawal to pay the principal on any indebtness is made out of the ordinary income account or the capital gain account, then an amount equal to the aggregate reduction which would be required by paragraphs (2) and (3) if this were a qualified withdrawal for a purpose described in such paragraphs shall be applied, in the order provided in joint regulations, to reduce the basis of vessels, barges, and containers owned by the person maintaining the fund. Any amount of a withdrawal remaining after the application of the preceding sentence shall be treated as a nonqualified withdrawal.

(5) If any property the basis of which was reduced under paragraph (2), (3), or (4) is disposed of, any gain realized on such disposition, to the extent it does not exceed the aggregate reduction in the basis of such property under such paragraphs, shall be treated as an amount referred to in subsection (h)(3)(A) which was withdrawn on the date of such disposition. Subject to such conditions and requirements as may be provided in joint regulations, the preceding sentence shall not apply to a disposition where there is a redeposit in an amount determined under joint regulations which will, insofar as practicable, restore the fund to the position it was in before the withdrawal.

(h) Tax Treatment of Nonqualified Withdrawals.

(1) Except as provided in subsection (i), any withdrawal from a fund which is not a qualified withdrawal shall be treated as a nonqualified withdrawal.

(2) Any nonqualified withdrawal from a fund shall be treated—

(A) First as made out of the ordinary income account,

(B) Second as made out of the capital gain account, and

(C) Third as made out of the capital account.

For purposes of this section, items withdrawn from any account shall be treated as withdrawn on a first-in-first-out basis; except that (y) any nonqualified withdrawal for research, development, and design expenses incident to new and advanced ship design, machinery and equipment, and (ii) any amount treated as a nonqualified withdrawal under the second sentence of subsection (g)(4), shall be treated as withdrawn on a last-in-first-out basis.

(3) For purposes of the Internal Revenue Code of 1954—

(A) Any amount referred to in paragraph (2)(A) shall be included in income as an item of ordinary income for the taxable year in which the withdrawal is made.

(B) Any amount referred to in paragraph (2)(B) shall be included in income for the taxable year in which the withdrawal is made as an item of gain realized during such year from the disposition of an asset held for more than 6 months, and

(C) For the period on or before the last date prescribed for payment of tax for the taxable year in which this withdrawal is made—

(i) No interest shall be payable under section 6601 of such Code and no addition to the tax shall be payable under section 6651 of such Code,

(ii) Interest on the amount of the additional tax attributable to any item referred to in subparagraph (A) or (B) shall be paid at the applicable rate (as defined in paragraph (4)) from the last date prescribed for payment of the tax for the taxable year for which such item was deposited in the fund, and

(iii) No interest shall be payable on amounts referred to in clauses (i) and (ii) of paragraph (2) or in the case of any nonqualified withdrawal arising from the application of the recapture provision of section 606(5) of the Merchant Marine Act of 1936 as in effect on December 31, 1969.

(4) For purposes of paragraph (3)(C)(ii), the applicable rate of interest for any nonqualified withdrawal—

(A) Made in a taxable year beginning in 1970 or 1971 is 8 percent, or

(B) Made in a taxable year beginning after 1971, shall be determined and published jointly by the Secretary of the Treasury and the Secretary of Commerce and shall bear a relationship to 8 percent which the Secretaries determine under joint regulations to be comparable to the relationship which the money rates and investment yields for the calendar year immediately preceding the beginning of the taxable year bear to the money rates and investment yields for the calendar year 1970.

(i) Certain Corporate Reorganizations and Changes in Partnerships.

Under joint regulations—

(1) A transfer of a fund from one person to another person in a transaction to which section 381 of the Internal Revenue Code of 1954 applies may be treated as if such transaction did not constitute a nonqualified withdrawal, and

(2) A similar rule shall be applied in the case of a continuation of a partnership (within the meaning of subchapter K of such Code).

(j) Treatment of Existing Funds.

(1) Any person who was maintaining a fund or funds (hereinafter in this subsection referred to as "old fund") under this section (as in effect before the enactment of this subsection) may elect to continue such old fund but—

(A) May not hold moneys in the old fund beyond the expiration date provided in the agreement under which such old fund is maintained (determined without regard to any extension or renewal entered into after April 14, 1970),

(B) May not simultaneously maintain such old fund and a new fund established under this section, and

(C) If he enters into an agreement under this section to establish a new fund, may agree to the extension of such agreement to some or all of the amounts in the old fund.

(2) In the case of any extension of an agreement pursuant to paragraph (1)(C), each item in the old fund to be transferred shall be transferred in a nontaxable transaction to the appropriate account in the new fund established under this section. For purposes of subsection (h)(3)(C), the date of the deposit of any item so transferred shall be July 1, 1971, or the date of the deposit in the old fund, whichever is the later.

(k) Definitions.

For purposes of this section—

(1) The term "eligible vessel" means any vessel—

(A) Constructed in the United States and, if reconstructed, reconstructed in the United States,

(B) Documented under the laws of the United States, and

(C) Operated in the foreign or domestic commerce of the United States or in the fisheries of the United States.

Any vessel which (i) was constructed outside of the United States but documented under the laws of the United States on April 15, 1970, or (ii) constructed outside the United States for use in the United States foreign trade pursuant to a contract entered into before April 15, 1970, shall be treated as satisfying the requirements of subparagraph (A) of this paragraph and the requirements of subparagraph (A) of paragraph (2).

(2) The term "qualified vessel" means any vessel—

(A) Constructed in the United States and, if reconstructed, reconstructed in the United States,

(B) Documented under the laws of the United States, and

(C) Which the person maintaining the fund agrees with the Secretary of Commerce will be operated in the United States foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States.

(3) The term "agreement vessel" means any eligible vessel or qualified vessel which is subject to an agreement entered into under this section.

(4) The term "United States," when used in a geographical sense, means the continental United States including Alaska, Hawaii, and Puerto Rico.

(5) The term "United States foreign trade" includes (but is not limited to) those areas in domestic trade in which a vessel built with construction-differential subsidy is permitted to operate under the first sentence of section 506 of this Act.

(6) The term "joint regulations" means regulations prescribed under subsection (l).

(7) The term "vessel" includes cargo handling equipment which the Secretary of Commerce determines is intended for use primarily on the vessel. The term "vessel" also includes an ocean-going towing vessel or an ocean-going barge or comparable towing vessel or barge operated on the Great Lakes.

(8) The term "noncontiguous trade" means (i) trade between the contiguous forty-eight States on the one hand and Alaska, Hawaii, Puerto Rico and the insular territories and possessions of the United States on the other hand, and (ii) trade between Alaska, Hawaii, and Puerto Rico and such territories and possessions and (iii) trade between the islands of Hawaii.

(l) Records; Reports; Changes in Regulations.

Each person maintaining a fund under this section shall keep such records and shall make such reports as the Secretary of Commerce or the Secretary of the Treasury shall require. The Secretary of the Treasury and the Secretary of Commerce shall jointly prescribe all rules and regulations, not inconsistent with the foregoing provisions of this section, as may be necessary or appropriate to the determination of tax liability under this section. If, after an agreement has been entered into under this section, a change is made either in the joint regulations or in the regulations prescribed by the Secretary of Commerce under this section which could have a substantial effect on the rights or obligations of any person maintaining a fund under this section, such person may terminate such agreement.

[Sec. 607, Merchant Marine Act, 1936, 46 U.S.C. 1177, as amended by sec. 21(a), Merchant Marine Act of 1970 (84 Stat. 1026)]

§ 3.1 Scope of section 607 of the Act and the regulations in this part.

(a) *In general.* The regulations prescribed in this part provide rules for determining the income tax liability of any person a party to an agreement with the Secretary of Commerce establishing a capital construction fund (for purposes of this part referred to as the "fund") authorized by section 607 of the Merchant Marine Act, 1936, as amended (for purposes of this part referred to as the "Act"). With respect to such parties, section 607 of the Act in general provides for the nontaxability of certain deposits of money or other property into the fund out of earnings or gains realized from the operation of vessels covered in an agreement, gains realized from the sale or other disposition of agreement vessels or proceeds from insurance for indemnification for loss of agreement vessels, earnings from the investment or reinvestment of amounts held in a fund and gains with respect to amounts or deposits in the fund. Transitional rules are also provided for the treatment of "old funds" existing on or before the effective date of the Merchant Marine Act of 1970 (see § 3.10).

(b) *Cross references.* For rules relating to eligibility for a fund, deposits, and withdrawals and other aspects, see the regulations prescribed by the Secretary of Commerce in titles 46 (Merchant Marine) and 50 (Fisheries) of the Code of Federal Regulations.

(c) *Code.* For purposes of this part, the term "Code" means the Internal Revenue Code of 1954, as amended.

§ 3.2 Ceiling on deposits.

(a) *In general*—(1) *Total ceiling.* Section 607(b) of the Act provides a ceiling on the amount which may be deposited by a party in a taxable year pursuant to an agreement. The amount which a party may deposit into a fund may not exceed the sum of the following subceilings:

(i) The lower of (*a*) the taxable income (if any) of the party for such year (computed as provided in chapter 1 of the Code but without regard to the carryback of any net operating loss or net capital loss and without regard to section 607 of the Act) or (*b*) taxable income (if any) attributable under paragraph (b) of this section to the operation of agreement vessels (as defined in paragraph (f) of this section) in the foreign or domestic commerce of the United States or in the fisheries of the United States (see section 607(b)(1)(A) of the Act),

(ii) Amounts allowable as a deduction under section 167 of the Code for such year with respect to the agreement vessels (see section 607(b)(1)(B) of the Act),

(iii) The net proceeds (if not included in subdivision (i) of this subparagraph) from (*a*) the sale or other disposition of any agreement vessels or (*b*) insurance or indemnity attributable to any agreement vessels (see section 607(b)(1)(C) of the Act and paragraph (c) of this section), and

(iv) Receipts from the investment or reinvestment of amounts held in such fund (see section 607(b)(1)(D) of the Act and paragraph (d) of this section).

(2) *Overdeposits.* If for any taxable year an amount is deposited into the fund under a subceiling computed under subparagraph (1) of this paragraph which is in excess of the amount of such subceiling for such year, then at the taxpayer's option such excess may—

(i) Be withdrawn from the fund,

(ii) Be treated as a deposit into the fund for that taxable year under another available subceiling, but only if the total amount deposited for that year does not exceed the total ceiling available for that taxable year (as determined under section 607(b)(1) of the Act and subparagraph (1) of this paragraph),

(iii) Be treated as deposited under the subceiling under which such amount was originally deposited for the first subsequent taxable year for which that particular subceiling is available, or

(iv) Be treated as a deposit into the fund under any other subceiling available in the first subsequent taxable year, provided, however, that such excess is first applied as a deposit for such taxable year under the subceiling under which such amount was originally deposited.

Amounts which the party chooses to have treated as deposits for a subsequent taxable year under the preceding sentence shall be deemed to have been deposited on the first day of such subsequent taxable year. If the party chooses to withdraw such excess from the fund instead of having it treated as a deposit for a subsequent year, tax liability will be determined as though no deposit and withdrawal had been made.

(3) *Underdeposit caused by audit adjustment.* If, upon an audit of a party's Federal income tax return, the District Director makes an adjustment which produces an allowable subceiling in a taxable year in excess of deposits which relate to such taxable year (determined

under this section), then the party may make a deposit equal to the difference between the allowable subceiling as determined on audit and his previous subceiling. Such deposits will reduce the party's taxable income or be excluded from gross income (as the case may be), and will be related to the fund's subceilings in the manner provided in subparagraphs (1) and (2) of this paragraph, in the taxable year to which they related. For example, if deposits are made in 1972 and 1974 of an amount equal to an amount of earnings from shipping operations in 1971, and the 1974 deposit represents the portion of the taxable income that resulted from adjustments made upon an audit by the Internal Revenue Service, then the amounts deposited in 1972 and 1974 would both reduce taxable income for 1971. However, for purposes of determining the order of withdrawals under § 3.6(b) and § 3.7(c) and interest on nonqualified withdrawals under § 3.7(e), these deposits will be treated as having been made on the date they were actually made.

(b) *Taxable income attributable to the operation of an agreement vessel*—(1) *In general.* For purposes of this section, taxable income attributable to the operation of an agreement vessel means the amount, if any, by which the gross income of a party for the taxable year from the operation of an agreement vessel (as defined in paragraph (f) of this section) exceeds the allowable deductions allocable to such operation (as determined under subparagraph (3) of this paragraph). The term "taxable income attributable to the operation of the agreement vessels" means the sum of the amounts described in the preceding sentence.

(2) *Gross income.* (i) Gross income from the operation of agreement vessels means the sum of the revenues, separately computed with respect to each agreement vessel, which are derived during the taxable year from the following:

(*a*) The transportation of passengers, freight, or mail in such vessels, from contracts for the charter of such vessels to others, from operating differential subsidies, from collections in accordance with pooling agreements and from insurance or indemnity net proceeds relating to the loss of income attributable to such agreement vessels.

(*b*) Revenues derived from the operation of agreement vessels relating to commercial fishing activities, including the transportation of fish, support activities of fishing vessels, charters for commerical fishing, and insurance or indemnity net proceeds relating to the loss of income attributable to such agreement vessels.

(*c*) Revenue from the rental, lease, or use by others of terminal facilities, revenues from cargo handling operations and tug and lighter operations, and revenues from other services or operations which are incidental and related to the operation of an agreement vessel. Thus, for example, agency fees, commissions, and brokerage fees derived by the party at his place of business for effecting transactions for services directly related to shipping for the accounts of other persons are includible in gross income from the operation of agreement vessels where the transaction is of a kind customarily consummated by the party for his own account at such place of business.

(*d*) Dividends, interest, and gains derived from assets identified and reasonably retained to meet regularly occurring obligations relating to the shipping (or fishing) business directly connected with the agreement vessel which obligations cannot at all times be met from the current revenues of the business because of layups or repairs, special surveys, fluctuations in the business, and reasonably forseeable strikes (whether or not a strike actually occurs), and security amounts retained by reason of participation in pooling agreements.

(ii) The items of gross income described in subdivision (i) (*c*) and (*d*) of this subparagraph shall be considered to be derived from the operations of a particular agreement vessel in the same proportion that the sum of the items of gross income described in subdivision (i) (*a*) and (*b*) of this subparagraph which are derived from the operations of such agreement vessel bears to the party's total gross income for the taxable year from operations described in subdivision (i) (*a*) and (*b*) of this subparagraph.

(iii) In the case of a party who uses his own or leased agreement vessels to transport his own products, the gross income attributable to such vessel operations is an amount determined to be an arm's length charge for such transportation. The arm's length charge shall be determined by application of the principles of section 482 of the Code and the regulations thereunder. Gross income attributable to the operation of agreement vessels does not include amounts for which the party is allowed a deduction for depletion under sections 611 and 613 of the Code.

(3) *Deductions.* From the items of gross income attributable to the operation of agreement vessels as determined under subparagraph (2) of this paragraph, there shall be deducted the expenses, losses, and other deductions allocable thereto and a ratable part of any expenses, losses, or other deductions which cannot be allocated to some item or class of gross income. The determination as to whether a deduction is allocable to a particular item or class of items of gross income specified in subparagraph (2) of this paragraph shall be made in accordance with the principles of § 1.861–8 of the Income Tax Regulations of this chapter. If a deduction is determined to be related to more than one item of gross income specified in subparagraph (2) of this paragraph, the deduction must be apportioned between or among such items of gross income in accordance with the principles of § 1.861–8 of the Income Tax Regulations of this chapter. When a deduction is not allocable to any item or class of gross income specified in subparagraph (2) of this paragraph, the deduction shall be apportioned ratably among all items or classes of gross income of the party in the same proportion that the amount of each item or class of gross income bears to the amount of all items and classes of gross income.

(4) *Net operating and capital loss deductions.* The taxable income of a party shall be computed without regard to the carryback of any net operating loss deduction allowed by section 172 of the Code, the carryback of any net capital loss deduction allowed by section 165(f) of the Code, or any reduction in taxable income allowed by section 607 of the Act.

(5) *Method of accounting.* Taxable income must be computed under the method of accounting which the party uses for Federal income tax purposes. Such method may include a method of reporting whereby items of revenue and expense properly allocable to voyages in progress at the end of any accounting period are eliminated from the computation of taxable income for such accounting period and taken into account in the accounting period in which the voyage is completed.

(c) *Net proceeds from transactions with respect to agreement vessels*—(1) *Net proceeds from disposition of agreement vessels.* (i) The gross proceeds from the sale or other disposition (including mortgages) of an agreement vessel is the total amount realized or to be realized by the party from the disposition of such vessel, including evidences of indebtedness and contract rights received, whether or not they constitute an amount realized under section 1001(b) of the Code and the regulations thereunder, but only to the extent not included in taxable income under paragraph (b) of this section. Net proceeds is the gross proceeds reduced by amounts necessarily paid or incurred in connection with the sale or other disposition. Net proceeds does not include amounts realized from a sale or other disposition of an agreement vessel by reason of an assumption of an indebtedness by the purchaser of such vessel or by reason of the purchaser acquiring such vessel subject to an indebtedness. Gross proceeds include amounts received as the result of the forfeiture of collateral for the payment of purchase-money obligations, but does not include interest on obligations received by the party from the sale or other disposition of an agreement vessel. For purposes of this part, any net proceeds deposited for the year of sale or other disposition shall be treated as an amount realized that year. In case of the sale of several vessels, or shares therein, for a lump sum, the net proceeds shall be allocated among each vessel or share in proportion to the fair market value of each on the date of the sale. The party must deposit an amount equal to the entire net proceeds realized or to be realized with respect to an agreement vessel as a single deposit. Except as otherwise provided in this paragraph, the term "sale or other disposition" has the same meaning as in section 1001(a)

of the Code and the regulations thereunder.

(ii) In the event the party and the purchaser are owned or controlled directly or indirectly by the same interests within the meaning of section 482 of the Code and the regulations thereunder, the amount realized or to be realized shall be the fair market value of the vessels sold or otherwise disposed of. In such case, the party shall furnish evidence sufficient, in the opinion of the Secretary of Commerce, to establish that the amount realized or to be realized is the fair market value.

(2) *Net proceeds from insurance or indemnity.* The net proceeds from insurance or indemnity attributable to an agreement vessel is the gross amount the party received under a contract of insurance or indemnity as compensation for damages done to the vessel (other than amounts intended to compensate for loss of profits) reduced by amounts necessarily paid or incurred purely for the collection of such compensation. Where the net proceeds of insurance or indemnity are received in more than one payment, the deposit of such net proceeds shall relate to the taxable year of receipt.

(d) *Receipts from the investment or reinvestment of amounts held in a fund*—(1) *In general.* Receipts from the investment or reinvestment of assets in a fund is the total amount of any interest or dividends received with respect to assets deposited in, or purchased with amounts deposited in, such fund. Receipts from the investment or reinvestment of assets held in a fund also include the total amount of any gain realized by the fund from the sale or other disposition of assets of such fund. For rules relating to receipts from the sale or other disposition of nonmoney deposits into the fund see paragraph (g) of this section.

(2) *Gain realized.* The gain realized by the fund is the excess of the amount realized (as defined in section 1001(b) of the Code and the regulations thereunder) by the fund on the sale or other disposition of a fund asset over its adjusted basis (as defined in section 1011 of the Code) to the fund. For the adjusted basis of nonmoney deposits see paragraph (g) of this section.

(e) *Leased vessels.* In the case of a party who is a lessee of an agreement vessel, the maximum amount which such lessee may deposit with respect to any agreement vessel by reason of section 607(b)(1)(B) of the Act and paragraph (a)(1)(ii) of this section (relating to depreciation allowable) for any period shall be reduced by the amount (if any) which, under an agreement entered into under section 607 of the Act, the owner is required or permitted to deposit for such period with respect to such vessel by reason of section 607(b)(1)(B) of the Act and paragraph (a)(1)(ii) of this section. The amount of depreciation actually allowable to the lessee under this paragraph is the amount set forth in the agreement.

(f) *Definition of agreement vessel.* For purposes of this section, the term "agreement vessel" (as defined in § 3.11(a)(3)) includes barges and containers which are the complement of an agreement vessel and which are provided for in the agreement, agreement vessels which have been contracted for or are in the process of construction, and any shares in an agreement vessel. Solely for purposes of this section, a party is considered to have a "share" in an agreement vessel if he has a right to use the vessel to generate income or a right to the proceeds or a portion of the proceeds from its use whether or not the party would be considered as having a proprietary interest in the vessel for purposes of State or Federal law. Notwithstanding the provisions of Subchapter K of the Code (relating to the taxation of partners and partnerships), the Internal Revenue Service will recognize, solely for the purposes of applying this part, an agreement by an owner of a share even though the "share" arrangement is a partnership for purposes of the Code.

(g) *Special rules for nonmoney deposits and withdrawals*—(1) *In general.* Deposits may be made in the form of money or property of the type permitted to be deposited under the agreement. For purposes of this paragraph, the term "property" does not include money. The amount of any property deposit, and the fund's basis for property deposited in the fund, is the fair market value of the property at the time deposited, whether or not the election provided for in subparagraph (2) of this paragraph is made. Unless such an election is made, deposits of property into a fund are considered to be a sale at fair market value of the property a deposit of cash equal to such fair market value and a purchase by the fund of such property for cash. Thus, in the absence of the election, the difference between the fair market value of such property deposited and its adjusted basis shall be taken into account as gain or loss for purposes of computing the party's income tax liability for the year of deposit and the fund's holding period for the property begins on the day after the deposit is made.

(2) *Election not to treat deposits of property other than money as a sale or exchange at the time of deposit.* (i) A party may elect to treat a deposit of property as if no sale or other taxable event had occurred on the date of deposit. If such election is made, in the taxable year the fund disposes of the property, the taxpayer shall recognize as gain or loss the amount he would have recognized on the day the property was deposited into the fund had the election not been made. The election shall be made by a statement to that effect, attached to the party's Federal income tax return for the taxable year to which the deposit relates, or, if such return is filed before such deposit is made, attached to the party's return for the taxable year during which the deposit is actually made.

(ii) If property deposited into a fund, with respect to which an election under this subparagraph is made, is withdrawn from the fund in a qualified withdrawal (as defined in § 3.5) (or if property purchased by the fund, is not disposed of by the fund, but is withdrawn from the fund in a qualified withdrawal) such withdrawal is treated as a disposition of such property resulting in recognition by the taxpayer of gain or less as provided in subdivision (i) of this subparagraph. In addition, such withdrawal is treated as a disposition of such property by the fund resulting in recognition of gain or loss by the fund to the extent the fair market value of the property on the date of withdrawal is greater or less (as the case may be) than the basis of the property to the fund on such date. In the case of property deposited in the fund, the fund's basis for computing its gain or loss is the basis of the property to the fund on the date of withdrawal as determined under subparagraph (1) of this paragraph. In the case of property purchased by the fund, the fund's basis for computing its gain or loss is the basis of the property to the fund on the date of withdrawal determined as provided in paragraph (d)(2) of this section. For purposes of determining the amount by which the balance within a particular account will be reduced in the manner provided in § 3.6(b) (relating to order of application of qualified withdrawals against accounts) and for purposes of determining the reduction in basis of a vessel, barge, or container (or share therein) pursuant to § 3.6(c), the value of the property is its fair market value on the day of the qualified withdrawal.

(iii) If property deposited into a fund with respect to which an election under this subparagraph is made, is withdrawn from the fund in a nonqualified withdrawal (as defined in § 3.7(b)), no gain or loss is to be recognized by the taxpayer or by the fund but an amount equal to the basis of the property to the fund (as determined under subparagraph (1) of this paragraph) is to be treated as a nonqualified withdrawal. Thus, such amount is to be applied against the various accounts in the manner provided in § 3.7(c), such amount is to be taken into account in computing the party's taxable income as provided in § 3.7(d), and such amount is to be subject to interest to the extent provided for in § 3.7(e). In the case of withdrawals to which this subdivision applies the adjusted basis of the property in the hands of the party is the adjusted basis on the date of deposit and in determining the period for which the party has held the property there shall be included the period for which he held the property before the date of deposit of the property into the fund. For rules relating to the basis and holding period of property purchased by the fund and withdrawn in a nonqualified withdrawal see § 3.7(f).

(3) *Examples.* The provisions of this paragraph are illustrated by the following examples:

Example (1). X Corporation, which uses the calendar year as its taxable year, maintains a fund described in § 3.1 X's taxable income (determined without regard to section 607 of the Act) is $100,000, of which $80,000

is taxable income attributable to the operation of agreement vessels (as determined under § 3.2(b)(1)). Under the agreement, X is required to deposit into the fund all receipts from the investment or reinvestment of amounts held in the fund, an amount equal to the net proceeds from transactions referred to in § 3.2(c), and an amount equal to 50 percent of its earnings attributable to the operation of agreement vessels. The agreement permits X to make voluntary deposits of amounts equal to 100 percent of its earnings attributable to the operation of agreement vessels: *Provided*, That such amount does not exceed X's taxable income from all sources for the year of deposit. The agreement also provides that deposits attributable to such earnings may be in the form of cash or other property. On March 15, 1973, X deposits, with respect to its 1972 earnings attributable to the operation of agreement vessels, stock with a fair market value at the time of deposit of $80,000 and an adjusted basis to X of $10,000. Such deposit is considered to have been made on December 31, 1972 (see § 3.3(b)(4)), representing agreement vessel income of $80,000. At the actual time of deposit, such stock had been held by X for a period exceeding 6 months. X does not elect under subparagraph (2) of this paragraph to defer recognition of the gain. Accordingly, under subparagraph (1) of this paragraph, the deposit is treated as a deposit of $80,000 and X realizes a long-term capital gain of $70,000 on March 15, 1973 (the actual date of deposit).

Example (2). The facts are the same as in example (1), except that X elects in accordance with subparagraph (2) of this section not to treat the deposit as a sale or exchange. On July 1, 1974, the fund sells the stock for $85,000. The basis to the fund of the stock is $80,000 (see subparagraph (1) of this paragraph). X recognizes $70,000 of long-term capital gain on the sale includible in its gross income for 1974. The fund realizes $5,000 of long-term capital gain (the difference between the amount received by the fund on the sale of the stock and the basis to the fund of the stock) an amount equal to which is required to be deposited into the fund with respect to 1974, as a receipt from the investment or reinvestment of amounts held in the fund. Since the fund held the stock for a period exceeding 6 months, the $5,000 is allocated to the fund's capital gain account under § 3.4(c).

Example (3). The facts are the same as in example (2), except that the fund sells the stock on July 1, 1974, for $75,000. As the basis to the fund of the stock is $80,000, the fund realizes a long-term capital loss on the sale (the difference between the amount received by the fund on the sale of the stock and the basis to the fund of the stock) of $5,000 an amount equal to which is required to be charged against the fund's capital gain account under § 3.4(c). X recognizes $70,000 of long-term capital gain on the sale includible in its gross income for 1974.

Example (4). The facts are the same as in example (2), except that on July 1, 1974, X makes a qualified withdrawal (as defined in § 3.5(a)) of the stock and uses it to pay indebtedness pursuant to § 3.5(b). X recognizes $70,000, of long-term capital gain on the disposition includible in its gross income for 1974. The fund is treated as having realized a long-term capital gain of $5,000, an amount equal to which is allocated to the fund's capital gain account under § 3.4(c), and is treated as having a qualified withdrawal of $85,000 (see and paragraph (2)(ii) of this paragraph). In addition, an amount equal to the fair market value of the stock on the day of withdrawal is applied against the various accounts in the order provided in § 3.6(b). The basis of the vessel with respect to which the indebtedness was incurred is to be reduced as provided in § 3.6(c).

Example (5). The facts are the same as in example (2), except that X withdraws the stock from the fund in a nonqualified withdrawal (as defined in § 3.7(b)). Neither X nor the fund realizes or recognizes any gain or loss on such withdrawal. An amount equal to the basis of the stock to the fund ($80,000) is applied against the various accounts in the order provided in § 3.7(c), and is taken into accounts in computing X's taxable income for 1974 as provided in § 3.7(d). In addition, X must pay interest on the withdrawal as provided in § 3.7(e). The basis to X of the stock is $10,000 notwithstanding the fact that the fair market value of such stock was $85,000 on the day of withdrawal (see subparagraph (2)(iii) of this paragraph).

§ 3.3 Nontaxibility of deposits.

(a) *In general.* Section 607(d) of the Act sets forth the rules concerning the income tax effects of deposits made with respect to ceilings described in section 607(b) and § 3.2. The specific treatment of deposits with respect to each of the subceilings is set forth in paragraph (b) of this section.

(b) *Treatment of deposits*—(1) *Earnings of agreement vessels.* Section 607(d)(1)(A) of the Act provides that taxable income of the party (determined without regard to section 607 of the Act) shall be reduced by an amount equal to the amount deposited for the taxable year out of amounts referred to in section 607(b)(1)(A) of the Act and § 3.2(a)(1)(i). For computation of the foreign tax credit see paragraph (i) of this section.

(2) *Net proceeds from agreement vessels and fund earnings.* (i) Section 607(d)(1)(B) provides that gain from a transaction referred to in section 607(b)(1)(C) of the Act and § 3.2(a)(1)(iii) (relating to ceilings on deposits of net proceeds from the sale or other disposition of agreement vessels) is not to be taken into account for purposes of the Code if an amount equal to the net proceeds from transactions referred to in such sections is deposited in the fund. Such gain is to be excluded from gross income of the party for the taxable year to which such deposit relates. Thus, the gain will not be taken into account in applying section 1231 of the Code for the year to which the deposit relates.

(ii) Section 607(d)(1)(C) of the Act provides that the earnings (including gains and losses) from the investment and reinvestment of amounts held in the fund and referred to in section 607(b)(1)(D) of the Act and § 3.2(a)(1)(iv) shall not be taken into account for purposes of the Code if an amount equal to such earnings is deposited into the fund. Such earnings are to be excluded from the gross income of the party for the taxable year to which such deposit relates.

(iii) In determining the tax liability of a party to whom subparagraph (1) of this paragraph applies, taxable income, determined after application of subparagraph (1) of this paragraph, is in effect reduced by the portion of deposits which represent net proceeds or earnings respectively referred to in subdivision (i) or (ii) of this subparagraph. The excess, if any, of such portion over taxable income determined after application of subparagraph (1) of this paragraph is taken into account in computing the net operating loss (under section 172 of the Code) for the taxable year to which such deposits relate.

(3) *Time for making deposits.* (i) This section applies with respect to an amount only if such amount is deposited in the fund pursuant to the agreement and not later than the time provided in subdivision (ii), (iii), or (iv) of this subparagraph for the making of such deposit or the date the Secretary of Commerce provides, whichever is earlier.

(ii) Except as provided in subdivision (iii) or (iv) of this subparagraph, a deposit may be made not later than the last day prescribed by law (including extensions thereof) for filing the party's Federal income tax return for the taxable year to which such deposit relates.

(iii) If the party is a subsidized operator under an operating-differential subsidy contract, and does not receive on or before the 59th day preceding such last day, payment of all or part of the accrued opertaing-differential subsidy payable for the taxable year, the party may deposit an amount equivalent to the unpaid accrued operating-differential subsidy on or before the 60th day after receipt of payment of the accrued operating-differential subsidy.

(iv) A deposit pursuant to § 3.2(a)(3) (relating to underdeposits caused by audit adjustments) must be made on or before the 60th day after receipt of the final determination of tax.

(4) *Date of deposits.* (i) Deposits made in a fund within the time specified in subparagraph (3)(i), (ii), or (iii) of this paragraph are deemed to have been made on the date of actual deposit or as of the close of the last regular business day of the taxable year to which the deposits relate, whichever day is earlier. Deposits made in a fund with respect to a subceiling increased by an audit adjustment are deemed to have been made on the date provided for in § 3.2(a)(3).

(ii) For taxable years beginning after December 31, 1969, and prior to January 1, 1971, where an application for a fund is filed by a taxpayer prior to January 1, 1972, and an agreement is executed and entered into by the taxpayer prior to March 1, 1972, and for taxable years beginning after December 31, 1970, and prior to January 1, 1972, where an application for a fund is filed by a taxpayer prior to January 1, 1973, and an agreement is executed and entered into by the taxpayer prior to March 1, 1973 (or, if earlier, 60 days from the date these regulations are finally adopted) deposits in a fund which are made within 60 days after the date of execution of the agreement, or on or before the due date, with extensions thereof, for the filing of his Federal income tax return for such taxable year or years, whichever date shall be later, shall be deemed to have been made on the date of the actual deposit or as of the close of business of the last regular business day of each such taxable year

or years to which such deposits relate, whichever day is earlier.

(c) *Determination of earnings and profits.* Section 607(d)(1)(D) of the Act provides that the earnings and profits of any corporation (within the meaning of section 316 of the Code) shall be determined without regard to this section. Accordingly, although certain amounts deposited into the fund reduce taxable income and certain other amounts deposited into the fund result in an exclusion from gross income, earnings and profits of the corporation are not reduced by such deposits.

(d) *Accumulated earnings tax.* As provided in section 607(d)(1)(E) of the Act, amounts, while held in the fund, are not to be taken into account in computing the "accumulated taxable income" of the party within the meaning of section 531 of the Code.

(e) *Nonapplicability of section 1231.* If an amount equivalent to gain from a transaction referred to in section 607(b)(1)(C) of the Act and § 3.2(c)(1) and (2) is deposited into the fund and, therefore, such gain is not taken into account in computing gross income under the provisions of paragraph (b)(2) of this section then such gain will not be taken into account for purposes of the computations under section 1231 of the Code.

(f) *Deposits of capital gains.* The alternative tax imposed by section 1201 of the Code on the excess of the taxpayer's net long-term capital gain over his short-term capital loss and, in the case of a taxpayer other than a corporation, the deduction provided by section 1201 of the Code of 50 percent of the amount of such excess shall not apply in respect of capital gains which are not included in the gross income of the party by virtue of a deposit to which section 607(d) of the Act and this section apply.

(g) *Deposits of dividends.* The deduction provided by section 243 of the Code (relating to the deductions for dividends from a domestic corporation received by a corporation) shall not apply in respect of dividends (earned on assets held in the fund) which are deposited into a fund, and which, by virtue of such deposits and the provisions of section 607(d) of the Act and this section, are not included in the gross income of the party.

(h) *Presumption of validity of deposit.* All amounts deposited in the fund shall be presumed to have been deposited pursuant to an agreement unless, after an examination of the facts upon the request of the Commissioner of Internal Revenue or his delegate, the Secretary of Commerce determines otherwise. The Commissioner or his delegate will request such a determination where there is a substantial question as to whether a deposit is made in accordance with an agreement.

(i) *Special rules for application of the foreign tax credit*—(1) *In general.* For purposes of computing the limitation under section 904 of the Code on the amount of the credit provided by section 901 of the Code (relating to the foreign tax credit) the party's taxable income from sources without the United States and the party's entire taxable income are to be determined after application of section 607(d) of the Act. Thus, amounts deposited for the taxable year with respect to amounts referred to in section 607(b)(1)(A) of the Act and § 3.2(a)(1)(i) (relating to taxable income attributable to the operation of agreement vessels) shall be treated as a deduction in arriving at the party's taxable income from sources without the United States (subject to the apportionment rules in subparagraph (2) of this paragraph) and the party's entire taxable income for the taxable year. Amounts deposited with respect to gain described in section 607(d)(1)(B) of the Act and § 3.2(c) (relating to net proceeds from the sale or other disposition of an agreement vessel and net proceeds from insurance or indemnity) and amounts deposited with respect to earnings described in section 607(d)(1)(C) of the Act and paragraph (b)(2)(ii) (relating to earnings from the investment and reinvestment of amounts held in a fund) of this section are not taken into account for purposes of the Code and hence are not included in the party's taxable income from sources without the United States or in the party's entire taxable income for purposes of this paragraph.

(2) *Apportionment of taxable income attributable to agreement vessels.* For purposes of computing the limitation under section 904 of the Code the amount of the deposit made with respect to taxable income attributable to agreement vessels pursuant to § 3.2(a)(1)(i) which is allocable to sources without the United States is the total amount of such deposit multiplied by a fraction the numerator of which is the gross income from sources without the United States from the operation of agreement vessels and the denominator of which is the total gross income from the operation of agreement vessels computed as provided in § 3.2(b)(2). For purposes of this paragraph gross income from sources without the United States attributable to the operation of agreement vessels is to be determined under sections 861 through 863 of the Code and under the taxpayer's usual method of accounting provided such method is reasonable and in keeping with sound accounting practice.

(j) *Special rules for application of the investment credit.* [Reserved]

§ 3.4 **Establishment of accounts.**

(a) *In general.* Section 607(e)(1) of the Act requires that three bookkeeping or memorandum accounts are to be established and maintained within the fund: The capital account, the capital gain account, and the ordinary income account. Deposits of the amounts under the subceilings in section 607(b) of the Act and § 3.2 are allocated among the accounts under section 607(e) of the Act and this section.

(b) *Capital account.* The capital account shall consist of:

(1) Amounts referred to in section 607(b)(1)(B) of the Act and § 3.2(a)(1)(ii) (relating to deposits for depreciation),

(2) Amounts referred to in section 607(b)(1)(C) of the Act and § 3.2(a)(1)(iii) (relating to deposits of net proceeds from the sale or other disposition of agreement vessels) other than that portion thereof which represents gain not taken into account for purposes of computing gross income by reason of section 607(d)(1)(B) of the Act and § 3.3(b)(2) (relating to nontaxability of gain from the sale or other disposition of an agreement vessel),

(3) Amounts representing 85 percent of any dividend received by the fund with respect to which the party would, but for section 607(d)(1)(C) of the Act and § 3.3(b)(2)(i) (relating to nontaxability of deposits of earnings from investment and reinvestment of amounts held in a fund), be allowed a deduction under section 243 of the Code, and

(4) Amounts received by the fund representing interest income which is exempt from taxation under section 103 of the Code.

(c) *Capital gain account.* The capital gain account shall consist of amounts which represent the excess of (1) long-term capital gains on property referred to in section 607(b)(1)(C) and (D) of the Act and § 3.2(a)(1)(iii) and (iv) (relating respectively to certain agreement vessels and fund assets), including amounts representing deposits of gain from the sale or other disposition of an agreement vessel held for more than 6 months over (2) amounts representing losses from the sale or exchange of assets held in the fund for more than 6 months (for purposes of this section referred to as "long-term capital losses"). For purposes of this paragraph and paragraph (d)(2) of this section, the period during which the property is held (for purposes of this section referred to as the "holding period") is measured from the date the property was actually deposited into the fund rather than the date a deposit is considered to have been made under § 3.3(b)(4). For provisions relating to the treatment of short-term capital gains realized by the fund, see paragraph (d) of this section. For rules relating to the treatment of capital losses on assets held in the fund, see paragraph (e) of this section.

(d) *Ordinary income account.* The ordinary income account shall consist of:

(1) Amounts referred to in section 607(b)(1)(A) of the Act and § 3.2(a)(1)(i) (relating to taxable income attributable to the operation of an agreement vessel);

(2) Amount representing (i) gains from the sale or exchange of capital assets held for 6 months or less (for purposes of this section referred to as "short-term capital gain") referred to in section 607(b)(1)(C) or (D) of the Act and § 3.2(a)(1)(iii) and (iv), and amounts representing deposits of gain from the sale or other disposition of an agreement vessel held for 6 months or less reduced by (ii) amounts representing losses from the sale or exchange of capital assets

held in the fund for 6 months or less (for purposes of this section referred to as "short-term capital losses"). For rules relating to the holding period of certain property acquired by a fund, see paragraph (c) of this section;

(3) Amounts representing interest (not including any tax-exempt interest referred to in section 607(e)(2)(D) of the Act and paragraph (b)(4) of this section) and other ordinary income received on assets held in the fund;

(4) Amounts representing ordinary income from a transaction (involving certain net proceeds with respect to an agreement vessel) described in section 607(b)(1)(C) of the Act and § 3.2(a)(1)(iii), including gain which is ordinary income under section 607(g)(5) (relating to treatment of gain on the disposition of a vessel with a reduced basis) of the Act and § 3.6(e) or under section 1245 (relating to gain from disposition of certain depreciable property); and

(5) Fifteen percent of any dividend referred to in section 607(e)(2)(C) of the Act and paragraph (b)(3) of this section received on any assets held in the fund.

(e) *Limitation on deduction for capital losses on assets held in a fund.* Except on termination of a fund, long-term (and short-term) capital losses on assets held in the fund shall be allowed only as an offset to long-term (and short-term) capital gains on assets held in the fund and shall not be allowed as an offset to any capital gains on assets not held in the fund. The net long-term capital loss of the fund for the taxable year shall reduce the earliest long-term capital gains in the capital gain account at the beginning of the taxable year and the net short-term capital loss for the taxable year shall reduce the earliest short-term capital gains remaining in the ordinary income account at the beginning of the taxable year. Any such losses that are in excess of the capital gains in the respective accounts shall reduce capital gains deposited into the respective accounts in subsequent years (without regard to section 1212). On termination of a fund, any net long-term capital loss in the capital gain account and any net short-term capital loss remaining in the ordinary income account is to be taken into account for purposes of computing the party's taxable income for the year of termination as a long-term or short-term (as the case may be) capital loss in the year the fund is terminated. With respect to the determination of the basis of assets held in a fund to such fund, see § 3.2(g)(1). With respect to the holding period of assets held in a fund, see paragraph (c) of this section.

§ 3.5 Qualified withdrawals.

(a) *In general.* (1) A qualified withdrawal is one made from the fund during the taxable year which is in accordance with section 607(f)(1) of the Act, the agreement, and with regulations prescribed by the Secretary of Commerce and which is for the acquisition, construction, or reconstruction of a qualified vessel (as defined in § 3.11(a)(2)) or barges and containers which are part of the complement of a qualified vessel (or shares in such vessels, barges, and containers), or for the payment of the principal of indebtedness incurred in connection with the acquisition construction, or reconstruction of such qualified vessel (or a barge or container which is part of the complement of a qualified vessel). For purposes of this section, the term "acquisition" includes all transactions in which the basis of the property in the hands of the transferee is its cost.

(2) For purposes of this section the term "share" is used to reflect an interest in a vessel and means a proprietary interest in a vessel such as, for example, that which may result from a joint venture or partnership. Accordingly, a share within the meaning of § 3.2(f) (relating to the definition of "agreement vessel" for the purpose of making deposits) will not necessarily be sufficient to be treated as a share within the meaning of this section.

(b) *Payments on indebtedness.* Payments on indebtedness may constitute qualified withdrawals only if the party shows to the satisfaction of the Secretary of Commerce a direct connection between incurring the indebtedness and the acquisition, construction, or reconstruction of a qualified vessel or its complement of barges and containers whether or not the indebtedness is secured by the vessel or its complement of barges and containers. The fact that an indebtedness is secured by an interest in a qualified vessel, barge, or container is insufficient by itself to demonstrate the necessary connection.

(c) *Payments to related persons.* Notwithstanding paragraph (a) of this section, payments from a fund to a person owned or controlled directly or indirectly by the same interests as the party within the meaning of section 482 of the Code and the regulations thereunder are not to be treated as qualified withdrawals unless the party demonstrates to the satisfaction of the Secretary of Commerce that no part of such payment constitutes a dividend, a return of capital, or a contribution to capital under the Code.

(d) *Treatment of fund upon failure to fulfill obligations.* Section 607(f)(2) of the Act provides that if the Secretary of Commerce determines that any substantial obligation under the agreement is not being fulfilled, he may, after notice and opportunity for hearing to the party, treat the entire fund, or any portion thereof, as having been withdrawn as a nonqualified withdrawal. In determining whether a party has breached a substantial obligation under the agreement, the Secretary will consider among other things, (1) the effect of the party's action or omission upon his ability to carry out the purposes of the fund and for which qualified withdrawals are permitted under section 607(f)(1) of the Act, and (2) whether the party has made material misrepresentations in connection with the agreement or has failed to disclose material information. For the income tax treatment of nonqualified withdrawals, see § 3.7.

§ 3.6 Tax treatment of qualified withdrawals.

(a) *In general.* Section 607(g) of the Act and this section provide rules for the income tax treatment of qualified withdrawals including the income tax treatment on the disposition of assets acquired with fund amounts.

(b) *Order of application of qualified withdrawals against accounts.* A qualified withdrawal from a fund shall be treated as being made: first, out of the capital account; second out of the capital gain account; and third, out of the ordinary income account. Such withdrawals will reduce the balance within a particular account on a first-in-first-out basis, the earliest qualified withdrawals reducing the items within an account in the order in which they were actually or constructively deposited. The date funds are actually or constructively withdrawn from the fund determines the time at which withdrawals are considered to be made.

(c) *Reduction of basis.* (1) If any portion of a qualified withdrawal for the acquisition, construction or reconstruction of a vessel, barge, or container (or share therein) is made out of the ordinary income account, the basis of such vessel, barge, or container (or share therein) shall be reduced by an amount equal to such portion.

(2) If any portion of a qualified withdrawal for the acquisition, construction, or reconstruction of a vessel, barge, or container (or share therein) is made out of the capital gain account, the basis of such vessel, barge, or container (or share therein) shall be reduced by an amount equal to—

(i) Five-eighths of such portion, in the case of a corporation (other than an electing small business corporation, as defined in section 1371 of the Code), or

(ii) One-half of such portion, in the case of any other person.

(3) If any portion of a qualified withdrawal to pay the principal of an indebtedness is made out of the ordinary income account or the capital gain account, then the basis of the vessel, barge, or container (or share therein) with respect to which such indebtedness was incurred is reduced in the manner provided by subparagraphs (1) and (2) of this paragraph. If the amount of the withdrawal exceeds the party's basis in such vessel, barge, or container (or share therein), the excess is applied against the basis of other vessels, barges, or containers (or shares therein) owned by the party at the time of withdrawal in the following order: (i) Vessels, barges, or containers (or shares therein) which were the subject of qualified withdrawals in the order in which they were acquired, constructed, or reconstructed; (ii) agreement vessels (as defined in section 607(k)(3) of the Act and § 3.11(a)(3)) and barges and containers which are part of the complement of an agreement vessel (or shares therein) which were not the subject of qualified withdrawals, in the order in which such vessels, bargers, or containers (or shares therein) were acquired by the party; and (iii)

other vessels, barges, and containers (or shares therein), in the order in which they were acquired by the party. Any amount of a withdrawal remaining after the application of this subparagraph is to be treated as a nonqualified withdrawal. If the indebtedness was incurred to acquire two or more vessels, barges, or containers (or shares therein), then the basis reduction in such vessels, barges, or containers (or shares therein) is to be made pro rata in proportion to the adjusted basis of such vessels, barges, or containers (or shares therein) computed, however, without regard to this section and adjustments under section 1016(a)(2) of the Code for depreciation or amortization.

(d) *Basis for depreciation.* For purposes of determining the allowance for depreciation under section 167 of the Code in respect of any property which has been acquired, constructed, or reconstructed from qualified withdrawals, the adjusted basis for determining gain on such property is determined after applying paragraph (c) of this section. In the case of reduction in the basis of any property resulting from the application of paragraph (c)(3) of this section, payments made at any time during the first half of the party's taxable year shall reduce the basis of the property on the first day of the taxable year, and payments made at any time during the second half of the party's taxable year reduce the basis of the property on the first day of the second half of the taxable year.

(e) *Ordinary income treatment of gain from disposition of property acquired with qualified withdrawals.* If any property the basis of which was reduced under paragraph (c) of this section is disposed of any gain realized on such disposition (after application of section 1245 of the Code) to the extent it does not exceed the aggregate reduction in the basis of such property under paragraph (c) of this section shall be treated as an amount referred to in section 607(h)(3)(A) of the Act and § 3.7 (relating to nonqualified withdrawals) which was withdrawn on the date of such disposition. Accordingly, the amount of such gain shall be included in the gross income of the party as an item of ordinary income for the taxable year in which the disposition occurred. If the disposition occurred within 1 year of final delivery from the shipyard or within 1 year of first loading of the vessel, and if the Secretary of Commerce determines that such disposition was not for a purpose for which the fund is established, then interest on such amount is to be payable as provided in section 607(h)(3)(C) of the Act and § 3.7(e). The rules in the preceding sentence shall not apply in the case of an involuntary conversion. However, if an amount representing the net proceeds (as defined in § 3.2(c)(1)) from the disposition is deposited in the fund pursuant to the agreement and the regulations prescribed by the Secretary of Commerce, such gain is to be excluded from gross income (and interest shall not be payable on such amount) and is to be treated as gain to which section 607(d)(1)(B) of the Act and § 3.3(b)(2) apply. The portion of such deposit which represents gain attributable to the reduction in basis under paragraph (c) of this section is considered a deposit in section 607(b)(1)(C) of the Act (relating to net proceeds from the sale of an agreement vessel) and must be allocated to the ordinary income account of the fund in accordance with § 3.4(d)(4).

§ 3.7 Tax treatment of nonqualified withdrawals.

(a) *In general.* Section 607(h) of the Act provides rules for the tax treatment of nonqualified withdrawals, including rules for adjustments to the various accounts of the fund, the inclusion of amounts in income, and the payment of interest with respect to such amounts.

(b) *Nonqualified withdrawals defined.* Except as provided in section 607 of the Act and § 3.8 (relating to certain corporate reorganizations, changes in partnerships, and transfers by reason of death) any withdrawal from a fund which is not a qualified withdrawal shall be treated as a nonqualified withdrawal which is subject to tax in accordance with section 607(h) of the Act and the provisions of this section. Examples of nonqualified withdrawals are amounts remaining in a fund upon termination of the fund, and withdrawals which are treated as nonqualified withdrawals under section 607(f)(2) of the Act and § 3.5(d) (relating to failure by a party to fulfill substantial obligation under agreement) or under the second sentence of section 607(g)(4) of the Act and § 3.6(c)(3) (relating to payments against indebtedness in excess of basis).

(c) *Order of application of nonqualified withdrawals against deposits.* A nonqualified withdrawal from a fund shall be treated as being made: First, out of the ordinary income account; second, out of the capital gain account; and third, out of the capital account. Such withdrawals will reduce the balance within a particular account on a first-in-first-out basis, the earliest nonqualified withdrawals reducing the items within an account in the order in which they were actually or constructively deposited. Nonqualified withdrawals for research, development, and design expenses incident to new and advanced ship design, machinery, and equipment, and any amount treated as a nonqualified withdrawal under the second sentence of section 607(g)(4) of the Act and § 3.6(c)(3), shall be applied against the deposits within a particular account on a last-in-first-out basis. The date funds are actually or constructively withdrawn from the fund determines the time at which withdrawals are considered to be made.

(d) *Inclusion in income.* (1) Any portion of a nonqualified withdrawal which, under paragraph (c) of this section, is treated as being made out of the ordinary income account is to be included in gross income as an item of ordinary income for the taxable year in which the withdrawal is made.

(2) Any portion of a nonqualified withdrawal which, under paragraph (c) of this section, is treated as being made out of the capital gain account is to be included in income as an item of long-term capital gain realized during the taxable year in which the withdrawal is made.

(3) For effect upon a party's taxable income of capital losses remaining in a fund upon the termination of a fund (which, under paragraph (b) of this section, is treated as a nonqualified withdrawal of amounts remaining in the fund) see §3.4(e).

(e) *Interest.* (1) For the period on or before the last date prescribed by law, including extensions thereof, for filing the party's Federal income tax return for the taxable year during which a nonqualified withdrawal is made, no interest shall be payable under section 6601 of the Code in respect of the tax on any item which is included in gross income under the provisions of this section, and no addition to such tax for such period shall be payable under section 6651 of the Code. In lieu of the interest and tax under such section, simple interest on the amount of the tax attributable to any item included in gross income under the provisions of this section is to be paid at the rate of interest determined for the year of withdrawal under subparagraph (2) of this paragraph. Such interest is to be charged for the period from the last date prescribed for payment of tax for the taxable year for which such item was deposited in the fund to the last date for payment of tax for the taxable year in which the withdrawal is made. Both dates are to be determined without regard to any extensions of time for payment. Interest determined under this section which is paid within the taxable year shall be allowed as a deduction for such year under section 163 of the Code. However, such interest is to be treated as part of the party's tax for the year of withdrawal for purposes of collection and in determining any interest or additions to tax for the year of withdrawal under section 6601 or 6651, respectively, of the Code.

(2) For purposes of section 607(h)(3)(C)(ii) of the Act, and for purposes of certain dispositions of vessels constructed, reconstructed, or acquired with qualified withdrawals described in § 3.6(e), the applicable rate of interest for any nonqualified withdrawal—

(i) Made in a taxable year beginning in 1970 and 1971 is 8 percent.

(ii) Made in a taxable year beginning after 1971, the rate for such year as determined and published jointly by the Secretary of the Treasury or his delegate and the Secretary of Commerce, such rate shall bear a relationship to 8 percent which the Secretaries determine to be comparable to the relationship which the money rates and investment yields for the calendar year immediately preceding the beginning of the taxable year bear to the money rates and investment yields for the calendar year 1970. The determination of the applicable rate for any

such taxable year will be computed by multiplying 8 percent by the ratio which (*a*) the average yield on 5-year Treasury securities for the calendar year immediately preceding the beginning of such taxable year, bears to (*b*) the average yield on 5-year Treasury securities for the calendar year 1970. The applicable rate so determined shall be computed to the nearest one-hundredth of 1 percent. If such a determination and publication is made, the latest published percentage shall apply for any taxable year beginning in the calendar year with respect to which publication is made.

(3) No interest shall be payable in respect of taxes on amounts referred to in section 607(h)(2) (i) and (ii) of the Act (relating to withdrawals for research and development and payments against indebtedness in excess of basis) or in the case of any nonqualified withdrawal arising from the application of the recapture provision of section 606(5) of the Merchant Marine Act, 1936, as in effect on December 31, 1969.

(f) *Basis and holding period in the case of property purchased by the fund.* In the case of a nonqualified withdrawal of property other than money which was purchased by the fund the adjusted basis of the property in the hands of the party is its adjusted basis to the fund on the day of the withdrawal. In determining the period for which the taxpayer has held the property withdrawn in a nonqualified withdrawal there shall be included only the period beginning with the date on which the withdrawal occurred. For basis and holding period in the case of nonqualified withdrawals of property other than money deposited into the fund see § 3.2(g)(2)(iii).

§ 3.8 Certain corporate reorganizations and changes in partnerships, and certain transfers on death.

(a) *In general.* Section 607(i) of the Act and this section provide rules for certain corporate reorganizations, changes in partnerships, and certain transfers on death. Except as provided in paragraphs (b) and (c) of this section, any transfer of a fund from one taxpayer to another is a nonqualified withdrawal of the entire fund whether or not the transfer is voluntary, involuntary, or by operation of law.

(b) *Certain transfers to corporations and partnerships.* If (1) a party which is a corporation transfers property (including property held in a fund) in a transaction to which section 381 of the Code applies, or a party which is a partnership transfers property (including property held in a fund) to a partnership which is treated as a continuation of the transfer or partnership under the provisions of Subchapter K of the Code, and (2) the transfer of the fund has been approved by the Secretary of Commerce, then such transfer will be treated as if it did not constitute a nonqualified withdrawal. If a party who is an individual transfers property (including property held in a fund) to a corporation in a transaction in which no gain or loss is recognized by reason of section 351(a) of the Code, and if the transfer of the fund has been approved by the Secetary of Commerce, then such transfer will be treated as if such transaction did not constitute a nonqualified withdrawal.

(c) *Transfers on death.* If a party who is an individual dies, the transfer of property held in a fund to an executor, administrator, or to any other person by reason of his death will be treated as if it did not constitute a nonqualified withdrawal, provided, such executor, administrator, or other person receives approval for his maintenance of the fund from the Secretary of Commerce. If, upon termination of an estate which maintained a fund provided for in the preceding sentence, the property held in a fund passes to another person, such transfer will be treated as if it did not constitute a nonqualified withdrawal provided such person receives approval for his maintenance of the fund from the Secretary of Commerce.

(d) *Special rules.* In the case of a transfer referred to in paragraph (b) or (c) of this section, all attributes of the fund and of the assets in the fund shall carryover from the transferor to the transferee. If the transferee is a party to an existing fund the assets of the funds and the respective accounts within the funds, shall be combined. Thus, for example, each item in the combined fund shall retain its character as an item which was deposited into the capital account, the capital gain account, or the ordinary income account, as the case may be, on the date on which they were deposited into each original fund.

§ 3.9 Consolidated returns. [Reserved]

§ 3.10 Transitional rules for existing funds.

(a) *In general.* Section 607(j) of the Act provides that any person who was maintaining a fund or funds under section 607 of the Merchant Marine Act, 1936 prior to its amendment by the Merchant Marine Act of 1970 (for purposes of this part referred to as "old fund") may continue to maintain such old fund in the same manner as under prior law subject to the limitations contained in section 607(j) of the Act. Thus, a party may not simultaneously maintain such old fund and a new fund established under the Act.

(b) *Extension of agreement to new fund.* If a person enters into an agreement under the Act to establish a new fund, he may agree to the extension of such agreement to some or all of the amounts in the old fund and transfer the amounts in the old fund to which the agreement is to apply from the old fund to the new fund. If an agreement to establish a new fund is extended to amounts from an old fund, each item in the old fund to which such agreement applies shall be considered to be transferred to the appropriate account in the manner provided for in § 3.8(d) in the new fund in a nontaxable transaction which is in accordance with the provisions of the agreement under which such old fund was maintained. For purposes of section 607(h)(3)(C) of the Act and § 3.7(f), the deposit date of any item so transferred shall be July 1, 1971, or the date of the deposit in the old fund, whichever is the later.

§ 3.11 Definitions.

(a) As used in the regulations in this part and as defined in section 607(k) of the Act—

(1) The term "eligible vessel" means any vessel—

(i) Constructed in the United States, and if reconstructed, reconstructed in the United States.

(ii) Documented under the laws of the United States, and

(iii) Operated in the foreign or domestic commerce of the United States or in the fisheries of the United States.

Any vessel which was constructed outside of the United States but documented under the laws of the United States on April 15, 1970, or constructed outside the United States for use in the U.S. foreign trade pursuant to a contract entered into before April 15, 1970, shall be treated as satisfying the requirements of subdivision (i) of this subparagraph and the requirements of subparagraph (2)(i) of this section.

(2) The term "qualified vessel" means any vessel—

(i) Constructed in the United States and, if reconstructed, reconstructed in the United States,

(ii) Documented under the laws of the United States, and

(iii) Which the person maintaining the fund agrees with the Secretary of Commerce will be operated in the U.S. foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States.

(3) The term "agreement vessel" means any eligible vessel or qualified vessel which is subject to an agreement entered into under section 607 of the Act.

(4) The term "vessel" includes cargo handling equipment which the Secretary of Commerce determines is intended for use primarily on the vessel. The term "vessel" also includes an ocean-going towing vessel or an ocean-going barge or comparable towing vessel or barge operated in the Great Lakes.

(b) Insofar as the computation and collection of taxes are concerned, other terms used in the regulations in this part, except as otherwise provided in the Act or this part, have the same meaning as in the Code and the regulations thereunder.

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DEPARTMENT OF COMMERCE

Maritime Administration

[46 CFR Part 391]

CAPITAL CONSTRUCTION FUND

Proposed Joint Tax Regulations

Notice is hereby given that the Secretary of Commerce and the Secretary of the Treasury, pursuant to section 607 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1177), are proposing promulgation of joint regulations

concerning the Federal income tax aspects of the Capital Construction Fund program.

The proposed joint regulations which appear in this part also appear under Title 26 CFR Part 3.

Prior to final adoption of these regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing (preferably eight copies) to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, by August 14, 1972. Any written comments or suggestions not specifically designated as confidential in accordance with 26 CFR 601.601(b) may be inspected by any person upon written request to the Commissioner. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing to the Commissioner by August 14, 1972. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. Interested parties need not submit duplicate comments to the Maritime Administration. However, if desired, duplicate comments may be submitted to the Secretary, Maritime Administration, Washington, D.C. 20235, Attention: Joint Regulations Comments.

Section 391.3(b)(4) of the proposed regulations will supersede the provision of § 390.1 (temporary regulations concerning execution of agreements and deposits made in a capital construction fund).

Therefore, the Assistant Secretary of Commerce for Maritime Affairs proposes to add a new Part 391 to Title 46, Chapter II, Code of Federal Regulations, to read as follows:

PART 391—CAPITAL CONSTRUCTION FUND JOINT TAX REGULATIONS

Sec.

AUTHORITY: The provisions of this Part 391 issued under sec. 607 of the Merchant Marine Act, 1936, as amended, 46 U.S.C. 1177.

§ 391.0 Statutory provisions; section 607, Merchant Marine Act, 1936, as amended.

SEC. 607. (a) Agreement Rules.

Any citizen of the United States owning or leasing one or more eligible vessels (as defined in subsection (k)(1)) may enter into an agreement with the Secretary of Commerce under, and as provided in, this section to establish a capital construction fund (hereinafter in this section referred to as the "fund") with respect to any or all of such vessels. Any agreement entered into under this section shall be for the purpose of providing replacement vessels, additional vessels, or reconstructed vessels, built in the United States and documented under the laws of the United States for operation in the United States foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States and shall provide for the deposit in the fund of the amounts agreed upon as necessary or appropriate to provide for qualified withdrawals under subsection (f). The deposits in the fund, and all withdrawals from the fund, whether qualified or nonqualified, shall be subject to such conditions and requirements as the Secretary of Commerce may by regulations prescribe or are set forth in such agreement; except that the Secretary of Commerce may not require any person to deposit in the fund for any taxable year more than 50 percent of that portion of such person's taxable income for such year (computed in the manner provided in subsection (b)(1)(A)) which is attributable to the operation of the agreement vessels.

(b) Ceiling on Deposits.

(1) The amount deposited under subsection (a) in the fund for any taxable year shall not exceed the sum of:

(A) That portion of the taxable income of the owner or lessee for such year (computed as provided in chapter 1 of the Internal Revenue Code of 1954 but without regard to the carryback of any net operating loss or net capital loss and without regard to this section) which is attributable to the operation of the agreement vessels in the foreign or domestic commerce of the United States or in the fisheries of the United States,

(B) The amount allowable as a deduction under section 167 of the Internal Revenue Code of 1954 for such year with respect to the agreement vessels,

(C) If the transaction is not taken into account for purposes of subparagraph (A), the net proceeds (as defined in joint regulations) from (i) the sale or other disposition of any agreement vessel, or (ii) insurance or indemnity attributable to any agreement vessel, and

(D) The receipts from the investment or reinvestment of amounts held in such fund.

(2) In the case of a lessee, the maximum amount which may be deposited with respect to an agreement vessel by reason of paragraph (1)(B) for any period shall be reduced by any amount which, under an agreement entered into under this section, the owner is required or permitted to deposit for such period with respect to such vessel by reason of paragraph (1)(B).

(3) For purposes of paragraph (1), the term "agreement vessel" includes barges and containers which are part of the complement of such vessel and which are provided for in the agreement.

(c) Requirements as to Investments.

Amounts in any fund established under this section shall be kept in the depository or depositories specified in the agreement and shall be subject to such trustee and other fiduciary requirements as may be specified by the Secretary of Commerce. They may be invested only in interest-bearing securities approved by the Secretary of Commerce; except that, if the Secretary of Commerce consents thereto, an agreed percentage (not in excess of 60 percent) of the assets of the fund may be invested in the stock of domestic corporations. Such stock must be currently fully listed and registered on an exchange registered with the Securities and Exchange Commission as a national securities exchange, and must be stock which would be acquired by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and the preservation of their capital. If at any time the fair market value of the stock in the fund is more than the agreed percentage of the assets in the fund, any subsequent investment of amounts deposited in the fund, and any subsequent withdrawal from the fund, shall be made in such a way as to tend to restore the fund to a situation in which the fair market value of the stock does not exceed such agreed percentage. For purposes of this subsection, if the common stock of a corporation meets the requirements of this subsection and if the preferred stock of such corporation would meet such requirements but for the fact that it cannot be listed and registered as required because it is nonvoting stock, such preferred stock shall be treated as meeting the requirements of this subsection.

(d) Nontaxability for Deposits.

(1) For purposes of the Internal Revenue Code of 1954—

(A) Taxable income (determined without regard to this section) for the taxable year shall be reduced by an amount equal to the amount deposited for the taxable year out of amounts referred to in subsection (b)(1)(A),

(B) Gain from a transaction referred to in subsection (b)(1)(C) shall not be taken into account if an amount equal to the net proceeds (as defined in joint regulations) from such transaction is deposited in the fund,

(C) The earnings (including gains and losses) from the investment and reinvestment of amounts held in the fund shall not be taken into account,

(D) The earnings and profits of any corporation (within the meaning of section 316 of such Code) shall be determined without regard to this section, and

(E) In applying the tax imposed by section 531 of such Code (relating to the accumulated earnings tax), amounts while held in the fund shall not be taken into account.

(2) Paragraph (1) shall apply with respect to any amount only if such amount is deposited in the fund pursuant to the agreement and not later than the time provided in joint regulations.

(e) Establishment of Accounts.

For purposes of this section—

(1) Within the fund established pursuant to this section three accounts shall be maintained:

(A) The capital account,

(B) The capital gain account, and

(C) The ordinary income account.

(2) The capital account shall consist of—

(A) Amounts referred to in subsection (b)(1)(B).

(B) Amounts referred to in subsection (b)(1)(C) other than that portion thereof which represents gain not taken into account by reason of subsection (d)(1)(B),

(C) 85 percent of any dividend received by the fund with respect to which the person maintaining the fund would (but for subsection (d)(1)(C)) be allowed a deduction under section 243 of the Internal Revenue Code of 1954, and

(D) Interest, income exempt from taxation under section 103 of such Code.

(3) The capital gain account shall consist of—

(A) Amounts representing capital gains on assets held for more than 6 months and referred to in subsection (b)(1)(C) or (b)(1)(D) reduced by

(B) Amounts representing capital losses on assets held in the fund for more than 6 months.

(4) The ordinary income account shall consist of—

(A) Amounts referred to in subsection (b)(1)(A),

(B) (i) Amounts representing capital gains on assets held for 6 months or less and referred to in subsection (b)(1)(C) or (b)(1)(D), reduced by—

(ii) Amounts representing capital losses on assets held in the fund for 6 months or less,

(C) Interest (not including any tax-exempt interest referred to in paragraph (2)(D) and other ordinary income (not including any dividend referred to in subparagraph (E)) received on assets held in the fund,

(D) Ordinary income from a transaction described in subsection (b)(1)(C), and

(E) 15 percent of any dividend referred to in paragraph (2)(C).

(5) Except on termination of a fund, capital losses referred to in paragraph (3)(B) or in paragraph (4)(B)(ii) shall be allowed only as an offset to gains referred to in paragraph (3)(A) or (4)(B)(i), respectively.

(f) Purposes of Qualified Withdrawals.

(1) A qualified withdrawal from the fund is one made in accordance with the terms of the agreement but only if it is for:

(A) The acquisition, construction, or reconstruction of a qualified vessel,

(B) The acquisition, construction, or reconstruction of barges and containers which are part of the complement of a qualified vessel, or

(C) The payment of the principal on indebtedness incurred in connection with the acquisition, construction or reconstruction of a qualified vessel or a barge or container which is part of the complement of a qualified vessel.

Except to the extent provided in regulations prescribed by the Secretary of Commerce, subparagraph (B), and so much of subparagraph (C) as relates only to barges and containers, shall apply only with respect to barges and containers constructed in the United States.

(2) Under joint regulations, if the Secretary of Commerce determines that any substantial obligation under any agreement is not being fulfilled, he may, after notice and opportunity for hearing to the person maintaining the fund, treat the entire fund or any portion thereof as an amount withdrawn from the fund in a nonqualified withdrawal.

(g) Tax Treatment of Qualified Withdrawals.

(1) Any qualified withdrawal from a fund shall be treated—

(A) First as made out of the capital account,

(B) Second as made out of the capital gain account, and

(C) Third as made out of the ordinary income account.

(2) If any portion of a qualified withdrawal for a vessel, barge, or container is made out of the ordinary income account, the basis of such vessel, barge, or container shall be reduced by an amount equal to such portion.

(3) If any portion of a qualified withdrawal for a vessel, barge, or container is made out of the capital gain account, the basis of such vessel, barge, or container shall be reduced by an amount equal to—

(A) Five-eighths of such portion, in the case of a corporation (other than an electing small business corporation, as defined in section 1371 of the Internal Revenue Code of 1954), or

(B) One-half of such portion, in the case of any other person.

(4) If any portion of a qualified withdrawal to pay the principal on any indebtedness is made out of the ordinary income account or the capital gain account, then an amount equal to the aggregate reduction which would be required by paragraphs (2) and (3) if this were a qualified withdrawal for a purpose described in such paragraphs shall be applied, in the order provided in joint regulations, to reduce the basis of vessels, barges, and containers owned by the person maintaining the fund. Any amount of a withdrawal remaining after the application of the preceding sentence shall be treated as a nonqualified withdrawal.

(5) If any property the basis of which was reduced under paragraph (2), (3), or (4) is disposed of, any gain realized on such disposition, to the extent it does not exceed the aggregate reduction in the basis of such property under such paragraphs, shall be treated as an amount referred to in subsection (h)(3)(A) which was withdrawn on the date of such disposition. Subject to such conditions and requirements as may be provided in joint regulations, the preceding sentence shall not apply to a disposition where there is a redeposit in an amount determined under joint regulations which will, insofar as practicable, restore the fund to the position it was in before the withdrawal.

(h) Tax Treatment of Nonqualified Withdrawals.

(1) Except as provided in subsection (i), any withdrawal from a fund which is not a qualified withdrawal shall be treated as a nonqualified withdrawal.

(2) Any nonqualified withdrawal from a fund shall be treated—

(A) First as made out of the ordinary income account,

(B) Second as made out of the capital gain account, and

(C) Third as made out of the capital account.

For purposes of this section, items withdrawn from any account shall be treated as withdrawn on a first-in-first-out basis; except that (i) any nonqualified withdrawal for research, development, and design expenses incident to new and advanced ship design, machinery and equipment, and (ii) any amount treated as a nonqualified withdrawal under the second sentence of subsection (g)(4), shall be treated as withdrawn on a last-in-first-out basis.

(3) For purposes of the Internal Revenue Code of 1954—

(A) Any amount referred to in paragraph (2)(A) shall be included in income as an item of ordinary income for the taxable year in which the withdrawal is made,

(B) Any amount referred to in paragraph (2)(B) shall be included in income for the taxable year in which the withdrawal is made as an item of gain realized during such year from the disposition of an asset held for more than 6 months, and

(C) For the period on or before the last date prescribed for payment of tax for the taxable year in which this withdrawal is made—

(i) No interest shall be payable under section 6601 of such Code and no addition to the tax shall be payable under section 6651 of such Code,

(ii) Interest on the amount of the additional tax attributable to any item referred to in subparagraph (A) or (B) shall be paid at the applicable rate (as defined in paragraph (4)) from the last date prescribed for payment of the tax for the taxable year for which such item was deposited in the fund, and

(iii) No interest shall be payable on amounts referred to in clauses (i) and (ii) of paragraph (2) or in the case of any nonqualified withdrawal arising from the application of the recapture provision of section 606(5) of the Merchant Marine Act of 1936 as in effect on December 31, 1969.

(4) For purposes of paragraph (3)(C)(ii), the applicable rate of interest for any nonqualified withdrawal—

(A) Made in a taxable year beginning in 1970 or 1971 is 8 percent, or

(B) Made in a taxable year beginning after 1971, shall be determined and published jointly by the Secretary of the Treasury and the Secretary of Commerce and shall bear a relationship to 8 percent which the Secretaries determine under joint regulations to be comparable to the relationship which the money rates and investment yields for the calendar year immediately preceding the beginning of the taxable year bear to the money rates and investment yields for the calendar year 1970.

(i) Certain Corporate Reorganizations and Changes in Partnerships.

Under joint regulations—

(1) A transfer of a fund from one person to another person in a transaction to which section 381 of the Internal Revenue Code of 1954 applies may be treated as if such transaction did not constitute a nonqualified withdrawal, and

(2) A similar rule shall be applied in the case of a continuation of a partnership (within the meaning of subchapter K of such Code).

(j) Treatment of Existing Funds.

(1) Any person who was maintaining a fund or funds (hereinafter in this subsection referred to as "old fund") under this section (as in effect before the enactment of this subsection) may elect to continue such old fund but—

(A) May not hold moneys in the old fund beyond the expiration date provided in the agreement under which such old fund is maintained (determined without regard to any extension or renewal entered into after April 14, 1970),

(B) May not simultaneously maintain such old fund and a new fund established under this section, and

(C) If he enters into an agreement under this section to establish a new fund, may agree to the extension of such agreement to some or all of the amounts in the old fund.

(2) In the case of any extension of an agreement pursuant to paragraph (1)(C), each item in the old fund to be transferred shall be transferred in a nontaxable transaction to the appropriate account in the new fund established under this section. For purposes of subsection (h)(3)(C), the date of the deposit of any item so transferred shall be July 1, 1971, or the date of the deposit in the old fund, whichever is the later.

(k) Definitions.

For purposes of this section—

(1) The term "eligible vessel" means any vessel—

(A) Constructed in the United States and, if reconstructed, reconstructed in the United States,

(B) Documented under the laws of the United States, and

(C) Operated in the foreign or domestic commerce of the United States or in the fisheries of the United States.

Any vessel which (i) was constructed outside of the United States but documented under the laws of the United States on April 15, 1970, or (ii) constructed outside the United States for use in the United States foreign trade pursuant to a contract entered into before April 15, 1970, shall be treated as satisfying the requirements of subparagraph (A) of this paragraph and the requirements of subparagraph (A) of paragraph (2).

(2) The term "qualified vessel" means any vessel—

(A) Constructed in the United States and, if reconstructed, reconstructed in the United States,

(B) Documented under the laws of the United States, and

(C) Which the person maintaining the fund agrees with the Secretary of Commerce will be operated in the United States foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States.

(3) The term "agreement vessel" means any eligible vessel or qualified vessel which is subject to an agreement entered into under this section.

(4) The term "United States", when used in a geographical sense, means the continental United States including Alaska, Hawaii, and Puerto Rico.

(5) The term "United States foreign trade" includes (but is not limited to) those areas in domestic trade in which a vessel built with construction-differential subsidy is permitted to operate under the first sentence of section 506 of this Act.

(6) The term "joint regulations" means regulations prescribed under subsection (l).

(7) The term "vessel" includes cargo handling equipment which the Secretary of Commerce determines is intended for use primarily on the vessel. The term "vessel" also includes an ocean-going towing vessel or an ocean-going barge or comparable towing vessel or barge operated on the Great Lakes.

(8) The term "noncontiguous trade" means (i) trade between the contiguous 48 States on the one hand and Alaska, Hawaii, Puerto Rico and the insular territories and possessions of the United States on the other hand, and (ii) trade between Alaska, Hawaii, and Puerto Rico and such territories and possessions and (iii) trade between the islands of Hawaii.

(l) Records; Reports; Changes in Regulations.

Each person maintaining a fund under this section shall keep such records and shall make such reports as the Secretary of Commerce or the Secretary of the Treasury shall require. The Secretary of the Treasury and the Secretary of Commerce shall jointly prescribe all rules and regulations, not inconsistent with the foregoing provisions of this section, as may be necessary or appropriate to the determination of tax liability under this section. If, after an agreement has been entered into under this section, a change is made either in the joint regulations or in the regulations prescribed by the Secretary of Commerce under this section which could have a substantial effect on the rights or obligations of any person maintaining a fund under this section, such person may terminate such agreement.

(Sec. 607, Merchant Marine Act, 1936, 46 U.S.C. 1177, as amended by sec. 21(a), Merchant Marine Act of 1970 (84 Stat. 1026))

§ 391.1 Scope of section 607 of the Act and the regulations in this part.

(a) *In general.* The regulations prescribed in this part provide rules for determining the income tax liability of any person a party to an agreement with the Secretary of Commerce establishing a capital construction fund (for purposes of this part referred to as the "fund") authorized by section 607 of the Merchant Marine Act, 1936, as amended (for purposes of this part referred to as the "Act"). With respect to such parties, section 607 of the Act in general provides for the nontaxability of certain deposits of money or other property into the fund out of earnings or gains realized from the operation of vessels covered in an agreement, gains realized from the sale or other disposition of agreement vessels or proceeds from insurance for indemnification for loss of agreement vessels, earnings from the investment or reinvestment of amounts held in a fund and gains with respect to amounts or deposits in the fund. Transitional rules are also provided for the treatment of "old funds" existing on or before the effective date of the Merchant Marine Act of 1970 (see § 391.10).

(b) *Cross references.* For rules relating to eligibility for a fund, deposits and withdrawals and other aspects, see the regulations prescribed by the Secretary of Commerce in Titles 46 (Merchant Marine) and 50 (Fisheries) of the Code of Federal Regulations.

(c) *Code.* For purposes of this part, the term "Code" means the Internal Revenue Code of 1954, as amended.

§ 391.2 Ceiling on deposits.

(a) *In general*—(1) *Total ceiling.* Section 607(b) of the Act provides a ceiling on the amount which may be deposited by a party in a taxable year pursuant to an agreement. The amount which a party may deposit into a fund may not exceed the sum of the following subceilings:

(i) The lower of (*a*) the taxable income (if any) of the party for such year (computed as provided in chapter 1 of the Code but without regard to the carryback of any net operating loss or net capital loss and without regard to section 607 of the Act) or (*b*) taxable income (if any) attributable under paragraph (b) of this section to the operation of agreement vessels (as defined in paragraph (f) of this section) in the foreign or domestic commerce of the United States or in the fisheries of the United States (see section 607(b)(1)(A) of the Act),

(ii) Amounts allowable as a deduction under section 167 of the Code for such year with respect to the agreement vessels (see section 607(b)(1)(B) of the Act),

(iii) The net proceeds (if not included in subdivision (i) of this subparagraph) from (*a*) the sale or other disposition of any agreement vessels or (*b*) insurance or indemnity attributable to any agreement vessels (see section 607(b)(1)(C) of the Act and paragraph (c) of this section), and

(iv) Receipts from the investment or reinvestment of amounts held in such fund (see section 607(b)(1)(D) of the Act and paragraph (d) of this section).

(2) *Overdeposits.* If for any taxable year an amount is deposited into the fund under a subceiling computed under subparagraph (1) of this paragraph which is in excess of the amount of such subceiling for such year, then at the taxpayer's option such excess may—

(i) Be withdrawn from the fund,

(ii) Be treated as a deposit into the fund for that taxable year under another available subceiling, but only if the total amount deposited for that year does not exceed the total ceiling available for that taxable year (as determined under section 607(b)(1) of the Act and paragraph (l) of this section),

(iii) Be treated as deposited under the subceiling under which such amount was originally deposited for the first subsequent taxable year for which that particular subceiling is available, or

(iv) Be treated as a deposit into the fund under any other subceiling available in the first subsequent taxable year, provided, however, that such excess is first applied as a deposit for such taxable year under the subceiling under which such amount was originally deposited.

Amounts which the party chooses to have treated as deposits for a subsequent taxable year under the preceding sentence shall be deemed to have been deposited on the first day of such subsequent taxable year. If the party chooses to withdraw such excess from the fund instead of having it treated as a deposit for a subsequent year, tax liability will be determined as though no deposit and withdrawal had been made.

(3) *Underdeposit caused by audit adjustment.* If, upon an audit of a party's Federal income tax return, the district director makes an adjustment which produces an allowable subceiling in a taxable year in excess of deposits which relate to such taxable year (determined under this section), then the party may make a deposit equal to the difference between the allowable subceiling as determined on audit and his previous subceiling. Such deposits will reduce the party's taxable income or be excluded from gross income (as the case may be), and will be related to the fund's subceilings in the manner provided in subparagraphs (1) and (2) of this paragraph, in the taxable year to which they related. For example, if deposits are made in 1972 and 1974 of an amount equal to an amount of earnings from shipping operations in 1971, and the 1974 deposit represents the portion of the taxable income that resulted from adjustments made upon an audit by the Internal Revenue Service, then the amounts deposited in 1972 and 1974 would both reduce taxable income for 1971. However, for purposes of determining the order of withdrawals under §§ 391.6(b) and 391.7(c) and interest on nonqualified withdrawals under § 391.7(e), these deposits will be treated as having been made on the date they were actually made.

(b) *Taxable income attributable to the operation of an agreement vessel*—(1) *In general.* For purposes of this section, taxable income attributable to the operation of an agreement vessel means the amount, if any, by which the gross income of a party for the taxable year from the operation of an agreement vessel (as defined in paragraph (f) of this section) exceeds the allowable deductions allocable to such operation (as determined under subparagraph (3) of this paragraph). The term "taxable income attributable to the operation of the agreement vessels" means the sum of the amounts described in the preceding sentence.

(2) *Gross income.* (i) Gross income from the operation of agreement vessels means the sum of the revenues, separately computed with respect to each

agreement vessel, which are derived during the taxable year from the following:

(*a*) The transportation of passengers, freight, or mail in such vessels, from contracts for the charter of such vessels to others, from operating differential subsidies, from collections in accordance with pooling agreements and from insurance or indemnity net proceeds relating to the loss of income attributable to such agreement vessels.

(*b*) Revenues derived from the operation of agreement vessels relating to commercial fishing activities, including the transportation of fish, support activities for fishing vessels, charters for commercial fishing, and insurance or indemnity net proceeds relating to the loss of income attributable to such agreement vessels.

(*c*) Revenue from the rental, lease, or use by others of terminal facilities, revenues from cargo handling operations and tug and lighter operations, and revenues from other services or operations which are incidental and related to the operation of an agreement vessel. Thus, for example, agency fees, commissions, and brokerage fees derived by the party at his place of business for effecting transactions for services directly related to shipping for the accounts of other persons are includible in gross income from the operation of agreement vessels where the transaction is of a kind customarily consummated by the party for his own account at such place of business.

(*d*) Dividends, interest, and gains derived from assets identified and reasonably retained to meet regularly occurring obligations relating to the shipping (or fishing) business directly connected with the agreement vessel which obligations cannot at all times be met from the current revenues of the business because of layups or repairs, special surveys, fluctuations in the business, and reasonably foreseeable strikes (whether or not a strike actually occurs), and security amounts retained by reason of participation in pooling agreements.

(ii) The items of gross income described in subdivision (i) (*c*) and (*d*) of this subparagraph shall be considered to be derived from the operations of a particular agreement vessel in the same proportion that the sum of the items of gross income described in subdivision (i) (*a*) and (*b*) of this subparagraph which are derived from the operations of such agreement vessel bears to the party's total gross income for the taxable year from operations described in subdivision (i) (*a*) and (*b*) of this subparagraph.

(iii) In the case of a party who uses his own or leased agreement vessels to transport his own products, the gross income attributable to such vessel operations is an amount determined to be an arm's length charge for such transportation. The arm's length charge shall be determined by application of the principles of section 482 of the Code and the regulations thereunder. Gross income attributable to the operation of agreement vessels does not include amounts for which the party is allowed a deduction for depletion under sections 611 and 613 of the Code.

(3) *Deductions.* From the items of gross income attributable to the operation of agreement vessels as determined under subparagraph (2) of this paragraph, there shall be deducted the expenses, losses, and other deductions allocable thereto and a ratable part of any expenses, losses, or other deductions which cannot be allocated to some item or class of gross income. The determination as to whether a deduction is allocable to a particular item or class of items of gross income specified in subparagraph (2) of this paragraph shall be made in accordance with the principles of § 1.861–8 of the Income Tax Regulations (26 CFR 1.861–8). If a deduction is determined to be related to more than one item of gross income specified in subparagraph (2) of this paragraph, the deduction must be apportioned between or among such items of gross income in accordance with the principles of § 1.861–8 of the Income Tax Regulations (26 CFR 1.861–8). When a deduction is not allocable to any item or class of gross income specified in subparagraph (2) of this paragraph, the deduction shall be apportioned ratably among all items or classes of gross income of the party in the same proportion that the amount of each item or class of gross income bears to the amount of all items and classes of gross income.

(4) *Net operating and capital loss deductions.* The taxable income of a party shall be computed without regard to the carryback of any net operating loss deduction allowed by section 172 of the Code, the carryback of any net capital loss deduction allowed by section 165(f) of the Code, or any reduction in taxable income allowed by section 607 of the Act.

(5) *Method of accounting.* Taxable income must be computed under the method of accounting which the party uses for Federal income tax purposes. Such method may include a method of reporting whereby items of revenue and expense properly allocable to voyages in progress at the end of any accounting period are eliminated from the computation of taxable income for such accounting period and taken into account in the accounting period in which the voyage is completed.

(c) *Net proceeds from transactions with respect to agreement vessels*—(1) *Net proceeds from disposition of agreement vessels.* (i) The gross proceeds from the sale or other disposition (including mortgages) of an agreement vessel is the total amount realized or to be realized by the party from the disposition of such vessel, including evidences of indebtedness and contract rights received, whether or not they constitute an amount realized under section 1001(b) of the Code and the regulations thereunder, but only to the extent not included in taxable income under paragraph (b) of this section. Net proceeds is the gross proceeds reduced by amounts necessarily paid or incurred in connection with the sale or other disposition. Net proceeds does not include amounts realized from a sale or other disposition of an agreement vessel by reason of an assumption of an indebtedness by the purchaser of such vessel or by reason of the purchaser acquiring such vessel subject to an indebtedness. Gross proceeds include amounts received as the result of the forfeiture of collateral for the payment of purchase-money obligations, but does not include interest on obligations received by the party from the sale or other disposition of an agreement vessel. For purposes of this part, any net proceeds deposited for the year of sale or other disposition shall be treated as an amount realized that year. In case of the sale of several vessels, or shares therein, for a lump sum, the net proceeds shall be allocated among each vessel or share in proportion to the fair market value of each on the date of the sale. The party must deposit an amount equal to the entire net proceeds realized or to be realized with respect to an agreement vessel as a single deposit. Except as otherwise provided in this paragraph, the term "sale or other disposition" has the same meaning as in section 1001(a) of the Code and the regulations thereunder.

(ii) In the event the party and the purchaser are owned or controlled directly or indirectly by the same interests within the meaning of section 482 of the Code and the regulations thereunder, the amount realized or to be realized shall be the fair market value of the vessels sold or otherwise disposed of. In such case, the party shall furnish evidence sufficient, in the opinion of the Secretary of Commerce, to establish that the amount realized or to be realized is the fair market value.

(2) *Net proceeds from insurance or indemnity.* The net proceeds from insurance or indemnity attributable to an agreement vessel is the gross amount the party received under a contract of insurance or indemnity as compensation for damages done to the vessel (other than amounts intended to compensate for loss of profits) reduced by amounts necessarily paid or incurred purely for the collection of such compensation. Where the net proceeds of insurance or indemnity are received in more than one payment, the deposit of such net proceeds shall relate to the taxable year of receipt.

(d) *Receipts from the investment or reinvestment of amounts held in a fund*—(1) *In general.* Receipts from the investment or reinvestment of assets in a fund is the total amount of any interest or dividends received with respect to assets deposited in, or purchased with amounts deposited in, such fund. Receipts from the investment or reinvestment of assets held in a fund also include the total amount of any gain realized by the fund from the sale or other disposition of assets of such fund. For rules relating to receipts from the sale or other disposition of nonmoney deposits into the fund see paragraph (g) of this section.

(2) *Gain realized.* The gain realized by the fund is the excess of the amount realized (as defined in section 1001(b) of

the Code and the regulations thereunder) by the fund on the sale or other disposition of a fund asset over its adjusted basis (as defined in section 1011 of the Code) to the fund. For the adjusted basis of nonmoney deposits see paragraph (g) of this section.

(e) *Leased vessels.* In the case of a party who is a lessee of an agreement vessel, the maximum amount which such lessee may deposit with respect to any agreement vessel by reason of section 607(b)(1)(B) of the Act and paragraph (a)(1)(ii) of this section (relating to depreciation allowable) for any period shall be reduced by the amount (if any) which, under an agreement entered into under section 607 of the Act, the owner is required or permitted to deposit for such period with respect to such vessel by reason of section 607(b)(1)(B) of the Act and paragraph (a)(1)(ii) of this section. The amount of depreciation actually allowable to the lessee under this paragraph is the amount set forth in the agreement.

(f) *Definition of agreement vessel.* For purposes of this section, the term "agreement vessel" (as defined in § 391.11(a)(3)) includes barges and containers which are the complement of an agreement vessel and which are provided for in the agreement, agreement vessels which have been contracted for or are in the process of construction, and any shares in an agreement vessel. Solely for purposes of this section, a party is considered to have a "share" in an agreement vessel if he has a right to use the vessel to generate income or a right to the proceeds or a portion of the proceeds from its use whether or not the party would be considered as having a proprietary interest in the vessel for purposes of State or Federal law. Notwithstanding the provisions of Subchapter K of the Code (relating to the taxation of partners and partnerships), the Internal Revenue Service will recognize, solely for the purposes of applying this part, an agreement by an owner of a share even though the "share" arrangement is a partnership for purposes of the Code.

(g) *Special rules for nonmoney deposits and withdrawals*—(1) *In general.* Deposits may be made in the form of money or property of the type permitted to be deposited under the agreement. For purposes of this paragraph, the term "property" does not include money. The amount of any property deposit, and the fund's basis for property deposited in the fund, is the fair market value of the property at the time deposited, whether or not the election provided for in subparagraph (2) of this paragraph is made. Unless such an election is made, deposits of property into a fund are considered to be a sale at fair market value of the property a deposit of cash equal to such fair market value and a purchase by the fund of such property for cash. Thus, in the absence of the election, the difference between the fair market value of such property deposited and its adjusted basis shall be taken into account as gain or loss for purposes of computing the party's income tax liability for the year of deposit and the fund's holding period for the property begins on the day after the deposit is made.

(2) *Election not to treat deposits of property other than money as a sale or exchange at the time of deposit.* (i) A party may elect to treat a deposit of property as if no sale or other taxable event had occurred on the date of deposit. If such election is made, in the taxable year the fund disposes of the property, the taxpayer shall recognize as gain or loss the amount he would have recognized on the day the property was deposited into the fund had the election not been made. The election shall be made by a statement to that effect, attached to the party's Federal income tax return for the taxable year to which the deposit relates, or, if such return is filed before such deposit is made, attached to the party's return for the taxable year during which the deposit is actually made.

(ii) If property deposited into a fund, with respect to which an election under this subparagraph is made, is withdrawn from the fund in a qualified withdrawal (as defined in § 391.5) (or if property purchased by the fund, is not disposed of by the fund, but is withdrawn from the fund in a qualified withdrawal), such withdrawal is treated as a disposition of such property resulting in recognition by the taxpayer of gain or loss as provided in subdivision (i) of this subparagraph. In addition, such withdrawal is treated as a disposition of such property by the fund resulting in recognition of gain or loss by the fund to the extent the fair market value of the property on the date of withdrawal is greater or less than (as the case may be) the basis of the property to the fund on such date. In the case of property deposited in the fund, the fund's basis for computing its gain or loss is the basis of the property to the fund on the date of withdrawal as determined under subparagraph (1) of this paragraph. In the case of property purchased by the fund, the fund's basis for computing its gain or loss is the basis of the property to the fund on the date of withdrawal determined as provided in paragraph (d)(2) of this section. For purposes of determining the amount by which the balance within a particular account will be reduced upon a qualified withdrawal in the manner provided in § 391.6(b) (relating to the order of application of qualified withdrawals against accounts) and for purposes of determining the reduction in basis of a vessel, barge, or container (or share therein) pursuant to § 391.6(c) the value of the property is its fair market value on the day of the qualified withdrawal.

(iii) If property deposited into a fund with respect to which an election under this subparagraph is made, is withdrawn from the fund in a nonqualified withdrawal (as defined in § 391.7(b)), no gain or loss is to be recognized by the taxpayer or by the fund but an amount equal to the basis of the property to the fund (as determined under subparagraph (1) of this paragraph) is to be treated as a nonqualified withdrawal. Thus, such amount is to be applied against the various accounts in the manner provided in § 391.7(c), such amount is to be taken into account in computing the party's taxable income as provided in § 391.7(d), and such amount is to be subject to interest to the extent provided for in § 391.7(e). In the case of withdrawals to which this subdivision applies the adjusted basis of the property in the hands of the party is the adjusted basis on the date of deposit and in determining the period for which the party has held the property there shall be included the period for which he held the property before the date of deposit of the property into the fund. For rules relating to the basis and holding period of property purchased by the fund and withdrawn in a nonqualified withdrawal see § 391.7(f).

(3) *Examples.* The provisions of this paragraph are illustrated by the following examples:

Example (1). X Corporation, which uses the calendar year as its taxable year, maintains a fund described in § 391.1. X's taxable income (determined without regard to section 607 of the Act) is $100,000, of which $80,000 is taxable income attributable to the operation of agreement vessels (as determined under § 391.2(b)(1)). Under the agreement, X is required to deposit into the fund all receipts from the investment or reinvestment of amounts held in the fund, an amount equal to the net proceeds from transactions referred to in § 391.2(c), and an amount equal to 50 percent of its earnings attributable to the operation of agreement vessels. The agreement permits X to make voluntary deposits of amounts equal to 100 percent of its earnings attributable to the operation of agreement vessels: *Provided,* That such amount does not exceed X's taxable income from all sources for the year of deposit. The agreement also provides that deposits attributable to such earnings may be in the form of cash or other property. On March 15, 1973, X deposits, with respect to its 1972 earnings attributable to the operation of agreement vessels, stock with a fair market value at the time of deposit of $80,000 and an adjusted basis to X of $10,000. Such deposit is considered to have been made on December 31, 1972 (see § 391.3(b)(4)), representing agreement vessel income of $80,000. At the actual time of deposit, such stock had been held by X for a period exceeding 6 months. X does not elect under subparagraph (2) of this paragraph to defer recognition of the gain. Accordingly, under subparagraph (1) of this paragraph, the deposit is treated as a deposit of $80,000 and X realizes a long-term capital gain of $70,000 on March 15, 1973 (the actual date of deposit).

Example (2). The facts are the same as in example (1), except that X elects in accordance with subparagraph (2) of this section not to treat the deposit as a sale or exchange. On July 1, 1974, the fund sells the stock for $85,000. The basis to the fund of the stock is $80,000 (see subparagraph (1) of this paragraph). X recognizes $70,000 of long-term capital gain on the sale includible in its gross income for 1974. The fund realizes $5,000 of long-term capital gain (the difference between the amount received by the fund on the sale of the stock and the basis to the fund of the stock) an amount equal to which is required to be deposited into the fund with respect to 1974, as a receipt from the investment or reinvestment of amounts held in the fund. Since the fund held the stock for a period exceeding 6 months, the $5,000 is allocated to the fund's capital gain account under § 391.4(c).

Example (3). The facts are the same as in example (2), except that the fund sells the stock on July 1, 1974, for $75,000. As the basis to the fund of the stock is $80,000, the fund realizes a long-term capital loss on the sale (the difference between the amount received by the fund on the sale of the stock and the basis to the fund of the stock) of $5,000 an amount equal to which is required to be charged against the fund's capital gain account under § 391.4(c). X recognizes $70,000 of long-term capital gain on the sale includible in its gross income for 1974.

Example (4). The facts are the same as in example (2), except that on July 1, 1974, X makes a qualified withdrawal (as defined in § 391.5(a)) of the stock and uses it to pay indebtedness pursuant to § 391.5(b). X recognizes $70,000, of long-term capital gain on the disposition includible in its gross income for 1974. The fund is treated as having realized a long-term capital gain of $5,000, an amount equal to which is allocated to the fund's capital gain account under § 391.4(c), and is treated as having a qualified withdrawal of $85,000 (see paragraph (2)(ii) of this paragraph). In addition, an amount equal to the fair market value of the stock on the day of withdrawal is applied against the various accounts in the order provided in § 391.6(b). The basis of the vessel with respect to which the indebtedness was incurred is to be reduced as provided in § 391.6(c).

Example (5). The facts are the same as in example (2), except that X withdraws the stock from the fund in a nonqualified withdrawal (as defined in § 391.7(b)). Neither X nor the fund realizes or recognizes any gain or loss on such withdrawal. An amount equal to the basis of the stock to the fund ($80,000) is applied against the various accounts in the order provided in § 391.7(c), and is taken into account in computing X's taxable income for 1974 as provided in § 391.7(d). In addition, X must pay interest on the withdrawal as provided in § 391.7(e). The basis to X of the stock is $10,000 notwithstanding the fact that the fair market value of such stock was $85,000 on the day of withdrawal (see subparagraph (2)(iii) of this paragraph).

§ 391.3 Nontaxibility of deposits.

(a) *In general.* Section 607(d) of the act sets forth the rules concerning the income tax effects of deposits made with respect to ceilings described in section 607(b) and this section. The specific treatment of deposits with respect to each of the subceilings is set forth in paragraph (b) of this section.

(b) *Treatment of deposits*—(1) *Earnings of agreement vessels.* Section 607(d)(1)(A) of the act provides that taxable income of the party (determined without regard to section 607 of the act) shall be reduced by an amount equal to the amount deposited for the taxable year out of amounts referred to in section 607(b)(1)(A) of the act and § 391.2(a)(1)(i). For computation of the foreign tax credit see paragraph (i) of this section.

(2) *Net proceeds from agreement vessels and fund earnings.* (i) Section 607(d)(1)(B) provides that gain from a transaction referred to in section 607(b)(1)(C) of the act and § 391.2(a)(1)(iii) (relating to ceilings on deposits of net proceeds from the sale or other disposition of agreement vessels) is not to be taken into account for purposes of the Code if an amount equal to the net proceeds from transactions referred to in such sections is deposited in the fund. Such gain is to be excluded from gross income of the party for the taxable year to which such deposit relates. Thus, the gain will not be taken into account in applying section 1231 of the Code for the year to which the deposit relates.

(ii) Section 607(d)(1)(C) of the act provides that the earnings (including gains and losses) from the investment and reinvestment of amounts held in the fund and referred to in section 607(b)(1)(D) of the act and § 391.2(a)(1)(iv) shall not be taken into account for purposes of the Code if an amount equal to such earnings is deposited into the fund. Such earnings are to be excluded from the gross income of the party for the taxable year to which such deposit relates.

(iii) In determining the tax liability of a party to whom subparagraph (1) of this paragraph applies, taxable income, determined after application of subparagraph (1) of this paragraph, is in effect reduced by the portion of deposits which represent net proceeds or earnings respectively referred to in subdivision (i) or (ii) of this subparagraph. The excess, if any, of such portion over taxable income determined after application of subparagraph (1) of this paragraph is taken into account in computing the net operating loss (under section 172 of the Code) for the taxable year to which such deposits relate.

(3) *Time for making deposits.* (i) This section applies with respect to an amount only if such amount is deposited in the fund pursuant to the agreement and not later than the time provided in subdivision (ii), (iii), or (iv) of this subparagraph for the making of such deposit or the date the Secretary of Commerce provides, whichever is earlier.

(ii) Except as provided in subdivision (iii) or (iv) of this subparagraph, a deposit may be made not later than the last day prescribed by law (including extensions thereof) for filing the party's Federal income tax return for the taxable year to which such deposit relates.

(iii) If the party is a subsidized operator under an operating-differential subsidy contract, and does not receive on or before the 59th day preceding such last day, payment of all or part of the accrued operating-differential subsidy payable for the taxable year, the party may deposit an amount equivalent to the unpaid accrued operating-differential subsidy on or before the 60th day after receipt of payment of the accrued operating-differential subsidy.

(iv) A deposit pursuant to § 391.2(a)(3) (relating to underdeposits caused by audit adjustments) must be made on or before the 60th day after receipt of the final determination of tax.

(4) *Date of deposits.* (i) Deposits made in a fund within the time specified in subparagraph (3) (i), (ii), or (iii) of this paragraph are deemed to have been made on the date of actual deposit or as of the close of the last regular business day of the taxable year to which the deposits relate, whichever day is earlier. Deposits made in a fund with respect to a subceiling increased by an audit adjustment are deemed to have been made on the date provided for in § 391.2(a)(3).

(ii) For taxable years beginning after December 31, 1969, and prior to January 1, 1971, where an application for a fund is filed by a taxpayer prior to January 1, 1972, and an agreement is executed and entered into by the taxpayer prior to March 1, 1972, and for taxable years beginning after December 31, 1970, and prior to January 1, 1972, where an application for a fund is filed by a taxpayer prior to January 1, 1973, and an agreement is executed and entered into by the taxpayer prior to March 1, 1973 (or, if earlier, 60 days from the date these regulations are finally adopted) deposits in a fund which are made within 60 days after the date of execution of the agreement, or on or before the due date, with extensions thereof, for the filing of his Federal income tax return for such taxable year or years, whichever date shall be later, shall be deemed to have been made on the date of the actual deposit or as of the close of business of the last regular business day of each such taxable year or years to which such deposits relate, whichever day is earlier.

(c) *Determination of earnings and profits.* Section 607(d)(1)(D) of the act provides that the earnings and profits of any corporation (within the meaning of section 316 of the Code) shall be determined without regard to this section. Accordingly, although certain amounts deposited into the fund reduce taxable income and certain other amounts deposited into the fund result in an exclusion from gross income, earnings and profits of the corporation are not reduced by such deposits.

(d) *Accumulated earnings tax.* As provided in section 607(d)(1)(E) of the act amounts, while held in the fund, are not to be taken into account in computing the "accumulated taxable income" of the party within the meaning of section 531 of the Code.

(e) *Nonapplicability of section 1231.* If an amount equivalent to gain from a transaction referred to in section 607(b)(1)(C) of the act and § 391.2(c)(1) and (2) is deposited into the fund and, therefore, such gain is not taken into account in computing gross income under the provisions of paragraph (b)(2) of this section then such gain will not be taken into account for purposes of the computations under section 1231 of the Code.

(f) *Deposits of capital gains.* The alternative tax imposed by section 1201 of the Code on the excess of the taxpayer's net long-term capital gain over his short-term capital loss and, in the case of a taxpayer other than a corporation, the deduction provided by section 1201 of the Code of 50 percent of the amount of such excess shall not apply in respect of capital gains which are not included in the gross income of the party by virtue of a deposit to which section 607(d) of the act and this section apply.

(g) *Deposits of dividends.* The deduction provided by section 243 of the Code (relating to the deductions for dividends from a domestic corporation received by a corporation) shall not apply in respect

of dividends (earned on assets held in the fund) which are deposited into a fund, and which, by virtue of such deposits and the provisions of section 607 (d) of the act and this section, are not included in the gross income of the party.

(h) *Presumption of validity of deposit.* All amounts deposited in the fund shall be presumed to have been deposited pursuant to an agreement unless, after an examination of the facts upon the request of the Commissioner of Internal Revenue or his delegate, the Secretary of Commerce determines otherwise. The Commissioner or his delegate will request such a determination where there is a substantial question as to whether a deposit is made in accordance with an agreement.

(i) *Special rules for application of the foreign tax credit*—(1) *In general.* For purposes of computing the limitation under section 904 of the Code on the amount of the credit provided by section 901 of the Code (relating to the foreign tax credit) the party's taxable income from sources without the United States and the party's entire taxable income are to be determined after application of section 607(d) of the act. Thus, amounts deposited for the taxable year with respect to amounts referred to in section 607(b)(1)(A) of the act and § 391.2(a)(1)(i) (relating to taxable income attributable to the operation of agreement vessels) shall be treated as a deduction in arriving at the party's taxable income from sources without the United States (subject to the apportionment rules in subparagraph (2) of this paragraph) and the party's entire taxable income for the taxable year. Amounts deposited with respect to gain described in section 607(d)(1)(B) of the act and § 391.2(c) (relating to net proceeds from the sale or other disposition of an agreement vessel and net proceeds from insurance or indemnity) and amounts deposited with respect to earnings described in section 607(d)(1)(C) of the act and paragraph (b)(2)(ii) (relating to earnings from the investment and reinvestment of amounts held in a fund) of this section are not taken into account for purposes of the Code and hence are not included in the party's taxable income from sources without the United States or in the party's entire taxable income for purposes of this paragraph.

(2) *Apportionment of taxable income attributable to agreement vessels.* For purposes of computing the limitation under section 904 of the Code the amount of the deposit made with respect to taxable income attributable to agreement vessels pursuant to § 391.2(a)(1)(i) which is allocable to sources without the United States is the total amount of such deposit multiplied by a fraction the numerator of which is the gross income from sources without the United States from the operation of agreement vessels and the denominator of which is the total gross income from the operation of agreement vessels computed as provided in § 391.2(b)(2). For purposes of this paragraph gross income from sources without the United States attributable to the operation of agreement vessels is to be determined under section 861 of the Code and under the taxpayer's usual method of accounting provided such method is reasonable and in keeping with sound accounting practice.

(j) *Special rules for application of the investment credit.* [Reserved]

§ 391.4 **Establishment of accounts.**

(a) *In general.* Section 607(e)(1) of the act requires that three bookkeeping or memorandum accounts are to be established and maintained within the fund: The capital account, the capital gain account, and the ordinary income account. Deposits of the amounts under the subceilings in section 607(b) of the act and § 391.2 are allocated among the accounts under section 607(e) of the act and this section.

(b) *Capital account.* The capital account shall consist of:

(1) Amounts referred to in section 607(b)(1)(B) of the act and § 391.2(a)(1)(ii) (relating to deposits for depreciation),

(2) Amounts referred to in section 607(b)(1)(C) of the act and § 391.2(a)(1)(iii) (relating to deposits of net proceeds from the sale or other disposition of agreement vessels) other than that portion thereof which represents gain not taken into account for purposes of computing gross income by reason of section 607(d)(1)(B) of the act and § 391.3(b)(2) (relating to nontaxibility of gain from the sale or other disposition of an agreement vessel),

(3) Amounts representing 85 percent of any dividend received by the fund with respect to which the party would, but for section 607(d)(1)(C) of the Act and § 391.3(b)(2)(i) (relating to nontaxability of deposits of earnings from investment and reinvestment of amounts held in a fund), be allowed a deduction under section 243 of the Code, and

(4) Amounts received by the fund representing interest income which is exempt from taxation under section 103 of the Code.

(c) *Capital gain account.* The capital gain account shall consist of amounts which represent the excess of (1) long-term capital gains on property referred to in section 607(b)(1)(C) and (D) of the Act and § 391.2(a)(1)(iii) and (iv) (relating respectively to certain agreement vessels and fund assets), including amounts representing deposits of gain from the sale or other disposition of an agreement vessel held for more than 6 months over (2) amounts representing losses from the sale or exchange of assets held in the fund for more than 6 months (for purposes of this section referred to as "long-term capital losses"). For purposes of this paragraph and paragraph (d)(2) of this section, the period during which the property is held (for purposes of this section referred to as the "holding period") is measured from the date the property was actually deposited into the fund rather than the date a deposit is considered to have been made under § 391.3(b)(4). For provisions relating to the treatment of short-term capital gains realized by the fund, see paragraph (d) of this section. For rules relating to the treatment of capital losses on assets held in the fund, see paragraph (e) of this section.

(d) *Ordinary income account.* The ordinary income account shall consist of:

(1) Amounts referred to in section 607(b)(1)(A) of the Act and § 391.2(a)(1)(i) (relating to taxable income attributable to the operation of an agreement vessel);

(2) Amounts representing (i) gains from the sale or exchange of capital assets held for 6 months or less (for purposes of this section referred to as "short-term capital gain") referred to in section 607(b)(1)(C) or (D) of the Act and § 391.2(a)(1)(iii) and (iv), and amounts representing deposits of gain from the sale or other disposition of an agreement vessel held for 6 months or less reduced by (ii) amounts representing losses from the sale or exchange of capital assets held in the fund for 6 months or less (for purposes of this section referred to as "short-term capital losses"). For rules relating to the holding period of certain property acquired by a fund, see paragraph (c) of this section;

(3) Amounts representing interest (not including any tax-exempt interest referred to in section 607(e)(2)(D) of the Act and paragraph (b)(4) of this section) and other ordinary income received on assets held in the fund;

(4) Amounts representing ordinary income from a transaction (involving certain net proceeds with respect to an agreement vessel) described in section 607(b)(1)(C) of the Act and § 391.2(a)(1)(iii), including gain which is ordinary income under section 607(g)(5) (relating to treatment of gain on the disposition of a vessel with a reduced basis) of the Act and § 391.6(e) or under section 1245 (relating to gain from disposition of certain depreciable property); and

(5) Fifteen percent of any dividend referred to in section 607(e)(2)(C) of the Act and paragraph (b)(3) of this section received on any assets held in the fund.

(e) *Limitation on deduction for capital losses on assets held in a fund.* Except on termination of a fund, long-term (and short-term) capital losses on assets held in the fund shall be allowed only as an offset to long-term (and short-term) capital gains on assets held in the fund and shall not be allowed as an offset to any capital gains on assets not held in the fund. The net long-term capital loss of the fund for the taxable year shall reduce the earliest long-term capital gains in the capital gain account at the beginning of the taxable year and the net short-term capital loss for the taxable year shall reduce the earliest short-term capital gains remaining in the ordinary income account at the beginning of the taxable year. Any such losses that are in excess of the capital gains in the respective accounts shall reduce capital gains deposited into the respective accounts in subsequent years (without regard to section 1212). On termination of a fund, any net long-term capital loss in the capital gain account and any net

short-term capital loss remaining in the ordinary income account is to be taken into account for purposes of computing the party's taxable income for the year of termination as a long-term or short-term (as the case may be) capital loss in the year the fund is terminated. With respect to the determination of the basis of assets held in a fund to such fund, see § 391.2(g)(1). With respect to the holding period of assets held in a fund, see paragraph (c) of this section.

§ 391.5 Qualified withdrawals.

(a) *In general.* (1) A qualified withdrawal is one made from the fund during the taxable year which is in accordance with section 607(f)(1) of the Act, the agreement, and with regulations prescribed by the Secretary of Commerce and which is for the acquisition, construction, or reconstruction of a qualified vessel (as defined in § 391.11(a)(2)) or barges and containers which are part of the complement of a qualified vessel (or shares in such vessels, barges, and containers), or for the payment of the principal of indebtedness incurred in connection with the acquisition, construction, or reconstruction of such qualified vessel (or a barge or container which is part of the complement of a qualified vessel). For purposes of this section, the term "acquisition" includes all transactions in which the basis of the property in the hands of the transferee is its cost.

(2) For purposes of this section the term "share" is used to reflect an interest in a vessel and means a proprietary interest in a vessel such as, for example, that which may result from a joint venture or partnership. Accordingly, a share within the meaning of § 391.2(f) (relating to the definition of "agreement vessel" for the purpose of making deposits) will not necessarily be sufficient to be treated as a share within the meaning of this section.

(b) *Payments on indebtedness.* Payments on indebtedness may constitute qualified withdrawals only if the party shows to the satisfaction of the Secretary of Commerce a direct connection between incurring the indebtedness and the acquisition, construction, or reconstruction of a qualified vessel or its complement of barges and containers whether or not the indebtedness is secured by the vessel or its complement of barges and containers. The fact that an indebtedness is secured by an interest in a qualified vessel, barge, or container is insufficient by itself to demonstrate the necessary connection.

(c) *Payments to related persons.* Notwithstanding paragraph (a) of this section, payments from a fund to a person owned or controlled directly or indirectly by the same interests as the party within the meaning of section 482 of the Code and the regulations thereunder are not to be treated as qualified withdrawals unless the party demonstrates to the satisfaction of the Secretary of Commerce that no part of such payment constitutes a dividend, a return of capital, or a contribution to capital under the Code.

(d) *Treatment of fund upon failure to fulfill obligations.* Section 607(f)(2) of the Act provides that if the Secretary of Commerce determines that any substantial obligation under the agreement is not being fulfilled, he may, after notice and opportunity for hearing to the party, treat the entire fund, or any portion thereof, as having been withdrawn as a nonqualified withdrawal. In determining whether a party has breached a substantial obligation under the agreement, the Secretary will consider among other things (1) the effect of the party's action or omission upon his ability to carry out the purposes of the fund and for which qualified withdrawals are permitted under section 607(f)(1) of the Act, and (2) whether the party has made material misrepresentations in connection with the agreement or has failed to disclose material information. For the income tax treatment of nonqualified withdrawals, see § 391.7.

§ 391.6 Tax treatment of qualified withdrawals.

(a) *In general.* Section 607(g) of the Act and this section provide rules for the income tax treatment of qualified withdrawals including the income tax treatment on the disposition of assets acquired with fund amounts.

(b) *Order of application of qualified withdrawals against accounts.* A qualified withdrawal from a fund shall be treated as being made: First, out of the capital account; second out of the capital gain account; and third, out of the ordinary income account. Such withdrawals will reduce the balance within a particular account on a first-in-first-out basis, the earliest qualified withdrawals reducing the items within an account in the order in which they were actually or constructively deposited. The date funds are actually or constructively withdrawn from the fund determines the time at which withdrawals are considered to be made.

(c) *Reduction of basis.* (1) If any portion of a qualified withdrawal for the acquisition, construction or reconstruction of a vessel, barge, or container (or share therein) is made out of the ordinary income account, the basis of such vessel, barge, or container (or share therein) shall be reduced by an amount equal to such portion.

(2) If any portion of a qualified withdrawal for the acquisition, construction, or reconstruction of a vessel, barge, or container (or share therein) is made out of the capital gain account, the basis of such vessel, barge, or container (or share therein) shall be reduced by an amount equal to—

(i) Five-eighths of such portion, in the case of a corporation (other than an electing small business corporation, as defined in section 1371 of the Code), or

(ii) One-half of such portion, in the case of any other person.

(3) If any portion of a qualified withdrawal to pay the principal of an indebtedness is made out of the ordinary income account or the capital gain account, then the basis of the vessel, barge, or container (or share therein) with respect to which such indebtedness was incurred is reduced in the manner provided by subparagraphs (1) and (2) of this paragraph. If the amount of the withdrawal exceeds the party's basis in such vessel, barge, or container (or share therein), the excess is applied against the basis of other vessels, barges, or containers (or shares therein) owned by the party at the time of withdrawal in the following order: (i) Vessels, barges, or containers (or shares therein) which were the subject of qualified withdrawals in the order in which they were acquired, constructed, or reconstructed; (ii) agreement vessels (as defined in section 607(k)(3) of the Act and § 391.11(a)(3)) and barges and containers which are part of the complement of an agreement vessel (or shares therein) which were not the subject of qualified withdrawals, in the order in which such vessels, barges, or containers (or shares therein) were acquired by the party; and (iii) other vessels, barges, and containers (or shares therein), in the order in which they were acquired by the party. Any amount of a withdrawal remaining after the application of this subparagraph is to be treated as a nonqualified withdrawal. If the indebtedness was incurred to acquire two or more vessels, barges, or containers (or shares therein), then the basis reduction in such vessels, barges, or containers (or shares therein) is to be made pro rata in proportion to the adjusted basis of such vessels, barges, or containers (or shares therein) computed, however, without regard to this section and adjustments under section 1016(a)(2) of the Code for depreciation or amortization.

(d) *Basis for depreciation.* For purposes of determining the allowance for depreciation under section 167 of the Code in respect of any property which has been acquired, constructed, or reconstructed from qualified withdrawals, the adjusted basis for determining gain on such property is determined after applying paragraph (c) of this section. In the case of reductions in the basis of any property resulting from the application of paragraph (c)(3) of this section, payments made at any time during the first half of the party's taxable year shall reduce the basis of the property on the first day of the taxable year, and payments made at any time during the second half of the party's taxable year reduce the basis of the property on the first day of the second half of the taxable year.

(e) *Ordinary income treatment of gain from disposition of property acquired with qualified wtihdrawals.* If any property the basis of which was reduced under paragraph (c) of this section is disposed of any gain realized on such disposition (after application of section 1245 of the Code) to the extent it does not exceed the aggregate reduction in the basis of such property under paragraph (c) of this section shall be treated as an amount referred to in section 607(h)(3)(A) of the Act and § 391.7 (relating to nonqualified withdrawals) which was withdrawn on the date of such disposition. Accordingly, the amount of such

gain shall be included in the gross income of the party as an item of ordinary income for the taxable year in which the disposition occurred. If the disposition occurred within 1 year of final delivery from the shipyard or within 1 year of first loading of the vessel, and if the Secretary of Commerce determines that such disposition was not for a purpose for which the fund is established, then interest on such amount is to be payable as provided in section 607(h)(3)(C) of the Act and § 391.7(e). The rules in the preceding sentence shall not apply in the case of an involuntary conversion. However, if an amount representing the net proceeds (as defined in § 391.2(c)(1)) from the disposition is deposited in the fund pursuant to the agreement and the regulations prescribed by the Secretary of Commerce, such gain is to be excluded from gross income (and interest shall not be payable on such amount) and is to be treated as gain to which section 607(d)(1)(B) of the Act and § 391.3(b)(2) apply. The portion of such deposit which represents gain attributable to the reduction in basis under paragraph (c) of this section is considered a deposit in section 607(b)(1)(C) of the Act (relating to net proceeds from the sale of an agreement vessel) and must be allocated to the ordinary income account of the fund in accordance with § 391.4(d)(4).

§ 391.7 Tax treatment of nonqualified withdrawals.

(a) *In general.* Section 607(h) of the Act provides rules for the tax treatment of nonqualified withdrawals, including rules for adjustments to the various accounts of the fund, the inclusion of amounts in income, and the payment of interest with respect to such amounts.

(b) *Nonqualified withdrawals defined.* Except as provided in section 607 of the Act and § 391.8 (relating to certain corporate reorganizations, changes in partnerships, and transfers by reason of death) any withdrawal from a fund which is not a qualified withdrawal shall be treated as a nonqualified withdrawal which is subject to tax in accordance with section 607(h) of the Act and the provisions of this section. Examples of nonqualified withdrawals are amounts remaining in a fund upon termination of the fund, and withdrawals which are treated as nonqualified withdrawals under section 607(f)(2) of the Act and § 391.5(d) (relating to failure by a party to fulfill substantial obligation under agreement) or under the second sentence of section 607(g)(4) of the Act and § 391.6(c)(3) (relating to payments against indebtedness in excess of basis).

(c) *Order of application of nonqualified withdrawals against deposits.* A nonqualified withdrawal from a fund shall be treated as being made: first, out of the ordinary income account; second, out of the capital gain account; and third, out of the capital account. Such withdrawals will reduce the balance within a particular account on a first-in-first-out basis, the earliest nonqualified withdrawals reducing the items within an account in the order in which they were actually or constructively deposited. Nonqualified withdrawals for research, development, and design expenses incident to new and advanced ship design, machinery, and equipment, and any amount treated as a nonqualified withdrawal under the second sentence of section 607(g)(4) of the act and § 391.6(c)(3), shall be applied against the deposits within a particular account on a last-in-first-out basis. The date funds are actually or constructively withdrawn from the fund determines the time at which withdrawals are considered to be made.

(d) *Inclusion in income.* (1) Any portion of a nonqualified withdrawal which, under paragraph (c) of this section, is treated as being made out of the ordinary income account is to be included in gross income as an item of ordinary income for the taxable year in which the withdrawal is made.

(2) Any portion of a nonqualified withdrawal which, under paragraph (c) of this section, is treated as being made out of the capital gain account is to be included in income as an item of long-term capital gain realized during the taxable year in which the withdrawal is made.

(3) For effect upon a party's taxable income of capital losses remaining in a fund upon the termination of a fund (which, under paragraph (b) of this section, is treated as a nonqualified withdrawal of amounts remaining in the fund) see § 391.4(e).

(e) *Interest.* (1) For the period on or before the last date prescribed by law, including extensions thereof, for filing the party's Federal income tax return for the taxable year during which a nonqualified withdrawal is made, no interest shall be payable under section 6601 of the Code in respect of the tax on any item which is included in gross income under the provisions of this section, and no addition to such tax for such period shall be payable under section 6651 of the Code. In lieu of the interest and tax under such section, simple interest on the amount of the tax attributable to any item included in gross income under the provisions of this section is to be paid at the rate of interest determined for the year of withdrawal under subparagraph (2) of this paragraph. Such interest is to be charged for the period from the last date prescribed for payment of tax for the taxable year for which such item was deposited in the fund to the last date for payment of tax for the taxable year in which the withdrawal is made. Both dates are to be determined without regard to any extensions of time for payment. Interest determined under this section which is paid within the taxable year shall be allowed as a deduction for such year under section 163 of the Code. However, such interest is to be treated as part of the party's tax for the year of withdrawal for purposes of collection and in determining any interest or additions to tax for the year of withdrawal under section 6601 or 6651, respectively, of the Code.

(2) For purposes of section 607(h)(3)(C)(ii) of the act, and for purposes of certain dispositions of vessels constructed, reconstructed, or acquired with qualified withdrawals described in § 391.6(e), the applicable rate of interest for any nonqualified withdrawal—

(i) Made in a taxable year beginning in 1970 and 1971 is 8 percent.

(ii) Made in a taxable year beginning after 1971, the rate for such year as determined and published jointly by the Secretary of the Treasury or his delegate and the Secretary of Commerce, such rate shall bear a relationship to 8 percent which the Secretaries determine to be comparable to the relationship which the money rates and investment yields for the calendar year immediately preceding the beginning of the taxable year bear to the money rates and investment yields for the calendar year 1970. The determination of the applicable rate for any such taxable year will be computed by multiplying 8 percent by the ratio which (*a*) the average yield on 5-year Treasury securities for the calendar year immediately preceding the beginning of such taxable year, bears to (*b*) the average yield on 5-year Treasury securities for the calendar year 1970. The applicable rate so determined shall be computed to the nearest one-hundredth of 1 percent. If such a determination and publication is made, the latest published percentage shall apply for any taxable year beginning in the calendar year with respect to which publication is made.

(3) No interest shall be payable in respect of taxes on amounts referred to in section 607(h)(2)(i) and (ii) of the Act (relating to withdrawals for research and development and payments against indebtedness in excess of basis) or in the case of any nonqualified withdrawal arising from the application of the recapture provision of section 606(5) of the Merchant Marine Act, 1936, as in effect on December 31, 1969.

(f) *Basis and holding period in the case of property purchased by the fund.* In the case of a nonqualified withdrawal of property other than money which was purchased by the fund the adjusted basis of the property in the hands of the party is its adjusted basis to the fund on the day of the withdrawal. In determining the period for which the taxpayer has held the property withdrawn in a nonqualified withdrawal there shall be included only the period beginning with the date on which the withdrawal occurred. For basis and holding period in the case of nonqualified withdrawals of property other than money deposited into the fund see § 391.2(g)(2)(iii).

§ 391.8 Certain corporate reorganizations and changes in partnerships, and certain transfers on death.

(a) *In general.* Section 607(i) of the act and this section provide rules for certain corporate reorganizations, changes in partnerships, and certain transfers on death. Except as provided in paragraphs (b) and (c) of this section, any transfer of a fund from one taxpayer to another is a nonqualified

withdrawal of the entire fund whether or not the transfer is voluntary, involuntary, or by operation of law.

(b) *Certain transfers to corporations and partnerships.* If (1) a party which is a corporation transfers property (including property held in a fund) in a transaction to which section 381 of the Code applies, or a party which is a partnership transfers property (including property held in a fund) to a partnership which is treated as a continuation of the transfer or partnership under the provisions of subchapter K of the Code, and (2) the transfer of the fund has been approved by the Secretary of Commerce, then such transfer will be treated as if it did not constitute a nonqualified withdrawal. If a party who is an individual transfers property (including property held in a fund) to a corporation in a transaction in which no gain or loss is recognized by reason of section 351(a) of the Code, and if the transfer of the fund has been approved by the Secretary of Commerce, then such transfer will be treated as if such transaction did not constitute a nonqualified withdrawal.

(c) *Transfers on death.* If a party who is an individual dies, the transfer of property held in a fund to an executor, administrator, or to any other person by reason of his death will be treated as if it did not constitute a nonqualified withdrawal, provided, such executor, administrator, or other person receives approval for his maintenance of the fund from the Secretary of Commerce. If, upon termination of an estate which maintained a fund provided for in the preceding sentence, the property held in a fund passes to another person, such transfer will be treated as if it did not constitute a nonqualified withdrawal provided such person receives approval for his maintenance of the fund from the Secretary of Commerce.

(d) *Special rules.* In the case of a transfer referred to in paragraph (b) or (c) of this section, all attributes of the fund and of the assets in the fund shall carryover from the transferor to the transferee. If the transferee is a party to an existing fund the assets of the funds and the respective accounts within the funds, shall be combined. Thus, for example, each item in the combined fund shall retain its character as an item which was deposited into the capital account, the capital gain account, or the ordinary income account, as the case may be, on the date on which they were deposited into each original fund.

§ 391.9 Consolidated returns. [Reserved]

§ 391.10 Transitional rules for existing funds.

(a) *In general.* Section 607(j) of the Act provides that any person who was maintaining a fund or funds under section 607 of the Merchant Marine Act, 1936, prior to its amendment by the Merchant Marine Act of 1970 (for purposes of this part referred to as "old fund") may continue to maintain such old fund in the same manner as under prior law subject to the limitations contained in section 607(j) of the Act. Thus, a party may not simultaneously maintain such old fund and a new fund established under the Act.

(b) *Extension of agreement to new fund.* If a person enters into an agreement under the Act to establish a new fund, he may agree to the extension of such agreement to some or all of the amounts in the old fund and transfer the amounts in the old fund to which the agreement is to apply from the old fund to the new fund. If an agreement to establish a new fund is extended to amounts from an old fund, each item in the old fund to which such agreement applies shall be considered to be transferred to the appropriate account in the manner provided for in § 391.8(d) in the new fund in a nontaxable transaction which is in accordance with the provisions of the agreement under which such old fund was maintained. For purposes of section 607(h)(3)(C) of the Act and § 391.7(f), the deposit date of any item so transferred shall be July 1, 1971, or the date of the deposit in the old fund, whichever is the later.

§ 391.11 Definitions.

(a) As used in the regulations in this part and as defined in section 607(k) of the Act—

(1) The term "eligible vessel" means any vessel—

(i) Constructed in the United States, and if reconstructed, reconstructed in the United States,

(ii) Documented under the laws of the United States, and

(iii) Operated in the foreign or domestic commerce of the United States or in the fisheries of the United States.

Any vessel which was constructed outside of the United States but documented under the laws of the United States on April 15, 1970, or constructed outside the United States for use in the U.S. foreign trade pursuant to a contract entered into before April 15, 1970, shall be treated as satisfying the requirements of subdivision (i) of this subparagraph and the requirements of subparagraph (2)(i) of this paragraph.

(2) The term "qualified vessel" means any vessel—

(i) Constructed in the United States and, if reconstructed, reconstructed in the United States,

(ii) Documented under the laws of the United States, and

(iii) Which the person maintaining the fund agrees with the Secretary of Commerce will be operated in the U.S. foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States.

(3) The term "agreement vessel" means any eligible vessel or qualified vessel which is subject to an agreement entered into under section 607 of the Act.

(4) The term "vessel" includes cargo handling equipment which the Secretary of Commerce determines is intended for use primarily on the vessel. The term "vessel" also includes an ocean-going towing vessel or an ocean-going barge or comparable towing vessels or barge operated in the Great Lakes.

(b) Insofar as the computation and collection of taxes are concerned, other terms used in the regulations in this part, except as otherwise provided in the Act or this part, have the same meaning as in the Code and the regulations thereunder.

Dated: June 12, 1972.

By Order of the Assistant Secretary of Commerce for Maritime Affairs.

AARON SILVERMAN,
Assistant Secretary,
Maritime Administration.

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Office of the Secretary

[15 CFR Part 7]

CHILDREN'S SLEEPWEAR

Notice of Finding That Flammability Standard May Be Needed and Institution of Proceedings

Finding. Pursuant to section 4(a) of the Flammable Fabrics Act, as amended (sec. 3, 81 Stat. 569, 15 U.S.C. 1193) and § 7.5 of the Flammable Fabrics Act Procedures (33 F.R. 14642, October 1, 1968), and upon the basis of investigations or research conducted pursuant to section 14 of the Flammable Fabrics Act, it is hereby found that a new or amended flammability standard or other regulation, including labeling, may be needed for sleepwear sizes 7–14 normally worn by children of ages 6 through 12, and for fabrics or related materials intended or promoted for use in such sleepwear, to protect the public against unreasonable risk of the occurrence of fire leading to death or personal injury or significant property damage.

The Standard for the Flammability of Children's Sleepwear, DOC FF 3–71 (36 F.R. 14062), provides for coverage of sleepwear normally worn by young children (5 years and under) (sizes 0–6X). Review and analysis of the accident data available at the National Bureau of Standards indicate that the most frequent victims of fires involving sleepwear are between ages 1–12 and of these about 40 percent of the victims are between ages 6–12. On the basis of these data and research conducted in children's sleepwear, it has been determined that children's sleepwear in the size range 7–14 normally worn by children of ages 6–12 may present a special hazard, over and above that presented by those same items of wearing apparel for the population as a whole.

Institution of proceedings. Pursuant to section 4(a) of the Flammable Fabrics Act, as amended (sec. 3, 81 Stat. 569; 15 U.S.C. 1193) and § 7.6(a) of the Flammable Fabrics Act Procedures (33 F.R. 14642, October 1, 1968), notice is hereby given of the institution of proceedings for the development of a new or amended flammability standard or other regulation, including labeling, for sleepwear

sizes 7–14 normally worn by children of ages 6–12 and for fabrics and related materials intended or promoted for use in such sleepwear.

Participation in proceedings. All interested persons are invited to submit written comments or suggestions within 30 days after date of publication of this notice in the FEDERAL REGISTER relative to (1) the above finding that a new or amended flammability standard or other regulation, including labeling, may be needed; and (2) the terms or substance of a new or amended flammability standard or other regulation, including labeling, that might be adopted in the event that a final finding is made by the Secretary of Commerce that such a standard or other regulation is needed to adequately protect the public against unreasonable risk of the occurrence of fire leading to death or personal injury, or significant property damage. Written comments or suggestions should be submitted in at least four (4) copies to the Assistant Secretary for Science and Technology, Room 3862, U.S. Department of Commerce, Washington, D.C. 20230, and should include any data or other information pertinent to the subject.

Inspection of relevant documents. The written comments received pursuant to this notice will be available for public inspection at the Central Reference and Records Inspection Facility of the Department of Commerce, Room 7043, Main Commerce Building, 14th Street and Constitution Avenue NW., Washington, DC 20230. Data from burn cases are available at this facility.

Issued: June 9, 1972.

PETER G. PETERSON,
Secretary of Commerce.

[FR Doc.72-9017 Filed 6-14-72;8:47 am]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 72-SW-36]

CONTROL ZONE

Proposed Alteration

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations to alter the Enid, Okla., control zone.

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 the 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, Fort Worth, Tex. An informal docket will also be available for examination at the Office of the Chief, Air Traffic Division.

The U.S. Air Force is installing a VORTAC at latitude 36°30'43" N., longitude 97°55'04" W., located on Vance AFB, Okla. In addition, a VFR practice ILS which is presently on runway 17C will be converted to an IFR facility. These navigation aids and associated instrument approach procedures will require alteration of the Enid control zone.

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

In § 71.171 (37 F. R. 2056), the Enid, Okla., control zone is amended to read:

ENID, OKLA.

That airspace within a 5-mile radius of Vance AFB (latitude 36°20'20" N., longitude 97°55'00" W.); and within 2 miles west and 5 miles east of the Vance AFB ILS localizer south course extending from the 5-mile-radius zone to the OM; and within 2 miles each side of the Vance AFB VORTAC 188° radial, extending from the 5-mile-radius zone to 8 miles south of the VORTAC; and within 2 miles each side of the Vance AFB VORTAC 345° radial, extending from the 5-mile-radius zone to 5.5 miles north of the VORTAC; and within 2 miles west and 3 miles east of the Vance AFB 17R/35L runway centerline, extending from the 5-mile-radius zone to 6.5 miles north of Vance AFB; and within a 5-mile radius of Enid Woodring Municipal Airport (latitude 36° 22'45" N., longitude 97°47'30" W.) and within 2 miles each side of the Woodring VOR 355° radial, extending from the 5-mile-radius zone to 8 miles north of the VOR; and within 2 miles each side of the Woodring VOR 185° radial, extending from the 5-mile-radius zone, to 8 miles south of the VOR. This control zone is effective during the dates and times published in the Airman's Information Manual.

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 June 5, 1972.

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

[FR Doc. 72-8985 Filed 6-14-72 8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 72-SW-37]

CONTROL ZONE AND TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations to alter controlled airspace in the McAllen, 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, Fort 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.

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

MCALLEN, TEX.

That airspace within a 5-mile radius of Miller International Airport (latitude 26°-10'40" N., longitude 98°14'25" W.), and within 3 miles each side of the McAllen VOR 095° true radial (086° magnetic) extending from the 5-mile-radius zone to 10 miles east of the VOR.

(2) In § 71.181 (37 F.R. 2143), the McAllen, Tex., transition area is amended to read:

MCALLEN, TEX.

That airspace extending upward from 700 feet above the surface within a 5.5-mile radius of Miller International Airport (latitude 26°10'40" N., longitude 98°14'25" W.) and within 3.5 miles either side of the McAllen, Tex., VOR 095° true radial (086° magnetic) extending from the 5.5-mile-radius area to 11.5 miles east of the VOR.

The proposed transition area will provide controlled airspace for aircraft

executing ILS or NDB approaches to Runway 13 and will conform the controlled airspace to current criteria.

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 June 6, 1972.

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

[FR Doc.72-8986 Filed 6-14-72;8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 72-SW-38]

TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations to alter the Harlingen, Tex., transition 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, Fort 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 § 71.181 (37 F.R. 2143), the Harlingen, Tex., transition area is amended to read:

HARLINGEN, TEX.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of the Harlingen Municipal Airport (latitude 26°13'36" N., longitude 97°39'10" W.) and within 3.5 miles either side of the Harlingen ILS localizer north course extending from the 5-mile-radius zone to 11.5 miles north of the outer marker; within 2 miles either side of Harlingen VOR 118° radial extending from the VOR to the airport.

The proposed amendment to the transition area will provide controlled airspace for aircraft executing the proposed ILS runway 17R approach.

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.S. 1655(c)).

Issued in Fort Worth, Tex., on June 7, 1972.

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

[FR Doc.72-8987 Filed 6-14-72;8:45 am]

Hazardous Materials Regulations Board

[49 CFR Part 173]

[Docket No. HM-102; Notice 72-7]

TRANSPORTATION OF HAZARDOUS MATERIALS

Flammable, Combustible, and Pyroforic Liquids; Definitions

The Hazardous Materials Regulations Board is considering an amendment to § 173.115 of the Department's Hazardous Materials Regulations to specify a new definition fo rthe class of materials identified as "Flammable Liquid" and to create and define a new class of materials identified as "Combustible Liquid." Also, it is proposing to modify the definition for pyroforic liquids within the "Flammable Liquid" class.

On February 27, 1968, the Board published a notice of proposed rule making, Docket No. HM-3 (33 F.R. 3382) proposing a new definition for "Flammable Liquid." On February 21, 1970, the Board published a notice of proposed rule making, Docket No. HM-42; Notice No. 70-3 (33 F.R. 3298) proposing to create and define a new class of materials identified as "Combustible Liquid." On December 5, 1970, the Board published a notice of proposed rule making, Docket No. HM-67; Notice No. 70-23 (35 F.R. 18534) proposing to change the method for determining the flashpoint of materials from the Tagliabue open-cup test method to the Tagliabue closed-cup test method. None of the above-mentioned rule-making proposals have resulted in an amendment to the Hazardous Materials Regulations. The matters proposed in those dockets, hereafter referred to as 3, 42, and 67, are hereby consolidated within this docket and the reasons and justifications, except as modified herein, given in their preambles are made a part of this rule-making proposal.

The proposals made in 3, 42, and 67 raised considerable controversy. Comments were addressed to the need for change, the degree of change, the method specified for testing, and the lack of uniformity in defining flammable and combustible materials.

Combustible liquids. Much interest was expressed in the proposal to regulate "combustible liquids." The Board notes that while virtually all commenters acknowledged the problem the rule making was designed to solve, there was considerable divergence of views on the proposed solution. In 42, the Board described the problem as follows:

> Combustible liquids are routinely transported in tank cars, tank trucks, and portable tanks with no requirement that these tanks be identified during transportation as containing a material having a fire hazard.
>
> Fire, police, and rescue personnel are generally trained to deal with fuel oil and kerosene accidents in the same manner as they deal with gasoline accidents. In order to be able to do their job, they must have immediate information regarding the contents of these tanks. Without this information, the emergency personnel might well be misled into believing that the tanks contained some innocuous commodity such as milk or molasses. Their attention might, therefore, be misdirected away from this significant potential hazard * * *.
>
> Compounding the problem of lack of information as to hazards is the fact that many tank truck operators are transporting combustible liquids in tanks which bear the placard "Non-Flammable." This is apparently done in order to be able to permanently mark the word "Flammable" on tanks which are used interchangeably in shipping flammable or combustible liquids. In that way, the carrier need only to add a small tag or plate with the word "Non" on it rather than having to constantly remove and replace a larger placard having the word "Flammable." Placarding of this type is a gross misrepresentation of the actual hazard that would be present should such vehicles be involved in accidents, parked or stopped near fires, or otherwise placed in jeopardy.

No one questioned the basis for the Board's concern. In fact, several commenters, including State governments, agreed that a problem existed that required solution for the public's protection. Rather than question the need for the new classification, most commenters addressed themselves to the details of scope and implementation.

One commenter noted that 18 U.S.C. 834 directs the Department "to formulate regulations for the safe transportation within the United States of explosives and other dangerous articles, including radioactive materials, etiologic agents, flammable liquids, flammable solids, oxidizing materials, corrosive liquids, compressed gases, and poisonous substances." He contended that the word "including" tended to limit the Department's jurisdiction to regulation of the listed items, thereby excluding "combustibles." As a common practice in legal drafting, utilized throughout the United States Code, the term "including" serves to introduce examples of a broad class of items in order to provide a partial definition of that class. The Board believes this to have been the intent of Congress in enacting the Explosives and Combustibles Act of 1908, and is of the opinion that the contention of lack of jurisdiction is without merit.

A very large percentage of the commenters on 42 addressed themselves to what temperature level, 150° F. or 200° F., is the more justified upper limit. The same sources were cited in certain instances to support either the 150° or the 200° break point. This depended on the

approach they considered in citing the reference.

No convincing argument was presented to support the 150° F. cutoff. The Board believes that it must not ignore the significant number of materials having flashpoints between 150° and 200° F. being transported. To do so would not accomplish the stated objective of its proposal. The Board is aware of the fact that these materials have flashpoints higher than credible ambient temperatures, and that they are less likely to ignite than the lower flashpoint materials. Their vapors, however, can ignite when exposed to elevated temperatures caused by other than normal ambient conditions. Several commenters suggested the Board had no adequate accident data in the area of higher flashpoint materials. It is true that such data is limited due to the fact that these materials have never been covered by a hazardous materials incident reporting procedure. There are, however, accident reports on file with the Bureau of Motor Carrier Safety, Federal Highway Administration, that relate the facts of accidents involving fires fueled by "combustible liquid" cargoes. For those who question the potential of these materials to cause or contribute to harm, the Board urges reading of the National Transportation Safety Board report, dated March 7, 1968, on the railroad-highway grade crossing accident in Everett, Mass., on December 29, 1966. The tank motor vehicle involved in that particular accident was transporting fuel oil. Thirteen people were killed "* * * due to thermal burns and smoke inhalation * * *"

One concern expressed by several commenters was the need for establishing a new classification. This is necessary because of the structure of the Hazardous Materials Regulations. Before a material is regulated as a hazardous material, it must be classed as a hazardous material. Although the Board has several rule making actions and studies in progress concerning test and definition criteria for the classification of materials, it does not contemplate any change from a classification type of system. It is necessary, therefore, to establish a "Combustible Liquid" classification.

Method of test for flashpoint. In its proposal to convert from the open-cup to the closed-cup test method in 67, the Board said:

> The flash point is generally accepted as a useful means to determine the flammability of flammable liquids, and therefore their potential fire hazard during transportation. The Tagliabue open-cut testing method, which has been in use with only minor modification for many years, lacks the precision, reliability, and reproductibility necessary to properly estimate the flammability hazard that may be encountered during transportation * * *.
>
> As part of the Department's overall review of the Hazardous Materials Regulations, the Board and the staff of the Office of Hazardous Materials (OHM) have been evaluating methods used for classification of materials according to the hazard presented during transportation. OHM contracted with the Safety Research Center, U.S. Bureau of Mines, to examine the limitations of the available flash point testers and to recommend the best method for adoption by DOT.
>
> In reaching their conclusions, the Bureau of Mines measured the present state of the art against the following criteria:
>
> 1. Repeatibility (data obtained by the same analyst in several determinations, using the same equipment and the same sample).
>
> 2. Reproducibility (data obtained by several analysts, each using a different piece of equipment of the same type, and using the same sample).
>
> 3. Reliability in assessing the fire or explosion hazard.
>
> In addition, the Bureau of Mines considered and evaluated all comments received in response to that part of a prior notice of proposed rule making (NPRM) [1] dealing with definitions of flammable liquid, flashpoint, open-cup tester, and closed-cup tester. The results and recommendations of the Bureau's study have been reported.[2]
>
> The Bureau's report recommends that the Tag closed-cup method be used to determine flashpoints of flammable liquids for purposes of the DOT Hazardous Materials Regulations. The conclusions, proposing adoption of the closed-cup method, may be summarized as follows:
>
> 1. The closed-cup method is more precise and reliable than the open-cup method, gives more reproducible data, and provides a more conservative estimate of the hazard presented by the formation of flammable vapor-air mixtures under either confined or unconfined conditions.
>
> 2. It is often proposed that an open-cup more nearly approximates the geometry of a spill situation than does a closed-cup. In our judgment, this is a trivial consideration in choosing among the variations of existing apparatus. The actual likelihood of ignition of a spill depends heavily upon factors which are beyond the scale of laboratory apparatus, such as the cooling of the liquid surface by evaporation or the gustiness of the atmosphere.[1]
>
> The greatest explosion hazard results from leakage or spillage into surroundings that provide some confinement, such as a railroad boxcar, a van-type truck, or the hold of a ship. In this situation, convection currents aid the formation of homogeneous vapor-air mixtures and the magnitude of overpressures in confined combustion is usually greatest with homogeneous mixtures. Here again, the closed-cup gives the best definition of hazard.[2] Experience shows that spills and leaks in confinement are common accident situations and must be considered in the development of safety criteria.
>
> 3. Due to its greater reliability, the closed-cup method has been accepted by the National Fire Protection Association, the National Academy of Sciences, the United Nations Intergovernmental Maritime Consultative Organization (IMCO), and many western European industrial countries, including Great Britain, France, West Germany, Sweden, and the Netherlands.
>
> Additional reasons supporting the closed-cup method may be found in a review of various technical publications and comments received on a prior notice of rule making.[1] The following is quoted from the International Chamber of Shipping's statement which was attached to the IMCO October 15, 1969, communication to the sixth session of the Committee of Experts on the Transport of Dangerous Goods:
>
> The closed-cup method of testing should be used rather than the open-cup method in view of the former's much better precision.[3]
>
> Proponents of the open-cup method point out that improvement in technique in recent years has resulted in increased precision and reproducibility of data. It is agreed that refinement of test methods has brought some improvement. However, in spite of this improvement, the Board believes that the open-cup is still not equal to the closed-cup method for overall transportation safety purposes. For example, the report of Technical Subcommittee No. II of the Chicago Society for Paint Technology [4] summarizes the testing done during 1968 with six different types of flashpoint testers and 27 solvents having flash points ranging from 20° F. to 190° F. The report concluded that, "All closed-cups were considerably more reliable and easier to work with than the other cups * * *.
>
> Some comments received on Docket HM-3; Notice No. 68-2 stated that a closed-cup is not responsive to mixtures that contain low-volatility nonflammable components; it is, on the other hand, far too stringent for mixtures containing very small (less than 0.2 percent) amounts of highly volatile flammable compounds. During the test of a mixture, the closed-cup can concentrate nonflammable vapors as readily as flammable vapors. These nonflammable vapors can have a suppressant effect upon the flammability of the sample, thereby raising the flashpoint beyond the limit prescribed in the regulations for flammable liquids. In an open-cup, part or all of the vapors can escape, thus reducing this suppressant effect. On the other hand, comments noted that a nonflammable anti-knock compound containing less than 0.2 percent of dissolved hydrocarbon, because of trapping of the hydrocarbon traces in the vapor space of the apparatus, had a closed-cup flashpoint of 58°–73° F., compared to an open-cup flashpoint of 180°–245° F.
>
> The Board realizes that none of the presently available test methods accurately applies to all mixtures. To cover the unusual behavior of certain mixtures, the Board can issue the necessary rulings. For example, the Board could classify such mixtures according to the flash point of their major component. There may be alternative means to cover certain mixtures which do not lend themselves to the proposed testing procedure, and the Board welcomes any suggestions in this regard. The decision as to proper classification of exceptions could be based upon other data or experience showing that the liquid is more or less hazardous than the flashpoint data indicate. The exceptions should not govern the general rule, however, and the Board is concerned with covering the great majority of substances by a single test method * * *.

The other principal matter in the preamble of 67 dealt with the Board's intent to not change "the present established classification ranges or packaging of flammable liquids," a position that has

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[1] Docket No. HM-3; Notice No. 68-2 (33 F.R. 3882, Feb. 27, 1968).

[2] Kuchta, Joseph M. and Burgess, David, Report No. S. 4131, Apr. 29, 1970, Safety Research Center, U.S. Bureau of Mines. This document is available from the Clearing House for Federal Scientific and Technical Information, National Bureau of Standards, U.S. Department of Commerce, Springfield, Va. 22151, at a cost of $3 per copy, or Microfiche copy at 65 cents.

[3] United Nations Economic and Social Council, E/CN.2/CONF.5/R.198.

[4] Probst, K. G., Correlation of Apparatus for Measuring Flash Point of Solvents, J. of Paint Technology, Vol. 40, No. 527, pp. 576–81 (Dec. 1968).

been modified and which will be discussed later in this preamble.

The comments made in response to 67 were rather diverse, ranging from full support of the proposal to being totally against it in all respects. Since that proposal is being modified by this notice, no attempt will be made to respond to all of the arguments presented, only to those that relate to changes made in response to comments.

Several commenters again pointed out that small quantities of volatile nonflammable materials in mixtures could mask the danger of "flammable" materials. The Board agrees and is proposing that tests be conducted on partially evaporated samples of mixtures. Conversely, another commenter pointed out that very small amounts of dissolved hydrocarbons (in his case less than 0.2 percent) in a mixture could cause an anomalously low closed cup flash point. The Board agrees that very small quantities of materials, meeting a proposed definition, should not have the effect of making 99 percent or more of a mixture subject to the requirements pertaining to that definition. Therefore, it is proposing exceptions to the two definitions. If tests on a material prove positive, the shipper will be afforded the opportunity of analyzing his material to determine if 99 percent or more of its components, when tested, do not meet either or both of the proposed definitions. Several commenters pointed out that the Tag closed-cup method is not appropriate for viscous materials and liquids which tend to form a surface film under test conditions, such as most paint products. The Board agrees and is proposing use of the Pensky-Martens Closed Tester (ASTM D93–71) for these materials as well as liquids that contain suspended solids.

The Board is proposing a modification of the proposal it made in 67 by raising the flashpoint for "flammable liquids" to (but not including) 100° F. closed cup. Also, it is proposing to change the upper limit for "combustible liquids" from 200° F. open cup to 200° F. closed cup with the same test criteria applicable to both definitions. The two principal reasons for these proposed modifications are: (1) To more properly reflect credible ambient temperatures in defining "flammable liquids," and (2) uniformity.

Ambient temperatures. A report entitled "A Survey of Environmental Conditions Incident to the Transportation of Materials" [5] was recently prepared for the Department. In the "Summary of Conclusions" portion of the report, the following statement pertaining to temperature is presented:

4.7 *Temperature.* From the results of storage temperatures reported in the western desert, northern cold regions (Maine, Alaska, Washington), various other storage areas in the continental United States, Puerto Rico, and Hawaii, it is seen that temperature criteria for military equipment are too severe. A more accurate, but still conservative criterion is to apply extremes of local air temperatures. While this appears to neglect the results of solar thermal radiation, which for desert areas in summer is great, the data indicate that the thermal inertia and insulation of storage structures is sufficiently great such that attenuation of the swings in air temperature inside storage chambers results. The recorded extremes in air temperature in storage areas over the entire range of localities and structure types is −9° F. to 119° F., a much narrower range than the −65° F. to 160° F. expected values stated in MIL–STD–210A.

A limited amount of data for truck and rail transport also indicate that the cargo material undergoes swings in temperature which are greatly diminished from that of the forcing functions, the outdoor air temperature and solar thermal radiation.

The referenced 119° F. was arrived at from a report on the occurrence of higher temperatures in standing boxcars in which the highest measured temperature was 119° F. Similarly, in another study made under extreme temperature conditions in Death Valley, an overall maximum skin temperature and temperature within the cargo under test in a truck was 116° F. in response to a 130° F. maximum outside temperature on the day of the test. The Board concludes that it can reasonably assume that the temperature of cargo in transport vehicles can and often will reach or exceed 100° F. under conditions normally incident to transportation. This view is further supported by dry-bulb air temperatures for a 10-year period for 91 stations operated by the U.S. Weather Bureau. Temperature maximums for 10 representative locations were as follows:

Weather Bureau station	Period of record	Dry-Bulb Temperature Maximum
Chicago, Ill.	January 1949–December 1958.	104
El Paso, Tex.	January 1950–December 1959.	106
Los Angeles, Calif.	January 1949–December 1958.	107
Miami, Fla.	January 1948–February 1958.	98
Montgomery, Ala.	January 1949–December 1958.	105
New Orleans, La.	do	100
Phoenix, Ariz.	do	117
San Antonio, Tex.	do	105
Seattle, Wash.	do	97
Washington, D.C.	do	102

The above data do not reflect the effects of radiation on transport vehicles and storage facilities used during the course of transportation.

The Board believes the regulations that apply to flammable liquids as they are defined at present should be made applicable to materials meeting its proposed new definition. However, the Board will consider providing additional packagings for these materials newly covered by the regulations if it adopts this proposal as an amendment.

Uniformity. One type of comment repeated often in 3, 42, and 67 was a need for uniformity among the different regulatory agencies and other organizations having an effect on the manner in which shippers and carriers ship, store, and handle flammable and combustible liquids. Following publication of 67, this situation was further compounded by publication of new regulations by the Occupational Safety and Health Administration, U.S. Department of Labor, on May 29, 1971 (36 F.R. 10529) defining a flammable liquid as any liquid having a flashpoint below 140° F. (closed cup) and a combustible liquid as any liquid having a flashpoint at or above 140° F. and below 200° F. The Board agrees with the commenters who voiced their concern over the lack of uniformity and believes the area of greatest concern is the interface between transportation and nontransportation activities under the jurisdiction of the Department of Transportation and the Department of Labor, respectively. Another agency, the Food and Drug Administration, Department of Health, Education, and Welfare, has definitions for these materials defined by statute that are not consistent with the proposals herein. However, since the regulations of FDA are addressed to consumer-type packages that are primarily inside packages during transportation, the Board believes its most immediate concern should be the development of regulations compatible with those of the Department of Labor. The Assistant Secretary of Labor for Occupational Safety and Health agrees that there is a need for uniformity and his proposal for the modification of definitions set forth in 29 CFR 1910.106(a) are published at page 11901 of this issue of the FEDERAL REGISTER.

The Board will continue to seek adoption of the definitions proposed herein by all agencies in the United States, both State and Federal, and will also seek their adoption internationally.

Implementation. Some commenters requested that sufficient time be provided for re-evaluation of materials under the test method that was proposed in 67. The Board believes that approximately 1 year should be provided to permit testing and other necessary adjustments to accomplish compliance with the regulations under the new definitions. However, compliance should be authorized at an early date to permit adherence to the regulations of the Occupational Safety and Health Administration.

There are no proposals in this docket pertaining to placarding or marking of vehicles and portable tanks as proposed in 42. The Board will be making proposals in this area in the near future in a separate notice. Also, that portion of 42 pertaining to materials transported at temperatures higher than their flash points is not proposed in this docket as a mandatory requirement but in advisory language pertaining to materials that have flash points of 200° F. or higher.

In consideration of the foregoing, the Hazardous Materials Regulations Board proposes to amend 49 CFR Part 173 as follows:

[5] "A Survey of Environmental Conditions Incident to the Transportation of Materials, October 1971, PB–204–442" prepared by General American Research Division of GATX. This document is available from the Clearing House for Federal Scientific and Technical Information, National Bureau of Standards, U.S. Department of Commerce, Springfield, Va. 22151 at a cost of $3 per copy or Microfiche copy at 95 cents.

A. In Part 173 Table of Contents, § 173.115 would be amended to read as follows:

Sec.
173.115 Flammable and Combustible liquids; definitions.

B. Section 173.115 would be amended to read as follows:

§ 173.115 Flammable and Combustible liquids; definitions.

(a) For the purposes of Parts 170–189 of this subchapter:

(1) "Flammable liquid" means any liquid having a flash point below 100° F. (37.8° C.).

(i) *Exception.* Any mixture having components with flashpoints of 100° F. (37.8° C.) or higher, the total of which make up 99 percent or more of the total volume of the mixture.

(2) "Combustible liquid" means any liquid having a flashpoint at or above 100° F. (37.8° C.), and below 200° F. (93.3° C.).

(i) *Exception.* Any mixture having components with flashpoints of 200° F. (93.3° C.) or higher, the total of which make up 99 percent or more of the total volume of the mixture.

(ii) *Qualification.* The limit of 200° F. is a limitation on the application of the regulations in Parts 170–189 of this subchapter and should not be construed as indicating that liquids with higher flashpoints are not flammable (when transported at elevated temperatures) or combustible. Markings such as "Nonflammable" or "Noncombustible" should not be used on a vehicle containing a material that has a flashpoint of 200° F. or higher.

(3) "Flashpoint" means the minimum temperature at which a liquid gives off vapor within a test vessel in sufficient concentration to form an ignitable mixture with air near the surface of the liquid and shall be determined as follows:

(i) For a liquid having a viscosity of less than 45 S.U.S. at 100° F. (37.8° C.), or that does not contain suspended solids, or have a tendency to form a surface film while under test, the procedure specified in the Standard Method of Test for Flashpoint by Tag Closed Tester (ASTM D56–70) shall be used.

(ii) For a liquid having a viscosity of 45 S.U.S. or more at 100° F. (37.8° C.), or that contains suspended solids, or has a tendency to form a surface film while under test, the procedures specified in the Standard Method of Test for Flashpoint by Pensky-Martens Closed Tester (ASTM D93–71) shall be used.

(iii) For a liquid that is a mixture of compounds that have different volatility and flashpoints, its flashpoint shall be determined as specified in subdivision (i) or (ii) of this subparagraph on the material in the form it is to be shipped and on a partially evaporated sample obtained by placing a measured volume of the liquid in an open vessel at room temperature between 70°–80° F. (21.1° C.–26.7° C.) until 10 to 15 percent of the material by volume is evaporated. The lower value of the two tests shall be the flashpoint of the material.

(4) "S.U.S." means Saybolt Universal Seconds as determined by the Standard Method of Test for Saybolt Viscosity (ASTM D88–56) and may be determined by use of the S.U.S. conversion tables specified in ASTM Method D2161–66 following determination of viscosity in accordance with the procedures specified in the Standard Method of Test for Viscosity of Transparent and Opaque Liquids (ASTM D445–65).

(5) "Viscous" means a viscosity of 45 S.U.S. or more.

(6) "Pyroforic liquid" means any liquid that ignites spontaneously in dry or moist air at or below 130° F. (54.5° C.).

(b) If experience or other data indicate that the hazard of a material is greater or less than indicated by the results of the tests specified in paragraph (a) of this section, the Department may revise its classification or make the material subject to the requirements of Parts 170–189 of this subchapter.

(C) In § 173.119, the introductory texts of paragraphs (b) and (l) would be amended to read as follows:

§ 173.119 Flammable liquids not specifically provided for.

* * * * *

(b) *Flammable liquids with flashpoint above 20° F.* Flammable liquids with flashpoint above 20° F. and having vapor pressure (Reid [6] test) not over 16 pounds per square inch, absolute, at 100° F. other than those for which special requirements are prescribed in this Part, must be packaged in packagings of a design and constructed of materials that will not react dangerously with or be decomposed by the chemical packed therein, as follows (see paragraphs (c) through (i) of this section for high-pressure liquids and paragraph (m) of this section for flammable liquids which are also oxidizing materials or corrosive liquids):

* * * * *

(l) *Viscous flammable liquids with flashpoint above 20° F. and having a vapor pressure which does not exceed 18 pounds per square inch, absolute, at 100° F.* Viscous flammable liquids with flashpoint above 20° F. and having a vapor pressure which does not exceed 18 pounds per square inch, absolute, at 100° F. must be packaged as follows:

* * * * *

Interested persons are invited to give their views on this proposal. Communications should identify the docket number and be submitted in duplicate to the Secretary, Hazardous Materials Regulations Board, Department of Transportation, 400 Sixth Street SW., Washington, DC 20590. Communications received on or before September 26, 1972, will be considered before final action is taken on the proposal. All comments received will be available for examination by interested persons at the Office of the Secretary, Hazardous Materials Regulations Board, both before and after the closing date for comments.

This proposal is made under the authority of sections 831–835 of Title 18, United States Code, section 9 of the Department of Transportation Act (49 U.S.C. 1657), and title VI and section 902(h) of the Federal Aviation Act of 1958 (49 U.S.C. 1421–1430 and 1472(h)).

Issued in Washington, D.C., on May 12, 1972.

W. J. BURNS,
Director,
Office of Hazardous Materials.

[FR Doc.72-9037 Filed 6-14-72;8:50 am]

[6] ASTM Test D323.

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

[29 CFR Part 1910]

OCCUPATIONAL SAFETY AND HEALTH STANDARDS

Definitions of "Flammable Liquid" and "Combustible Liquid"; Determination of Flashpoints

The Occupational Safety and Health Administration of the Department of Labor and the Hazardous Materials Regulations Board of the Department of Transportation have determined, following a coordinated study of technical differences in their respective regulations concerning flammable liquids, that it is in the interest of persons affected thereby and sound administration that the regulations be brought into uniformity. Uniformity would facilitate the proper identification, classification, and control of flammable and combustible liquids in places of employment and in transportation.

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 amend §§ 1910.106 and 1910.108 of Title 29 of the Code of Federal Regulations in the manner set forth below.

The proposed amendments regarding the definition of "flammable liquid" and the procedure for determining flashpoints are similar to corresponding amendments proposed by the Hazardous Materials Regulations Board of the Department of Transportation and published in the FEDERAL REGISTER on this date. The other proposed amendments would make conforming changes in §§ 1910.106 and 1910.108 so as to preserve substantially unchanged the present standards concerning flammable and combustible liquids.

The major proposed changes are the following:

(1) The class of "flammable liquids" would be limited to liquids with flashpoints below 100° F. (37.8° C.), to be known as Class I liquids.

(2) Class II liquids, presently designated as flammable, would be redesignated combustible. This would not cause a substantive change in the handling or storage procedures, because the present flammable liquids standard would also be changed so as to continue present substantive requirements for the various numbered classes.

(3) The new definitions of "flashpoint" for both flammable and combustible liquids would provide an exception for liquids which have a positive flashpoint test within the given range, but which are composed of at least 99 percent by volume of materials with flashpoints in a higher range, or materials that are nonflammable or noncombustible. This exception is proposed because the closed cup tester may concentrate highly volatile traces and give an abnormally low flashpoint that would not reasonably represent the liquid in its normal use.

(4) An additional, partial evaporation procedure and second test would be required for liquids which are mixtures of compounds with different flashpoints and different volatilities. The lower flashpoint would apply. Such a procedure would more realistically determine the flashpoint of a mixture that includes a highly volatile, nonflammable component.

(5) The latest American Society for Testing and Materials (ASTM) procedures for testing nonviscous and viscous flammable and combustible liquids (ASTM D56–70, and ASTM D93–71, respectively) would be adopted, since they are operative over the entire range of flammable and combustible liquids as redefined. Earlier editions of these tests are presently specified.

(6) The terms "viscous" and "SUS" would be defined, and a procedure specified for determining viscosity.

(7) A number of changes would be made in §§ 1910.106, 1910.108, to replace the phrase "flammable liquid" with "Class I or Class II liquid." There is no need to replace the phrase "flammable or combustible liquid" since this phrase still refers to the entire range of liquids concerned.

(8) The footnote in the present paragraph (a) (19) of § 1910.106 regarding the classification of liquids at elevated temperatures would be deleted; a quantitative interpretation of the footnote would be placed in paragraph (a) (18) to permit proper classification of heated combustible liquids.

Interested persons are invited to submit written data, views, and arguments concerning this proposal within 30 days after its publication in the FEDERAL REGISTER. The submissions may be mailed to the Office of Standards, Room 305, 400 First Street NW., Washington, DC 20210. Within 30 days after the publication of this proposal in the FEDERAL REGISTER, any interested person may also file with the Office of Standards written objections, stating the grounds therefor and requesting a public hearing on the objections. The request for a hearing must specify the part of the proposal to which objection is made and must contain a concise summary of the evidence that would be adduced at the hearing in support of each objection made.

1. Paragraph (a) of § 1910.106 is proposed to be amended by revising subparagraphs (14), (18), and (19), and by adding new subparagraphs (37) and (38), to read as follows:

§ 1910.106 Flammable and combustible liquids.

(a) *Definitions.* * * *

(14) "Flashpoint" means the minimum temperature at which a liquid gives off vapor within a test vessel in sufficient concentration to form an ignitable mixture with air near the surface of the liquid, and shall be determined as follows:

(i) For a liquid which has a viscosity of less than 45 SUS at 100° F. (37.8° C.), does not contain suspended solids, and does not have a tendency to form a surface film while under test, the procedure specified in the Standard Method of Test for Flashpoint by Tag Closed Tester (ASTM D56–70) shall be used.

(ii) For a liquid which has a viscosity of 45 SUS or more at 100° F. (37.8° C.), or contains suspended solids, or has a tendency to form a surface film while under test, the procedure specified in the Standard Method of Test for Flashpoint by Pensky-Martens Closed Tester (ASTM D93–71) shall be used.

(iii) For a liquid that is a mixture of compounds that have different volatilities and flashpoints, its flashpoint shall be determinted by using the procedure specified in subdivision (i) or (ii) of this subparagraph on the liquid in the form it is shipped, and on a partially evaporated sample of the liquid obtained by placing a measured volume of the liquid in an open vessel at room temperature between 70°–80° F. (21.1° C–26.7° C.) until 10 to 15 percent of the sample by volume is evaporated. The lower value of the two tests shall be the flashpoint of the material.

* * * * *

(18) "Combustible liquid" means any liquid having a flashpoint at or above 100° F. (37.8° C.). Combustible liquids shall be divided into two classes as follows:

(i) "Class II liquids" shall include those with flashpoints at or above 100° F. (37.8° C.) and below 140° F. (60° C.), except any mixture having components with flashpoints of 200° F. (93.3° C.) or higher, the total volume of which make up 99 percent or more of the total volume of the mixture.

(ii) "Class III liquids" shall include those with flashpoints at or above 140° F. (60° C.). Class III liquids are subdivided into two subclasses:

(*a*) Class IIIA liquids shall include those with flashpoints at or above 140° F. (60° C.) and below 200° F. (93.3° C.), except any mixture having components with flashpoints of 200° F. (93.3° C.) or higher, the total volume of which make up 99 percent or more of the total volume of the mixture.

(*b*) Class IIIB liquids shall include those with flashpoints at or above 200° F. (93.3° C.). This section does not cover Class IIIB liquids. Where the term "Class II liquids" is used in this section, it shall mean only Class IIIA liquids.

(iii) When a combustible liquid is heated for use to within 30° F. (16.7° C.) of its flashpoint, it shall be handled in accordance with the requirements for the next lower class of liquids.

(19) "Flammable liquid" means any liquid having a flashpoint below 100° F. (37.8° C.), except any mixture having components with flashpoints of 100° F. (37.8° C.) or higher, the total of which make up 99 percent or more of the total volume of the mixture. Flammable liquids shall be known as Class I liquids. Class I liquids are divided into three classes as follows:

(i) Class IA shall include liquids having flashpoints below 73° F. (22.8° C.) and having a boiling point below 100° F. (37.8° C.).

(ii) Class IB shall include liquids having flashpoints below 73° F. (22.8° C.) and having a boiling point at or above 100° F. (37.8° C.).

(iii) Class IC shall include liquids having flashpoints at or above 73° F. (22.8° C.) and below 100° F. (37.8° C).

* * * * *

(37) "S.U.S." means Saybolt Universal Seconds as determined by the Standard Method of Test for Saybolt Viscosity (ASTM D88–56), and may be determined by use of the SUS conversion tables specified in ASTM Method D2161–66 following determination of viscosity in accordance with the procedures specified in the Standard Method of Test for Viscosity of Transparent and Opaque Liquids (ASTM D445–65).

(38) "Viscous" means a viscosity of 45 S.U.S. or more.

* * * * *

2. Paragraph (d) of § 1910.106 is proposed to be amended by revising subparagraphs (1) (ii), (3) (i), 5(iv) (*b*), and (7), to read as follows:

§ 1910.106 Flammable and combustible liquids.

* * * * *

(d) *Container and portable tank storage*—(1) *Scope* * * *

(ii) *Exceptions.* This paragraph shall not apply to the following:

(*a*) Storage of containers in bulk plants, service stations, refineries, chemical plants, and distilleries;

(*b*) Class I or Class II liquids in the fuel tanks of a motor vehicle, aircraft, boat, or portable or stationary engine;

(*c*) Flammable or combustible paints, oils, varnishes, and similar mixtures used for painting or maintenance when not kept for a period in excess of 30 days;

(*d*) Beverages when packaged in individual containers not exceeding 1 gallon in size.

* * * * *

(3) *Design, construction, and capacity of storage cabinets*—(i) *Maximum capacity.* Not more than 60 gallons of Class I or Class II liquids, or more than 120

gallons of Class III liquids may be stored in a storage cabinet.

* * * * *

(5) *Storage inside building* * * *

(iv) *Mercantile occupancies and other retail stores.* * * *

(*b*) Where the aggregate quantity of additional stock exceeds 60 gallons of Class IA, or 120 gallons of Class IB, or 180 gallons of Class IC, or 240 gallons of Class II, or 500 gallons of Class III liquids, or any combination of Class I and Class II liquids exceeding 240 gallons, it shall be stored in a room or portion of the building that complies with the construction provisions for an inside storage room as prescribed in subparagraph (4) of this paragraph. For water miscible liquids, these quantities may be doubled.

* * * * *

(7) *Fire control*—(i) *Extinguishers.* Suitable fire control devices, such as small hose or portable fire extinguishers, shall be available at locations where flammable or combustible liquids are stored.

(*a*) At least one portable fire extinguisher having a rating of not less than 12–B units shall be located outside of, but not more than 10 feet from, the door opening into any room used for storage.

(*b*) At least one portable fire extinguisher having a rating of not less than 12–B units must be located not less than 10 feet, nor more than 25 feet, from any Class I or Class II liquid storage area located outside of a storage room but inside a building.

(*l*) When sprinklers are provided, they shall be installed in an approved manner.

(2) Open flames and smoking shall not be permitted in flammable or combustible liquid storage areas.

(3) Materials which will react with water shall not be stored in the same room with flammable or combustible liquids.

* * * * *

(3) Section 1910.108 is proposed to be amended by revising paragraph (h)(4) to read as follows:

§ 1910.108 Dip tanks containing flammable or combustible liquids.

* * * * *

(h) *Special dip tank applications.* * * *

(4) *Roll coating.* (i) The processes of roll coating, spreading, and impregnating, in which fabrics, paper, or other materials are passed directly through a tank or trough containing flammable or combustible liquids, or over the surface of a roller that revolves partially submerged in a Class I or Class II liquid, as these terms are defined in § 1910.106 (a), shall conform to the applicable requirements of paragraphs (a) through (g) of this section, and in addition shall conform to subdivision (ii) of this subparagraph.

* * * * *

(Sec. 6, 84 Stat. 1593; 29 U.S.C. 655; 29 CFR 1910.4)

Signed at Washington, D.C., this 12th day of June 1972.

G. C. GUENTHER,
Assistant Secretary of Labor.

[FR Doc.72-9036 Filed 6-14-72;8:50 am]

FEDERAL TRADE COMMISSION

[16 CFR Part 600]

STATEMENTS OF GENERAL POLICY OR INTERPRETATIONS

Notice of Public Hearing

On March 8, 1972, 37 F.R. 4982, the Federal Trade Commission promulgated five proposed interpretations of the Fair Credit Reporting Act, concerning credit guides, protective bulletins, loan exchanges, motor vehicle reports, and prescreening for direct mail solicitations. The Commission at that time invited interested parties to submit written comments by April 7, 1972, and announced that its proposals would become final on May 8, 1972, unless the Commission determined to rescind, revoke, modify, or withdraw these interpretations.

On May 8, 1972, the Commission announced the postponement of these interpretations, and announced its intention to hold public hearings before any final action is taken. Notice is hereby given that hearings will be held on Thursday and Friday, July 20 and 21 at 9:30 a.m. at the Federal Trade Commission, Sixth and Pennsylvania Avenue NW., Washington, DC. All interested persons are invited to participate and to present data, views, or arguments regarding any one or all of these interpretations. The Commission specifically invites comments regarding the following aspects:

1. *Credit guides.* (a) The need for this method of providing consumer reports; advantages and/or disadvantages as compared to available alternatives; the impact on consumer reporting agencies, subscribing retailers, and other affected parties of the Commission's adoption of the proposed interpretation; and the nature and extent of injury to consumers caused by the use of credit guides.

(b) The propriety of amending the proposed interpretation by adding the following language:

> This interpretation should not be construed as prohibiting a series of consumer reports such as Credit Guides if the texts of such reports are distributed in code, symbols or other configurations of letters or numerals and if the following conditions are met:
>
> 1. The coded text must be decipherable only upon receipt of information furnished by the individual consumer in conjunction with his application for credit, insurance, or employment or in conjunction with any other permissible purpose delineated in section 604;
>
> 2. The information furnished by one consumer must not be capable of deciphering the coded text on any other individual listed in the Guide; and
>
> 3. Coded guides must satisfy the standards of accuracy required by section 607 and all other applicable provisions of the Fair Credit Reporting Act.

Comment is invited as to the feasibility and appropriateness, in meeting both the above conditions and the requirements of the statute, of methods of coding using numbers, letters, or combinations of the two, drawn from names, birthdates, social security, drivers' license, or bank account numbers or from other sources, or other methods suggested in response to thise notice.

Those wishing to suggest methods embodying such an approach or other methods are requested to submit them in writing no later than July 10 so that the proposals may be reviewed by the Commission and the general public in advance of the hearings. Materials thus received will be available for inspection in the Division of Legal and Public Records, Room 130, Federal Trade Commission, Sixth and Pennsylvania Avenue NW., Washington, DC.

2. *Protective bulletins.* The propriety of modifying the proposed interpretation by removing the exception proposed for "certain kinds of communications issued by organizations which are limited to a series of descriptions, usually accompanied by photographs, of individuals who are being sought by law enforcement authorities for alleged violation of criminal laws." To accomplish this change, the following new language is proposed:

> Protective bulletins as they are presently compiled and distributed by trade associations and other organizations are a series of consumer reports. Although they seldom may be consulted for determining a consumer's eligibility for credit, insurance or employment, they, nevertheless, contain information about the consumer's character and reputation and could be used for credit, employment, or insurance purposes.
>
> Although a recipient of the protective bulletin may have a permissible purpose for obtaining information on one or more of the individuals whose names are contained in the bulletin no recipient could conceivably ever have a transaction with every individual whose name is contained therein. Additionally, the permissible purpose for furnishing the consumer report must exist at the time the request for the report is made; it is not enough to obtain the consumer report in anticipation that a permissible purpose will arise subsequently.
>
> In the Commission's view, such bulletins are a "consumer report" or a series of them and publication of these protective bulletins is violative of the Fair Credit Reporting Act. The Commission recognizes the need to disseminate "Wanted" notices for law enforcement purposes but believes, in the absence of explicit legislative language to the contrary, the dissemintaión of such information must remain the responsibility of public agencies bound by law to observe criminal due process standards in all such activities.
>
> To allow the continued compilation and distribution of these protective bulletins by trade associations and other private organizations would provide a means of circumventing the provisions of section 604 of the Fair Credit Reporting Act and would ignore one of the stated purposes of the Act, i.e., "respect for the consumer's right to privacy."

3. *Loan exchanges.* The propriety of deleting the last sentence of this interpretation and adding the following:

It is common practice for loan exchanges merely to identify creditors with whom a consumer has outstanding accounts. A prospective lender then contacts such creditors directly for more detailed information. It has been suggested that a consumer who is denied credit because of information obtained in this manner has been denied credit because of information obtained from "a person other than a consumer reporting agency." If such is the case, then the consumer's only right is that granted by section 615(b), i.e., the right to request in writing and to be told the nature of the information involved. Section 615(a) is thus inapplicable and the consumer is not entitled to be told the name of the loan exchange that initially furnished the identity of consumer's current creditors.

Section 603(d) defines a consumer report as "any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, * * * which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for * * * credit * * *." When a loan exchange furnishes the names of a consumer's current creditors, the exchange, in the view of the Commission, is making a consumer report within the meaning of the Act; is therefore a consumer reporting agency; and is subject as such to the FCRA.

Thus, when credit is denied or the cost increased on the basis of information obtained after direct inquiry to another lender whose identity was supplied by a loan exchange, the prospective credit grantor will give both the section 615(a) and the 615(b) disclosures.

4. *Motor vehicle reports.* No change is proposed in this interpretation.

5. *Prescreening for direct mail solicitations.* (a) The need for this service to be performed by consumer reporting agencies; advantages and/or disadvantages as compared to available alternatives; the impact on consumer reporting agencies and other affected parties of the Commission's adoption of the proposed interpretation; and the nature and extent of injury to consumers caused by this practice.

(b) The propriety of deleting the last sentence of this interpretation and adding the following new paragraph:

However, a consumer reporting agency may solicit orally or by mail new accounts for credit from consumers who have been screened to meet the credit grantors criteria: *Provided,* That no consumer's name, nor any information in a consumer's credit file is communicated to the credit grantor prior to such consumer's expression of a desire to have a credit relationship with such credit grantor. The ability of the consumer reporting agency to perform these prescreening services for a credit grantor shall not be deemed to permit delegation to a consumer reporting agency by a business of its credit granting, employment, insurance, or other business decisions whereby the consumer would be denied the right to the section 615 disclosures or any other rights under the Act.

Any person desiring to orally present his views at the hearings in Washington, D.C., should notify the Secretary no later than July 5, 1972, and state the estimated time required for his oral presentation. Reasonable limitations upon the length of time allotted to any person may be imposed. In addition, all parties desiring to deliver a prepared statement at the hearing should file such statement with the Secretary of the Commission on or before July 14, 1972.

The data, views, or arguments presented with respect to the interpretations in question will be available for examination by interested parties at the office of the Assistant Secretary for Legal and Public Records, Federal Trade Commission, Washington, D.C., and will be considered by the Commission in adoption of the offered interpretations.

Under its rules, the Commission will issue FCRA interpretations when it appears that guidance as to the Act's legal requirements would be in the public interest and bring about more widespread and equitable observance of it. The interpretations are not substantive rules and do not have the force or effect of statutory provisions. They are guidelines intended to clarify the act, and, like industry guides, are advisory in nature. Failure to comply with them, however, may result in corrective action by the Commission under applicable statutory provisions.

All interested persons, including the consuming public, are urged to express their approval or disapproval of the proposed interpretations, or to recommend revision thereof, and to give a full statement of their views in connection therewith.

By direction of the Commission dated June 6, 1972.

[SEAL] CHARLES A. TOBIN,
Secretary.

[FR Doc.72-9104 Filed 6-14-72;8:50 am]

POSTAL SERVICE

[39 CFR Part 144]

POSTAGE METERS

Proposed Use of Fluorescent Ink

Notice is hereby given of proposed rule making consisting of amendments to regulations codified under § 144.4 of Title 39, Code of Federal Regulations. Although by virtue of 39 U.S.C. 410(a) the rule making requirements of the Administrative Procedure Act, 5 U.S.C. 553, do not apply to the U.S. Postal Service the Postal Service desires nevertheless to comply voluntarily with those requirements in this case.

By July 1, 1972, the Postal Service will have modified Mark II facer-cancellers in operation in major mail-handling facilities nationwide. When mailers use fluorescent postage meter ink these facer-cancellers are able to recognize the fluorescent properties of the ink, and automatically face but not cancel metered letter mail. Conversely, use of nonfluorescent ink causes unnecessary handling of metered mail and delays in mail processing. To maximize the benefit of this automated processing, the Postal Service is proposing to require the use of fluorescent postage meter ink after July 1, 1973 (nineteen seventy-three).

The amendments to the Postal Service's regulations set out below will achieve the desired purposes.

Interested persons who wish to do so may submit written data, views, or arguments concerning the proposed regulations to the Manager, Mail Classification Division, Finance Department, U.S. Postal Service, Washington, D.C. 20260, at any time prior to the 30th day following the date of publication of this notice in the FEDERAL REGISTER.

PART 144—POSTAGE METERS AND METER STAMPS

In § 144.4 *Meter stamps,* redesignate paragraphs (c) through (h) as paragraphs (d) through (i), respectively, and insert new paragraph (c), to read as follows:

§ 144.4 Meter stamps.

* * * * *

(c) *Fluorescent ink.* Effective July 1, 1973, the use of fluorescent ink will be mandatory for postage imprints on letter size metered mail. Failure to use fluorescent ink may result in revocation of a mailer's meter license. Letter size mail is defined as being from 4¼" to 11½" long, 3" to 6¼" wide, and .066" to .25" thick.

* * * * *

(39 U.S.C. 401)

ROGER P. CRAIG,
Deputy General Counsel.

JUNE 12, 1972.

[FR Doc.72-9042 Filed 6-14-72;8:50 am]

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Part 240]

[Release 34-9634; File No. S7-443]

BROKERS AND DEALERS ENTERING INTO CERTAIN CLEARING ARRANGEMENTS

Proposed Specified Minimum Net Capital Requirements

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposal to amend Rule 17a-3(b) (17 CFR Part 240.17a-3(b)) under the Securities Exchange Act of 1934 (the Act). The effect of the amendment proposed herein would be to relieve the presently existing restriction prohibiting broker-dealers who are not members of a national securities exchange from clearing their transactions for customers on a fully disclosed basis through other broker-dealers, provided such clearing broker-dealers meet specified minimum net capital requirements. The proposed amendment would also impose similar net capital requirements upon members of exchanges who are presently authorized under the rule to clear transactions for other exchange members on a fully disclosed basis. The amendment would also permit an exchange member or other broker-dealer to clear through a bank if the books and records relative to the broker-dealer's transactions are maintained and preserved as specified in

Rules 17a–3 (17 CFR 240.17a–3) and 17a–4 (17 CFR 240.17a–4) under the Act, and the bank files an undertaking with the Commission that such books and records will be available for Commission examination.

On August 13, 1971, in Securities Exchange Act Release No. 9288, and published in the FEDERAL REGISTER for August 25, 1971 (36 F.R. 16695), the Commission announced that it had under consideration a proposal to amend Rule 15c3–1 (17 CFR 240.15c3–1) (the net capital rule) under the Act. In addition, the Commission invited consideration as to the advisability of amending Rule 17a–3(b) under the Act to permit over-the-counter broker-dealers to clear customer transactions through other broker-dealers on a fully disclosed basis. No specific provision was proposed at that time. The Commission has today amended Rule 15c3–1,[1] and at this time proposes to amend Rule 17a–3(b) in the form set forth below.

Rule 17a–3(b) in effect prohibits broker-dealers who are not members of a national securities exchange from having their customers' transactions cleared through other broker-dealers on a fully disclosed basis, while it permits such arrangements as between broker-dealers who are members of national securities exchanges. This distinction is mainly historical, and the Commission believes it is no longer necessary to prohibit such clearing arrangements if the clearing broker-dealer has the financial responsibility requisite for the protection of public investor customers. By the same token, exchange members who clear for other exchange members should be required to have the same financial responsibility. Therefore, the Commission proposes to amend Rule 17a–3(b) to permit such clearing arrangements if the clearing broker-dealer has and maintains net capital of not less than $25,000 and is otherwise in compliance with Rule 15c3–1 or the capital rules of the exchange of which such clearing broker-dealer is a member if the members of such exchange are exempt from Rule 15c3–1 by paragraph (b)(2) thereof.

The Commission also proposes to amend Rule 17a–3(b) to permit a broker-dealer to clear his transactions through a bank: *Provided*, (1) That the books and records respecting those transactions are made and kept in accordance with Rules 17a–3 and 17a–4 under the Act, and (2) that the bank agrees that they are the records of the broker-dealer, and (3) that the bank files an undertaking with the Commission that such books and records will be available for examination by the Commission's representatives as specified in section 17(a) of the Act, and (4) that it will furnish to the Commission copies of all or any part of such books and records upon the Commission's demand. A form for such an undertaking has been included with this provision.

[1] Securities Exchange Act Release No. 9633, June 14, 1972.

The Commission believes that the place of the smaller broker-dealer in the industry must be preserved, and is mindful that the increase in the minimum net capital requirements to $25,000, which has been adopted today,[1] would cause significant problems for them. However, the Commission also believes that the standards of financial responsibility of the industry must be improved. Accordingly, in order to preserve the continued existence of the smaller broker-dealer, as well as to remain consistent with its objective of improving the financial responsibility of broker-dealers to their customers, the Commission has provided for a $5,000 minimum net capital requirement for those broker-dealers who do not hold funds or securities of customers and do not carry customer accounts.[2] The proposed amendment to Rule 17a–3(b) would allow smaller broker-dealers to qualify for such lower minimum net capital requirements by having their transactions cleared through financially responsible broker-dealers or through banks. The Commission will permit any broker-dealer to enter into clearing arrangements as permitted by this proposal during the comment period on the condition that the clearing broker-dealer or the bank, as the case may be, complies with the provisions of the proposed amendment.

The proposed amendment to Rule 17a–3(b) would be adopted pursuant to sections 15(c)(3), 17(a), and 23(a) of the Securities Exchange Act of 1934.

Commission action. The Commission proposes to amend paragraph (b) of § 240.17a–3 of Chapter II of Title 17 of the Code of Federal Regulations to read as set forth below.

§ 240.17a–3 Records to be made by certain exchange members, brokers, and dealers.

* * * * *

(b) (1) This section shall not be deemed to require a member of a national securities exchange, a broker or dealer who transacts a business in securities through the medium of any such member, or a broker or dealer registered pursuant to section 15 of the Act, to make or keep such records of transactions cleared for such member, broker or dealer as are customarily made and kept by a clearing broker or dealer pursuant to the requirements of this § 240.17a–3 and § 240.17a–4: *Provided*, That the clearing broker or dealer has and maintains net capital of not less than $25,000 and is otherwise in compliance with § 240.15c3–1 or the capital rules of the exchange of which such clearing broker or dealer is a member if the members of such exchange are exempt from § 240.15c3–1 by paragraph (b)(2) thereof.

(2) (i) This section shall not be deemed to require a member of a national securities exchange, a broker or dealer who transacts a business in securities through the medium of any such member, or a broker or dealer registered pursuant to section 15 of the Act, to make or keep such records of transactions cleared for such member, broker or dealer by a bank as are customarily made and kept by a clearing broker or dealer pursuant to the requirements of this § 240.17a–3 and § 240.17a–4: *Provided*, That such member, broker or dealer obtains from such bank an agreement in writing to the effect that the records made and kept by such bank are the property of the member, broker or dealer: *And provided further*, That such bank files with the Commission a written undertaking in a form acceptable to the Commission and signed by a duly authorized person, that such books and records are available for examination by representatives of the Commission as specified in section 17(a) of the Act, and that it will furnish to the Commission, upon demand, at its principal office in Washington, D.C., or at any regional office of the Commission designated in such demand, true, correct, complete and current copies of any or all of such records. Such undertaking shall be in substantially the following form:

(*a*) The undersigned hereby undertakes to maintain and preserve on behalf of [BD] the books and records required to be maintained and preserved by [BD] pursuant to Rules 17a–3 and 17a–4 under the Securities Exchange Act of 1934 and to permit examination of such books and records at any time or from time to time during business hours by examiners or other representatives of the Securities and Exchange Commission, and to furnish to said Commission at its principal office in Washington, D.C., or at any regional office of said Commission specified in a demand made by or on behalf of said Commission for copies of books and records, true, correct, complete, and current copies of any or all, or any part, or such books and records. This undertaking shall be binding upon the undersigned, and the successors and assigns of the undersigned, and the written irrevocable consents and powers of attorney of the undersigned filed with the Securities and Exchange Commission shall extend to and cover any action to enforce same.

(ii) Nothing herein contained shall be deemed to relieve such member, broker, or dealer from the responsibility that such books and records be maintained and preserved as specified in this §§ 240.17a–3 and 240.17a–4.

* * * * *

(Secs. 15(c)(3), 17(a), 23(a), 48 Stat. 895, 897, 901, secs. 3, 4, 8, 49 Stat. 1377, 1379, secs. 2, 5, 52 Stat. 1075, 1076, 15 U.S.C. 78o(c)(3), 78q, 78w)

All interested persons are invited to submit their views and comments on the above proposal, in writing, to the Securities and Exchange Commission, 500 North Capitol Street, Washington, DC 20549, on or before July 17, 1972. All communications with respect to the proposed amendment should refer to File No. S7–443. All such communications will be available for public inspection.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

JUNE 14, 1972.

[FR Doc.72–9018 Filed 6–14–72;8:48 am]

Notices

DEPARTMENT OF STATE

[Public Notice 358]

U.S. TERRITORIAL SEA AND CONTIGUOUS ZONE

Implementation and Enforcement of Laws

This notice is for the purposes of the implementation and enforcement of the laws and treaties of the United States applicable to its territorial sea and contiguous zone. It is the position of the United States in the conduct of its affairs that there exists off its coast a 3-mile territorial sea and a 9-mile contiguous zone of high seas seaward of the territorial sea for the purposes of the customs, fiscal, immigration, and sanitary controls described in Article 24 of the Convention on the Territorial Sea and the Contiguous Zone, and for the purposes of exclusive fisheries rights under Public Law 89–658 of October 14, 1966.

Dated: June 1, 1972.

JOHN R. STEVENSON,
The Legal Adviser.

[FR Doc.72-9012 Filed 6-14-72;8:47 am]

DEPARTMENT OF THE TREASURY

Office of the Secretary

GUARANTEED FOREIGN MILITARY SALES LOAN AGREEMENT

Notice of Invitation to Bid

Correction

In F.R. Doc. 72–8670, appearing at page 11488, in the issue of Thursday, June 8, 1972, the following changes should be made:

1. In SECTION 1, under "Model Loan Agreement", in the seventh line of paragraph 1.2, insert the word "last" before the word "borrowing".

2. Under "Exhibit A—Disbursement Procedures", in paragraph 3, the word "American" in the 12th line from the bottom of the page, should read "America".

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[S 4709]

CALIFORNIA

Order Providing for Opening of Public Lands

JUNE 6, 1972.

Pursuant to the vacating order of the Federal Power Commission (37 F.R. 10098, May 19, 1972), and by virtue of the authority contained in section 24 of the Act of June 10, 1920 (41 Stat. 1075; 16 U.S.C. 818), as amended, and in accordance with the authority redelegated to me by the State Director, California State Office, Bureau of Land Management, effective January 12, 1972 (37 F.R. 491) it is ordered as follows:

1. The following described land withdrawn for Project No. 1533 is hereby open to such disposition as may be made of national forest lands:

HUMBOLDT MERIDIAN, CALIFORNIA

All portions of the following subdivisions lying within 25 feet of the center line of the flume, pipe line, ditch, and penstock, and all lands within the project boundaries enclosing and surrounding the diversion dam and powerhouse; all as shown on a map designated and entitled "Exhibits J and K, Power Project of Swanson Mining Corp., Salyer, Calif., Trinity National Forest, Calif.," and filed in the office of the Federal Power Commission on June 2, 1939:

T. 6 N., R. 5 E.,
Sec. 16, S½SE¼;
Sec. 20, N½SE¼;
Sec. 21, NW¼SW¼, W½NE¼;
Sec. 22, SE¼NW¼NE¼, E½SW¼NW¼NE¼.

Also all portions of the following subdivisions lying within 25 feet of the center line of the power transmission line shown on the map described above:

T. 6 N., R. 5 E.,
Sec. 22, SE¼NW¼NE¼;
Sec. 23, SW¼NE¼, SE¼NW¼.

The areas described aggregate approximately 18.38 acres in Humboldt and Trinity Counties.

Some of the subject lands are also withdrawn in Power Site Classification No. 115 and the withdrawal for Project 899. These withdrawals will remain in effect. The subject lands in section 22 are to be conveyed in accordance with the Commission's determination of March 23, 1931 (DA–238–California) which pertained to Power Site Classification No. 115.

2. The S½SE¼ section 16, SE¼NW¼NE¼, NE¼SW¼NW¼NE¼ section 22, and the SW¼NE¼, SE¼NW¼ section 23, T. 6 N., R. 5 E., H.M., shall immediately become available for consummation of pending Forest Exchange S 4304.

Inquiries concerning the lands should be addressed to the Bureau of Land Management, Room E–2841 Federal Office Building, 2800 Cottage Way, Sacramento, Calif. 95825.

WALTER F. HOLMES,
Chief, Branch of Lands and Minerals Operations.

[FR Doc.72-9009 Filed 6-14-72;8:47 am]

Office of the Secretary

[DES 72–65]

PROPOSED 1976 DENVER WINTER OLYMPIC GAMES

Notice of Availability of Draft Environmental Statement

Pursuant to section 102(2)(c) of the National Environmental Policy Act, the Bureau of Outdoor Recreation has prepared a draft environmental statement for the proposed 1976 Denver Winter Olympic Games, Denver, Colo., and invites written comments within forty-five (45) days of this notice. The environmental statement considers the probable impacts of providing Federal financial assistance to the 1976 Winter Olympic effort in Colorado.

Copies are available for inspection at the following locations:

Office of Communications, Room 7200, Department of the Interior, Washington, D.C. 20240, Telephone: (202) 343–4662.
Division of Information, Room 4129, Bureau of Outdoor Recreation, Department of the Interior, Washington, D.C. 20240, Telephone: (202) 343–5726.
Office of Regional Director, Bureau of Outdoor Recreation, 603 Miller Court, Lakewood, CO, Telephone: (303) 234–2034.
State Clearinghouse, Room 208, Department of Local Affairs, 1550 Lincoln Street, Denver, CO 80203.
Denver Regional Council of Governments, Suite 200, 1776 South Jackson Street, Denver, CO 80210.
Routt County Regional Planning Commission, Steamboat Springs, Colo. 80477.

Copies may be obtained by writing the National Technical Information Service, Department of Commerce, Springfield, Va. 22151, and enclosing $3. Please refer to the statement number above.

Dated: June 8, 1972.

JOHN W. LARSON,
Assistant Secretary of the Interior.

[FR Doc.72-9008 Filed 6-14-72;8:47 am]

DEPARTMENT OF AGRICULTURE

Packers and Stockyards Administration

WAYNE COUNTY FEEDER PIG AUCTION ET AL.

Proposed Posting of Stockyards

The Chief, Registrations, Bonds, and Reports Branch, Packers and Stockyards Administration, U.S. Department of Agriculture, has information that the livestock markets named below are stockyards as defined in section 302 of the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 202), and should be made subject to the provisions of the Act.

KY–157, Wayne County Feeder Pig Auction, Monticello, Ky.
TX–295, Duncan Auction, De Kalb, Tex.

Notice is herevy given, therefore, that the said Chief, pursuant to authority delegated under the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), proposes to issue a rule designating the stockyards named above as posted stockyards subject to the provisions of the Act as provided in section 302 thereof.

Any person who wishes to submit written data, views, or arguments concerning the proposed rule, may do so by filing them with the Chief, Registrations, Bonds, and Reports Branch, Packers and Stockyards Administration, U.S. Department of Agriculture, Washington, D.C. 20250, within 15 days after publication in the FEDERAL REGISTER.

All written submissions made pursuant to this notice shall be made available for public inspection at such times and places in a manner convenient to the public business (7 U.S.C. 1.27(b)).

Done at Washington, D.C., this 9th day of June, 1972.

G. H. HOPPER,
Chief, Registrations, Bonds and Reports Branch, Livestock Marketing Division.

[FR Doc.72–9015 Filed 6–14–72;8:47 am]

DEPARTMENT OF COMMERCE

Bureau of Domestic Commerce

BONA FIDE MOTOR-VEHICLE MANUFACTURERS

Notice of Determination

Notice is hereby given that pursuant to authority contained in Chapter VI, Part 615, of Title 15 of the Code of Federal Regulations (36 F.R. 7127), the Director, Bureau of Domestic Commerce, has determined that as of May 1, 1972, the following are bona fide motor-vehicle manufacturers. This determination is effective as to each manufacturer for a 12-month period beginning with the date shown following the name and address of the manufacturer:

BONA FIDE MOTOR-VEHICLE MANUFACTURERS LIST

May 1, 1972

Action-Age, Inc., 18780 Cranwood Parkway, Cleveland, OH 44128, September 1, 1971.
Haywood Adams Brake Service, 116 Carroll Street, Post Office Box 565, Thomasville, GA 31792, January 18, 1972.
Advanced Equipment Corp., 51–55 Delancey Street, Newark, NJ 07105, June 1, 1971.
Allentown Brake & Wheel Service, Inc., Route 22 Kuhnsville, Rural Delivery No. 3, Allentown, Pa. 18104, October 19, 1971.
AMF, Inc., Whiteford Road, York, Pa. 17402, May 2, 1971.
AM General Corp. (formerly Jeep Corp.), 32500 Van Born Street, Wayne, MI 48184, April 1, 1972.
American La France, Division A–OT–O, Inc., 100 East La France Street, Elmira, NY 14902, July 8, 1971.
American Motors Corp., 14250 Plymouth Road, Detroit, MI 48232, January 18, 1972.
American Trailer Service Inc., 2814 North Cleveland Avenue, St. Paul, MN 55113, January 18, 1972.
American Trailers, Inc., 5702 East Admiral Place, Box 15708, Tulsa, OK 74115, October 27, 1971.
American Trailers, Inc., 1500 Exchange Avenue, Oklahoma City, OK 73101, January 18, 1972.
Amthor's Welding Service, Inc., Route 52 East Walden, NY 12586, July 9, 1971.
Antietam Equipment Corp., Post Office Box 91, Hagerstown, MD 21740, January 1, 1972.
Applied Services Corp., 2813 Juniper Street, Post Office Box 376, Merrifield, VA 22116, September 13, 1971.
Arctic Enterprises, Inc., Post Office Box 635, Thief River Falls, MN 56701, August 1, 1971.
Ariens Co., 655 West Ryan Street, Brillion, WI 54110, August 10, 1971.
ATECO Equipment Co., 1241 Rodi Road, Wilkins Township, Turtle Creek, Pa., 15145, October 14, 1971.
ATV Manufacturing Co., 1215 William Flynn Highway, Route 8, Glenshaw, Pa. 15116, October 1, 1971.
Automotive Service Co., 111–113 North Waterloo, Jackson, MI 49201, January 18, 1972.
Avanti Motor Corp., 765 South Lafayette Boulevard, South Bend, IN 46623, January 10, 1972.
Barrett Equipment, Inc., Route 3, Hooksett, N.H. 03106, April 1, 1972.
Bethlehem Fabricators, Inc., 1700 Riverside Drive, Bethlehem, PA 18016, January 20, 1972.
Donald Billings, Inc., 555 Longfellow Avenue, Bronx, NY 10474, May 12, 1971.
Adam Black & Sons, Inc., 276–300 Tonnele Avenue, Jersey City, NJ 07306, January 18, 1972.
Blue Bird Body Co., Post Office Box 937, Fort Valley, GA 31030, January 18, 1972.
Boyertown Auto Body Works, Inc., Third and Walnut Streets, Boyertown, PA 19512, September 1, 1971.
Brake & Equipment Co., Inc., 1801 North Mayfair Road, Milwaukee, WI 53226, January 1, 1972.
Brake Service and Parts, Inc., 170 Washington Street, Post Office Box 774, Bangor, ME 04401, January 18, 1972.
Bristol-Donald Co., Inc., Bristol-Donald Manufacturing Corp., 50 Roanoke Avenue, Newark, NJ 07105, January 1, 1972.
Bus Andrews Equipment Sales & Service, Inc., 2828 East Kearney Street, Springfield, MO 65803, December 1, 1971.
The Carnegie Body Co., 9500 Brookpark Road, Cleveland, OH 44129, January 18, 1972.
Champion Carriers, Inc., 4600 South Mingo Road, Post Office Box 2651, Tulsa, OK 74101, October 20, 1971.
Checker Motors Corp., 2016 North Pitcher Street, Kalamazoo, MI 49007, January 1, 1972.
Chrysler Corp., 341 Massachusetts Avenue, Highland Park, MI 48231, January 18, 1972.
B. M. Clark Co., Inc., Union, Maine 04862, January 14, 1972.
Clark Equipment Co., Brown Trailer Division, Post Office Box 410, Michigan City, IN 46360, October 15, 1971.
Clement-Braswell Trailer, Inc., Post Office Box 914, Minden, LA 71055, October 19, 1971.
Fred Clement & Co., Inc., 2020 Lemoyne Street, Syracuse, NY 13211, July 1, 1971.
Coder Services, Inc., 420 Hopkins Street, Buffalo, NY 14220, February 17, 1972.
Coment Corp., Spokane Industrial Park, Spokane, Wash. 99216, January 18, 1972.
Commercial Body Corp., 200 68th Place, Post Office Box 8514, Seat Pleasant, MD 20027, November 4, 1971.
Commercial Truck & Trailer, Inc., 313 North State Street, Girard, OH 44420, January 1, 1972.
Connell Motor Truck Co. of Fresno, 2832 Church Avenue, Fresno, CA 93766, January 15, 1972.
Cook Body Co., 3701 Harlee Avenue, Charlotte, NC 28208, October 22, 1971.
Cortez Corp., 777 Stow Street, Kent, OH 44240, February 1, 1972.
O. R. Cote Co., 556 St. James Avenue, Post Office Box 8, Highland Station, Springfield, MA 01109, June 16, 1971.
Crenshaw Corp., 1700 Commerce Road, Post Office Box 4217, Richmond, VA 23224, April 1, 1972.
Critzer Equipment Co., Inc., East 3804 Front Avenue, Post Office Box 152, Spokane, WA 99210, January 10, 1972.
Cross Truck Equipment Co., Inc., 5130 18th Street SW., Canton, OH 44706, August 23, 1971.
Crown Coach Corp., 2500 East 12th Street, Los Angeles, CA 90021, March 20, 1972.
Dade Trailer Sales and Service, Inc., 2960 Northwest 73d Street, Miami, FL 33147, December 2, 1971.
Daleiden Auto Body & Manufacturing Corp., 425 East Vine Street, Kalamazoo, MI 49001, January 12, 1972.
Daybrook-Ottawa Division, Gulf & Western Metals Forming Co., 1313 North Hickory Street, Post Office Box 49, Ottawa, KS 66067, January 1, 1972.
Dealers Truck Equipment Co., Inc., 2460 Midway Street, Post Office Box 1435, MCA, Shreveport, LA 71108, January 17, 1972.
Dealers Truckstell Sales, Inc., 653 Beale Street, Post Office Box 1020, Memphis, TN 38101, January 1, 1972.
Chet Decker Auto Sales, 300 Lincoln Avenue, Hawthorne, NJ 07506, November 3, 1971.
John Deere Horicon Works of Deere & Co., Horicon, Wis. 53032, June 1, 1971.
De Martini Oil Equipment Service, Inc., Columbia Turnpike, Rensselaer, N.Y. 12144, May 25, 1971.
Diamond Reo Trucks, Inc., 1331 South Washington Avenue, Lansing, MI 48920, October 26, 1971.
Divco Truck Co. of Transairco, Inc., London Road Extension, Post Office Drawer B, Delaware, OH 43015, July 1, 1971.
Dufrane Motor Distributors, Inc., 417 East Main Street, Malone, NY 12953, May 15, 1972.
Dyna Truck Division, Dynamics Corp. of America, 217 Kossuth Street, Bridgeport, CT 06608, April 26, 1972.
Eastern Tank Corp., 290 Pennsylvania Avenue, Paterson, NJ 07503, January 1, 1972.
Economy Motors, Inc., 3102 West First Street, Duluth, MN 55806, November 22, 1971.
Eggimann Motor & Equipment Sales, Inc., Post Office Box 1628, 1813 West Beltline Highway, Madison, WI 53701, November 8, 1971.
Eight Point Trailer Corp., 6100 East Washington Boulevard, Los Angeles, CA 90040, January 18, 1972.
Elder International, Inc., 5875 North Loop, Houston, TX 77001, December 1, 1971.
Elkhart Welding Boiler Works, Inc., 2132 South Maine Street, Elkhart, IN 46514, October 20, 1971.
Equipment Service, Inc., 40 Airport Road, Hartford, CT 06114, April 1, 1972.
E. & R. Trailer Sales Inc., Rural Route No. 1, Middle Point, Ohio 45863, December 6, 1971.
John Evans Manufacturing Co. Inc., 2 Miles South, Highway 15–A, Sumter, S.C. 29150, January 1, 1972.
Farmington Engineering, Inc., 493 Ash Street, Post Office Box 128, Farmington, MN 55024, December 1, 1971.
Fleet Equipment Co., 10605 Harry Hines, Post Office Box 20578, Dallas, TX 75220, December 1, 1971.
The Flexible Co., 326–332 North Water Street, Loudonville, OH 44842, January 1, 1972.
FMC Corp., Bolens Division, 215 South Park Street, Port Washington, WI 53074, April 1, 1972.

FMC Corp., Riverside Division, 3075 14th Street, Riverside, CA 92502, January 1, 1972.
Ford Motor Co., The American Road, Dearborn, Mich. 48121, January 18, 1972.
Fox Corp., 1111 West Racine Street, Janesville, WI 53545, January 18, 1972.
F & P Truck & Trailer Equipment, Division of F & P Brakelyne Service, Inc., 264 Central Avenue, Newark, NJ 07103, October 18, 1971.
Freightliner Corp., 2525 Southwest Third Avenue, Portland, OR 97201, December 14, 1971.
Fruehauf Corp., 10900 Harper Avenue, Detroit, MI 48232, December 1, 1971.
FTS Corp. and Chaparrel, Industries, Inc., 5995 North Washington Street, Denver, CO 80216, July 8, 1971.
FWD Corp., 105 East 12th Street, Clintonville, WI 54929, January 1, 1972.
Gallagher's Tank & Equipment, Inc., 317 West Service Road, Hartford, CT 06120, June 1, 1971.
Peter Garafano & Son, Inc., 264 Wabash Avenue, Paterson, NJ 07503, June 3, 1971.
General Motors Corp., 3044 West Grand Boulevard, Detroit, MI 48202, January 18, 1972.
General Trailer Co. Inc., 546 West Wilkins Street, Indianapolis, IN 46225, January 27, 1972.
The Gertsenslager Co., 1425 East Bowman Street, Wooster, OH 44691, July 1, 1971.
Gidley-Eschenheimer Corp., 858 Providence Highway, Dedham, MA 02026, July 15, 1971.
Gilson Brothers Co., Post Office Box 152, Highway 57, Plymouth, WI 53073, September 26, 1971.
Gooch Brake and Equipment Co., 531 Grand Avenue, Kansas City, MO 64106, January 11, 1972.
Harley-Davidson Motor Co., Inc., 3700 West Juneau Avenue North, Milwaukee, WI 53201, April 1, 1972.
Harris Rim and Wheel, Inc., 525 Peters Street SW., Atlanta, GA 30310, January 1, 1972.
Hawkeye Truck Equipment Co., 5800 Second Avenue, Des Moines, IA 50313, October 28, 1971.
Hendrickson Manufacturing Co., 8001 West 47th Street, Lyons, IL 60534, January 1, 1972.
Herter's Inc., Route 1, Wesaca, Minn. 59093, May 15, 1972.
The Hess & Eisenhardt Co., 8959 Blue Ash Road, Cincinnati, OH 45242, January 9, 1972.
Hews Body Co., 190 Rumery Street, South Portland, ME 04106, January 18, 1972.
H. & H. Truck Tank Co., Inc., 745 Tonnele Avenue, Jersey City, NJ 07307, September 30, 1971.
Highway Products, Inc., 789 Stow Street, Kent, OH 44240, March 27, 1972.
Hobbs Trailers, 609 North Main Street, Fort Worth, TX 76101, February 1, 1972.
O. G. Hughes & Sons, Inc., 4816 Rutledge Pike, Box 6148, Knoxville, TN 37914, January 1, 1972.
IMP Boats, a division of Apeco Corp., 500 West Lincoln Road, Post Office Box 321, Iola, KS 66749, October 1, 1971.
International Harvester Co., 401 North Michigan Avenue, Chicago, IL 60611, January 18, 1972.
Iroquois Manufacturing Co., Inc., Richmond Road, Hinesburg, Vt. 05461, July 1, 1971.
Jeep Corp., 14250 Plymouth Road, Detroit, MI 48232, January 1, 1972.
Kay-Wheel Sales Co., Van Kirk Street at State Road, Philadelphia, Pa. 19135, January 1, 1972.
Kenworth Motor Truck Co., 8801 East Marginal Way South, Seattle, WA 98124, January 5, 1972.
L. W. Ledwell & Son, Inc., Post Office Box 1106, Texarkana, TX 75501, January 18, 1972.
Leisure Design Corp., Route 3, Box 706, Excelsior, MN 55331, December 1, 1971.
Leisure Vehicles, Inc., 2766 Elliott Street, Troy, MI 48084, January 25, 1972.
Leland Equipment Co., 7777 East 42d Place South, Box 45128, Tulsa, OK 74145, January 18, 1972.
Liberty Oil Equipment Co., Inc., 82 Cherry Street, East Hartford, CT 06108, May 1, 1972.
Long Trailer Service, Inc., Henderson Road, Post Office Box 5105, Station B, Greenville, SC 29606, March 1, 1972.
Machine Products, Inc., 6600 South County Road 18, Eden Prairie, MN 55343, January 1, 1972.
Mack Trucks, Inc., Box M, Allentown, PA 18105, January 18, 1972.
Madison Truck Equipment, 2410 South Stoughton Road, Madison, WI 53716, October 21, 1971.
Jay Madsen Division, Air Springs, Inc., 126–136 Linden Street, Allentown, PA 18101, January 1, 1972.
Mallard Coach, division of the Entwistle Co., Post Office Box 378, 603 Hi-Mount Road, West Bend, WI 53095, January 12, 1972.
Manning Equipment, Inc., 3709 Bishop Lane, Post Office Box 18093, Louisville, KY 40218, April 16, 1972.
Mansfield Aircraft Products Co., Mansfield Lahm Airport, Mansfield, Ohio 44901, July 1, 1971.
Massey-Ferguson, Inc., 1901 Bell Avenue, Des Moines, IA 50315; and Badger Northland, Inc., a subsidiary of Massey-Ferguson, Inc., 215 West Second Street, Kaukauna, WI 53130, July 1, 1972.
Mercury Marine, division of Brunswick Corp., 1939 Pioneer Road, Fond du Lac, WI 54935, June 24, 1971.
Merit Tank & Body, Inc., 707 Gilman Street, Berkeley, CA 94710, January 18, 1972.
Mickey Truck Bodies, Inc., Post Office Box 1925, 1505 Bethel Drive, High Point, NC 27261, June 30, 1971.
Middlekauff, Inc., 1615 Ketcham Avenue, Toledo, OH 43608, January 18, 1972.
Mid West Truck Equipment Sales Corp., 640 East Pershing Road, Decatur, IL 62526, January 18, 1972.
Moline Body Co., 222 52d Street, Moline, IL 61265, January 6, 1972.
Monon Trailer, Inc., Post Office Box 446, Monon, IN 47959, April 8, 1972.
Moore and Sons, Inc., 2900 Airways Boulevard, Post Office Box 30091, Memphis, TN 38130, January 1, 1972.
Motor Coach Industries, Inc., Pembina, N. Dak. 58271, January 18, 1972.
Motor Truck Equipment Corp., Post Office Box 47385, Dallas, TX 75247, January 18, 1972.
M & R Sales, Inc., 6640 County Trk. Avenue, Neenah, WI 54956, October 5, 1971.
MTD Products, Inc., 5389 West 130th Street, Post Office Box 2741, Cleveland, OH 44111, September 14, 1971.
Murphy Body Distributors, Inc., 310 Herring Avenue, Post Office Box 1409, Wilson, NC 27893, November 22, 1971.
Mutual Truck Parts Co., Inc., 2000 South Wabash Avenue, Chicago, IL 60616, April 16, 1971.
Mutual Wheel Co., 2345 Irving Boulevard, Moline, IL 61265, October 27, 1971.
Neil's Automotive Service, Inc., 167 East Kalamazoo Avenue, Kalamazoo, MI 49006, January 1, 1972.
Nelson Manufacturing Co., Route No. 1, Ottawa, Ohio 45875, January 18, 1972.
New England Oil Burner Co., Recreational Vehicles Manufacturing, Inc., Jamie Jacobs (Owner), Colchester, Vt. 05446, January 8, 1972.
NYE, Inc., 250 East Fourth Street, Fostoria, OH 44830, January 18, 1972.
Ohio Body Manufacturing Co., New London, Ohio 44851, January 1, 1972.
Ohio Truck Equipment, Inc., 4100 Rev Drive, Cincinnati, OH 45232, May 1, 1972.
Olson Bodies, Inc., 600 Old Country Road, Garden City, NY 11530, November 1, 1971.
Chas. Olson & Sons, Inc., 2945 Pillsbury Avenue, Minneapolis, MN 55408, April 14, 1972.
Olson Trailer & Body Builders Co., Inc., 2740 South Ashland Avenue, Post Office Box 2445, Green Bay, WI 54306, January 18, 1972.
Oshkosh Truck Corp., 2307 Oregon Street, Oshkosh, WI 54901, January 18, 1972.
Outboard Marine Corp., 100 Pershing Road, Waukegan, IL 60085, January 18, 1972.
Pacific Car & Foundry Co., 777 106th Avenue NE., Post Office Box 1518, Bellevue, WA 98009, January 18, 1972.
Palmer Spring Co., 355 Forest Avenue, Portland, ME 04101, January 18, 1972.
Palmer Spring Co., 399 Willow Street, Manchester, NH 03103, November 4, 1971.
Palmer Trailer Sales Co., Inc., 162 Park Street, Palmer, MA 01069, January 18, 1972.
Peabody Galion Corp., Post Office Box 607, 500 Sherman Street, Galion, OH 44833, August 24, 1971.
Peerless Trailer & Truck Service, Inc., 18205 Southwest Boones Ferry Road, Post Office Box 447, Tualatin, OR 97062, January 8, 1972.
Perfection Equipment Co., 7 South Pennsylvania, Oklahoma City, OK 73107, January 12, 1972.
Peterbilt Motors Co., division of Pacific Car & Foundry Co., 38801 Cherry Street, Post Office Box 404, Newark, CA 94560, January 16, 1972.
Phoenix Manufacturing, Inc., 375 West Union Street, Nanticoke, PA 18634, November 5, 1971.
Polaris Industries, division of Textron, Inc., Roseau, Minn. 56751, August 2, 1971.
C. E. Pollard Co., 13575 Auburn Avenue, Detroit, MI 48223, July 27, 1971.
Power Brake Co., Inc., 1506 West Morehead Street, Charlotte, NC 28201, January 17, 1972.
Power Brake Service & Equipment Co., Inc., 1022 Carnegie Avenue, Cleveland, OH 44115, October 21, 1971.
Providence Body Co., Elmwood Station, Post Office Box 2783, Providence, RI 02907, June 1, 1971.
Quality Truck Equipment Co., Route 66 and Mercer Avenue, Post Office Box 420, Bloomington, IL 61701, November 15, 1971.
Quality Truck Equipment Co., I–74 and Prospect Avenue, Post Office Box 696, Champaign, IL 71820, November 15, 1971.
Raleigh Spring & Brake Service, Inc., Post Office Box 25518, 1813 South Saunders Street, Raleigh, NC 27611, November 3, 1971.
Recreatives, Inc., 30 French Road, Buffalo, NY 14227, April 15, 1972.
Rectrans, Inc., Division of White Motor Co., 800 Whitney Avenue, Brighton, MI 48116, May 10, 1972.
Reliable Spring Co., Inc., 10557 South Michigan Avenue, Chicago, IL 60628, January 20, 1972.
Roanoke Welding Co., 2016 Russell Avenue SW., Post Office Box 4373, Roanoke, VA 26015, January 1, 1972.
Rowland Truck Equipment, Inc., 2900 Northwest 73d Street, Post Office Box 398, Miami, FL 33147; and 2265 West Beaver Street, Post Office Box 2006, Jacksonville, FL 32203, November 19, 1971.
Rupp Manufacturing, Inc., 1776 Airport Road, Mansfield, OH 44903, October 3, 1971.
Schafer Body, Inc., 5009 Superior Avenue, Cleveland, OH 44103, August 16, 1971.

Schien Body & Equipment Co., Inc., North on University, Carlinville, Ill. 62626, January 18, 1972.
Scientific Brake & Equipment Co., 314 West Genesee Avenue, Saginaw, MI 48602, January 19, 1972.
Schweigers, Inc., South Highway 81, Watertown, S. Dak. 57201, January 18, 1972.
Scorpion, Inc., Box 300, Crosby, MN 56441, April 29, 1972.
Sharpsville Steel Equipment Co., Sixth and Main Streets, Sharpsville, PA 16150, January 2, 1972.
Sicard Industries, Inc., Subsidiary Pacific Car & Foundry Co., Purdy Avenue, Watertown, NY 13601, August 9, 1971.
Simpson Equipment Corp., Post Office Box 1017, Wilson, NC 27893, January 3, 1972.
Smith-Moore Body Co., Inc., Brook Road at Lombardy Street, Post Office Box 27287, Richmond VA 23261, January 18, 1972.
Southeastern Equipment, Inc., 1105 Pulaski Street, Columbia, SC 29201, November 22, 1971.
South Florida Engineers, Inc., 5911 East Buffalo Avenue, Post Office Box 11927, Tampa, FL 33610, July 2, 1971.
S.S. Automobiles, Inc., 161 West Wisconsin Avenue, Suite 6164, Milwaukee, WI 53203, May 22, 1972.
Steffen, Inc., 623 West Seventh Street, Sioux City, IA 51103, November 4, 1971.
Superior Coach Corp., Sheller-Globe Corp., 1200 East Kibby Street, Lima, OH 45802, March 20, 1972.
Swab Wagon Co., Inc., 21 South Callowhill Street, Elizabethville, PA 17023, May 7, 1972.
Syracuse Auto Parts, Inc., 120 North Geddes Street, Syracuse, NY 13201, January 18, 1972.
Thiokol Chemical Corp., 2503 North Main Street, Post Office Box 407, Logan, UT 84321, January 15, 1972.
Perly A. Thomas Car Works, Inc., 1408 Courtesy Road, High Point, NC 27261, August 1, 1971.
The Trailer Shop, 2017 Highway 41 North, Evansville, IN 47711, October 27, 1971.
Transport Equipment Co., 3400 Sixth Avenue South, Seattle, WA 98134, January 18, 1972.
Travco Corp., 6894 Maple Valley Road, Brown City, MI 48416, May 1, 1971.
The Treco Corp., doing business as Weaver Trailer & Body Co., 1355 West Mound Street, Columbus, OH 43223, January 15, 1972.
Truck Equipment Co., 1911 Southwest Washington Street, Peoria, IL 61602, January 18, 1972.
Truck Equipment, Inc., 680 Potts Avenue, Post Office Box 3280, Green Bay, WI 54303, January 18, 1972.
Truck Equipment Sales, 301 South Fourth Street, Post Office Box 389, Murray, KY 42071, December 1, 1971.
Truck Parts & Equipment, Inc., 4501 West Esthner, Wichita, KS 67209, November 11, 1971.
Truck and Trailer Sales Corp., 3828 Augusta Road, Post Office Box 7015, Savannah, GA 31408, December 22, 1971.
Truck & Transportation Equipment Co., Inc., Post Office Box 10455, New Orleans, LA 70121, January 1, 1972.
Tuff Boy, Inc., 5151 East Almondwood Drive, Manteca, CA 95336, January 1, 1972.
Union City Body Co. Inc., 1015 West Pearl Street, Union City, IN 47390, August 15, 1971.
Unit Rig & Equipment Co., Post Office Box 3107, Tulsa, OK 74101, January 1, 1972.
Utility Trailer & Equipment Co., Inc., 4771 Southeast 17th Avenue, Portland, OR 97202, January 1, 1972.
Viking Snowmobiles, Inc., Post Office Box 37, Twin Valley, MN 56584, August 1, 1971.
Vulcan Trailer Manufacturing Co., Inc., Post Office Box 5099, Birmingham, AL 35214, December 1, 1971.
Walter Motor Truck Co., School Road, Voorheesville, N.Y. 12186, April 29, 1972.
The Warner & Swasey Co., Duplex Division, 830 East Hazel Street, Lansing, MI 48909, April 1, 1972.
Wayne Corp., an Indian Head Co., Post Office Box 908, Industries Road, Richmond, IN 47374, October 31, 1971.
Weaver Trailer & Body Co., The Treco Corp., 1355 West Mound Street, Post Office Box 23395, Columbus, OH 43223, January 15, 1972.
Weigand GMC Truck Sales, Inc., 1008 North Tuscarawas Street, Dover, OH 44622, January 18, 1972.
Westinghouse Air Brake Co., Construction Equipment Division 2301 Northeast Adams Street, Peoria, IL 61601, February 1, 1972.
Weston Equipment Co., Inc., 130 Railroad Hill Street, Waterbury, CT 06708, January 3, 1972.
Wheel-Horse Products, Inc., 515 West Ireland Road, South Bend, IN 46614, August 1, 1971.
White Motor Corp., 110 Erieview Plaza, Cleveland, OH 44114, January 18, 1972.
White Trucks & Equipment Sales, Inc., 2401 Dinneen Avenue, Post Office Box 7185, Orlando, FL 32804, December 1, 1971.
Wilco, Inc., Route 68 S. Post Office Box 232, Kenton, OH 43326, November 22, 1971.
Wollard Aircraft Equipment, Inc., 6950 Northwest 77th Court, Miami, FL 33166, December 1, 1971.
Worcester Tank & Equipment Co., Inc., Rear 462 Grafton Street, Worcester, MA 01606, May 1, 1972.
Wyman's Inc., Northfield Road, Box 541, Montpelier, VT 05602, June 1, 1971.

The director will publish from time to time such revisions of this list as may be appropriate to reflect additions, deletions, or other necessary changes in it.

Dated: June 8, 1972.

HUDSON B. DRAKE,
Deputy Assistant Secretary and Director, Bureau of Domestic Commerce.

[FR Doc.72-9016 Filed 6-14-72;8:47 am]

Maritime Administration

[Docket No. 285]

AERON MARINE SHIPPING CO.

Notice of Application

Notice is hereby given that Aeron Marine Shipping Co. has filed an application for operating-differential subsidy on three (3) proposed new tankers of 87,000 deadweight tons each to be operated in the carriage of liquid bulk cargoes in worldwide service in the foreign commerce of the United States.

Any party having an interest in such application and who would contest a finding of the Board that the service now provided by vessels of U.S. registry for the worldwide carriage of liquid cargo moving in the foreign commerce of the United States or in any particular trade in the foreign commerce of the United States is inadequate, must, on or before June 26, 1972, notify the Secretary in writing of his interest and of his position and file a petition for leave to intervene in accordance with the Board's rules of practice and procedure (46 CFR Part 201). Each such statement of interest and petition to intervene shall state whether a hearing is requested under section 605(c) of the Merchant Marine Act, 1936, as amended, and with as much specificity as possible the facts that the intervenor would undertake to prove at such hearing.

In the event that a section 605(c) hearing is ordered to be held, the purpose of such hearing will be to receive evidence relevant to whether the service already provided by vessels of U.S. registry for the worldwide movement of liquid cargoes in the foreign oceanborne commerce of the United States is inadequate and whether in the accomplishment of the purposes and policy of the Act additional vessels should be operated.

If no request for hearing and petition for leave to intervene is received within the specified time, or if the Maritime Subsidy Board determines that petitions for leave to intervene filed within the specified time do not demonstrate sufficient interest to warrant a hearing, the Maritime Subsidy Board will take such action as may be deemed appropriate.

Dated: June 13, 1972.

By Order of the Maritime Subsidy Board.

AARON SILVERMAN,
Assistant Secretary.

[FR Doc.72-9112 Filed 6-14-72;8:51 am]

Office of Import Programs

NATIONAL INSTITUTES OF HEALTH ET AL.

Notice of Applications for Duty-Free Entry of Scientific Articles

The following are notices of the receipt of applications for duty-free entry of scientific articles pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897). Interested persons may present their views with respect to the question of whether an instrument or apparatus of equivalent scientific value for the purposes for which the article is intended to be used is being manufactured in the United States. Such comments must be filed in triplicate with the Director, Special Import Programs Division, Office of Import Programs, Washington, D.C. 20230, within 20 calendar days after the date on which this notice of application is published in the FEDERAL REGISTER.

Amended regulations issued under cited Act, as published in the February 24, 1972, issue of the FEDERAL REGISTER, prescribe the requirements applicable to comments.

A copy of each application is on file, and may be examined during ordinary Commerce Department business hours at the Special Import Programs Division, Department of Commerce, Washington, D.C.

Docket No. 72-00529-01-07520. Applicant: National Institutes of Health, National Heart and Lung Institute, Lab. Biochemistry, NHLI, Bethesda, Md. 20014. Article: Microcalorimetry system. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article will be used as follows:

(a) To study the interactions of inhibitors and substrates with an enzyme;

(b) To study the interaction of activating cations with an enzyme;

(c) To illustrate separate binding sites for multiple ligands of an allosteric enzyme; and

(d) To obtain kinetic information in certain cases in which conformational change of the protein is involved.

Application received by Commissioner of Customs: May 4, 1972.

Docket No. 72-00530-00-11000. Applicant: The Pennsylvania State University, Biochemistry Department, 109 Frear Laboratory, University Park, Pa. 16802. Article: Mass market and scan magnet. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The articles are accessories to a gas chromatograph-mass spectrometer to be used by several departments including Biochemistry, Food Science, Chemistry, and Pesticides, in the identification of natural products, complex carbohydrates, polypeptides, lipids, insects pheromones, pesticides, etc. Graduate and under graduate students will use the article in their research work in such courses as Biochemistry 439, Biochemistry 503, Biochemistry 660, Food Science 600, etc. Application received by Commissioner of Customs: May 4, 1972.

Docket No. 72-00531-33-46500. Applicant: University of Alabama in Birmingham, University Station, Birmingham, Ala. 35294. Article: Ultramicrotome, Model LKB 4800A. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article is intended to be used in the process of material ranging from tissue biopsies obtained at time of surgery to experimental lesions produced in animals, which are to be used in investigations centered around cellular pathology and with development of experimental disease. The training associated with these investigations will provide the graduate medical and dental students with an understanding of cellular pathology. Application received by Commissioner of Customs: May 4, 1972.

Docket No. 72-00532-33-46500. Applicant: Veterans Administration Hospital, 2500 Overlook Terrace, Madison, WI 53705. Article: Ultramicrotome, Model LKB 8800A. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article is intended to be used in studies of human biopsies of the gastrointestinal tract, rat tissues of the gastrointestinal tract, and fractions of these tissues embedded for morphological correlation to biochemistry. The objectives to be pursued in the course of the investigation are to reveal at the ultrastructural level the structural bases of transport of macromolecules into and across cells under physiological and pathologic conditions, and the response of the cells to these molecules. The article will also be used in training residents in gastroenterology. Application received by Commissioner of Customs: May 4, 1972.

Docket No. 72-00533-33-46500. Applicant: Clemson University College of Agricultural Science, Department of Dairy Science, Clemson, S.C. 29631. Article: Ultramicrotome, Model LKB 8800A. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article is intended to be used in investigations to establish the ultrastructural morphology and cytochemistry of cells of the reproductive tissues under varying physiological and hormonal states, and to relate these parameter and variation in them to reproductive performance and to hormone levels. The article will also be used to provide training for graduate students in the biological sciences in the various techniques utilized in electron microscopy and to provide the student with the opportunity to develop proficiency in the whole technique of electron microscopy of material of special interest to him. Application received by Commissioner of Customs: May 4, 1972.

Docket No. 72-00534-01-28200. Applicant: The City College of the City University of New York, Department of Chemistry, Convent Avenue and 138th Street, New York, NY 10031. Article: Electron spin resonance spectrometer. Manufacturer: JEOL, Ltd., Japan. Intended use of article: The article is intended to be used for the following research:

(1) One-electron transfer reactions of tetracyanoquinodimethan (TCNO) with carboxylate ions.

(2) Oxygen catalyzed racemization of 9,9'-bianthryls.

(3) Spin labeled sulfatide in membrane.

(4) Intermediates in photochemical reactions.

(5) Molecular motion relaxation in naturally occurring polymers such as collagen and gelatin in synthetic polypeptides.

(6) The location of "amorphous" regions in polymer single crystals.

(7) The mechanism of compaction in desolinization membranes.

(8) Studies of silica, polyvinylpyrrolidone, and enzymes in water.

The article will also be used in undergraduate and graduate research courses such as 33 (Physical Chemistry Laboratory II), and 35 (Physical Chemistry). Application received by Commissioner of Customs: May 5, 1972.

Docket No. 72-00535-00-43400. Applicant: Veterans Administration Hospital, Archer Road, Gainesville, Fla. 32601. Article: Three (3) miniature micromanipulators, Model MM3. Manufacturer: Narishige Scientific Instrument Laboratory, Japan. Intended use of article: The articles are accessories to be used with an existing micromanipulator in studies of "Alterations in the structure and function of the atrial conduction system of the transplanted and ex viva preserved heart." Application received by Commissioner of Customs: May 5, 1972.

Docket No. 72-00536-33-46500. Applicant: Florida Technological University, Post Office Box 25000, Orlando, FL 32816. Article: Ultramicrotome, Model OM U2. Manufacturer: C. Reichert Optische Werke AG, Austria. Intended use of article: The article is intended to be used in the study of organism at cellular and ultracellular levels for preparation of utrathin sections. Experiments will include microscopic examination of the ultrastructure of the wall structure of the bitunic ascus, plant sphaerosome ontogeny and sodium transport in animal tissue related to leukemia, and ultrastructure of living and nonliving components of sewage flock. The article will also be used in the following courses: Biology 420—Cytology; Botany 421—Mycology; Zoology 310—Histological Technique; Zoology, Microbiology, Botany, Biology 498—Independent Study; Zoology, Microbiology, Botany, Biology 499—Undergraduate Research. Application received by Commissioner of Customs: May 5, 1972.

Docket No. 72-00537-33-09300. Applicant: Stanford University, 820 Quarry Road, Palo Alto, CA 94304. Article: "Staput Velocity Sedimentation Cell Separator." Manufacturer: Johns Scientific, Canada. Intended use of article: The article is intended to be used for separation of mouse lymphoid cells (spleen, bone marrow, lymph node, thymus) to identify and quantitate types of cells involved in the immune (antibody) response which is needed for understanding the basic mechanisms of antibody formation, graft rejection, tumor protection, etc. The article will also be used by graduate and postgraduate students and participants in Genetics 299. Application received by Commissioner of Customs: May 5, 1972.

Docket No. 72-00538-33-46040. Applicant: Stanford University, 820 Quarry Road, Palo Alto, CA 94305. Article: Electron microscope, Model EM 201. Manufacturer: Philips Electronic Instruments NVD, The Netherlands. Intended use of article: The article will be used for high resolution examination of nucleic acids, especially DNA. This will involve both low power analysis of shadowed DNA preparations and high resolution analysis of specially stained molecules. In addition, investigations of the structure of replicating DNA molecules will be carried out. The article will also be used to provide instruction in nucleic acid electron microscopy to faculty and students at Stanford Medical Center. Application received by Commissioner of Customs: May 5, 1972.

Docket No. 72-00539-33-79200. Applicant: Veterans Administration Hospital, 4150 Clement Street, San Francisco, CA 94121. Article: Electric water still, Type 3. Manufacturer: L.V.D. Schorah, United Kingdom. Intended use of article: The article is intended to be used in redistilling water to obtain the extreme purity

needed in many special techniques in Metabolic and Endocrine Function studies. Application received by Commissioner of Customs: May 5, 1972.

Docket No. 72-00540-75-34060. Applicant: Texas A. & M. University, Cyclotron Institute, College Station, Tex. 77843. Article: Positive polarized ion source system. Manufacturer: Auckland Nuclear Accessory Co., Ltd., New Zealand. Intended use of article: The article is intended to be used to study a large variety of phenomena in nuclear physics and nuclear chemistry, ranging from the interaction between nucleons to the structure and reactions of complex nuclei. The experiments to be conducted will include the measurement of the asymmetry in the scattering of polarized neutrons from hydrogen, double-scattering studies and investigation of scattering from polarized targets, as well as scattering of polarized proton and deuteron beams from a large variety of nuclear targets. The article will also be used in the training of graduate students and the performance of graduate research (Physics 691; Chemistry 691). Application received by Commissioner of Customs: May 5, 1972.

Docket No. 72-00541-33-46040. Applicant: Ohio Agricultural Research and Development Center, Wooster, Ohio 44691. Article: Electron microscope, Model EM 201. Manufacturer: Philips Electronic Instruments NVD, The Netherlands. Intended use of article: The article is intended to be used in a wide range of investigations which include: (1) Investigation of plant virus pathology of soybean, corn, wheat, grape, and tomato; (2) local lesion formation mechanisms; (3) virus locations within the tissue; (4) pathological conditions in animals including TGE virus in swine, blue-comb disease in turkeys and rumen bacteria study in cattle; (5) monitoring of purification steps of biological macromolecules such as lipo-protein from blood and egg yolk. In addition there are various anticipated projects involving studies of virus infected tissues. The article will also be used in the teaching of existing and future staff, faculty, graduate students and technicians desiring training in those aspects of electron microscopy pertinent to their research programs or electron microscopy techniques in general. Application received by Commissioner of Customs: May 5, 1972.

Docket No. 72-00542-00-46040. Applicant: Washington University, 660 South Euclid, St. Louis, MO 63110. Article: Siemens/Steinheil camera type M2. Manufacturer: Siemens AG, West Germany. Intended use of article: The article is intended to be used in conjunction with an existing electron microscope in studies of the structure of biological macromolecules and macromolecular complexes such as transfer RNA, ribosomes, chromosomes and enzymes. The article will also be used in the course, Biochemistry 515 to train graduate and medical students in the conduct of biochemical research. Application received by Commissioner of Customs: May 5, 1972.

SETH M. BODNER,
Director, Office of Import Programs.

[FR Doc.72-9040 Filed 6-14-72;8:49 am]

VETERANS ADMINISTRATION HOSPITAL, SHREVEPORT, LA., ET AL.

Notice of Consolidated Decision on Applications for Duty-Free Entry of Electron Microscopes

The following is a consolidated decision on applications for duty-free entry of electron microscopes pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897) and the regulations issued thereunder as amended (37 F.R. 3892 et seq.). (See especially § 701.11(c).)

A copy of the record pertaining to each of the applications in this consolidated decision is available for public review during ordinary business hours of the Department of Commerce, at the Special Import Programs Division, Office of Import Programs, Department of Commerce, Washington, D.C.

Docket No. 72-00271-33-46040. Applicant: Veterans Administration Hospital, 510 East Stoner Avenue, Shreveport, LA 71130. Article: Electron microscope, Model EM 300. Manufacturer: Philips Electronic Instruments, NVD., The Netherlands. Intended use of article: The article is intended to be used in studies on the ultrastructure of human tumors, human neoplasms, lesions, melanosomes, premelanosomes cytoplasmic aggregates etc. related to discovery of basic facts about human disease. Application received by Commissioner of Customs: December 7, 1971. Advice submitted by Department of Health, Education, and Welfare on: May 19, 1972.

Docket No. 72-00272-33-46040. Applicant: Harvard University, School of Public Health, 665 Huntington Avenue, Boston, MA 02115. Article: Electron microscope, Model EM 300. Manufacturer: Philips Electronic Instruments, NVD., The Netherlands. Intended use of article: The article will be used to examine biological material as part of a major research effort on the response of pulmonary alveolar macrophages to inhaled particles, as well as for other studies on the biological properties and defense mechanics of mature and developing lungs. Application received by Commissioner of Customs: December 7, 1971. Advice submitted by Department of Health, Education, and Welfare on: May 19, 1972.

Docket No. 72-00274-33-46040. Applicant: Veteran's Administration Hospital, 800 Stadium Road, Columbia, MO 65201. Article: Electron microscope. Model EM 300. Manufacturer: Philips Electronic Instruments, NVD., The Netherlands. Intended use of article: The article is intended to be used as a diagnostic instrument in the practice of human pathology which is aimed toward offering early valid diagnoses so that early appropriate treatment of human disease can be accomplished. Specifically, it will be used in the ultrastructural diagnosis of human renal biopsies of individuals with primarily glomerular or vascular diseases. Application received by Commissioner of Customs: December 7, 1971. Advice submitted by Department of Health, Education, and Welfare on: May 19, 1972.

Docket No. 72-00375-01-46040. Applicant: National Institutes of Health, 9000 Rockville Pike, Bethesda, MD 20014. Article: Electron microscope, Model EM 300. Manufacturer: Philips Electronic Instruments, NVD, The Netherlands. Intended use of article: The article is intended to be used for high resolution studies of macromolecules such as proteins and nucleic acids, both as separate entities and in crystalline forms. An attempt will be made to find the arrangement of asymmetric units in proteins and nucleic acid crystals as an aid to collaborative X-ray diffraction analysis of these crystals. Further experiments will be conducted to determine the position in these molecules of the heavy metal which is introduced into the protein or nucleic acid crystals to solve the phase problem for X-ray diffraction analysis. Application received by Commissioner of Customs: February 9, 1972. Advice submitted by National Bureau of Standards on: May 12, 1972.

Comments: No comments have been received in regard to any of the foregoing applications.

Decision: Applications approved. No instrument or apparatus of equivalent scientific value to the foreign articles, for the purposes for which the articles are intended to be used, is being manufactured in the United States.

Reasons: Each foreign article has a specified resolving capability of 3.5 angstroms. The most closely comparable domestic instrument is the Model EMU-4C electron microscope which is manufactured by the Forgflo Corp. (Forgflo). The Model EMU-4C has a specified resolving capability of 5 angstroms. (Resolving capability bears an inverse relationship to its numerical rating in angstrom units, i.e., the lower the rating, the better the resolving capability). We are advised by the Department of Health, Education, and Welfare or the National Bureau of Standards in the respectively cited memoranda, that the additional resolving capability of the foreign articles is pertinent to the purposes for which each of the foreign articles to which the foregoing applications relate is intended to be used. We, therefore, find that the Forgflo Model EMU-4C is not of equivalent scientific value to any of the articles to which the foregoing applications relate, for such purposes as these articles are intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to any of the foreign articles to which the foregoing applications relate, for such purposes as

these articles are intended to be used, which is being manufactured in the United States.

SETH M. BODNER,
Director, Office of Import Programs.

[FR Doc.72-9041 Filed 6-14-72;8:49 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Secretary

ASSISTANT SECRETARY (COMMUNITY AND FIELD SERVICES)

Statement of Organization, Functions, and Delegations of Authority

Part 1 of the statement of organization, functions, and delegations of authority for the Department of Health, Education, and Welfare is amended to delete section 2-135 (33 F.R. 17205), and section 1L10 (36 F.R. 20620), and to add a statement for the Assistant Secretary (Community and Field Services), as follows:

SECTION 1L.10 *Mission.* The Assistant Secretary (Community and Field Services): Serves as the principal staff adviser to the Secretary and the operating agencies on all matters affecting regional and field programs of the Department; provides general administrative direction and broad policy guidance to HEW Regional Directors and their staffs; advises and consults with operating agencies and staff offices on all aspects of Department activities related to consumer services, youth and student affairs, and mental retardation.

SEC. 1L.20 *Organization.* A. The Assistant Secretary (Community and Field Services) reports directly to the Secretary.

B. The Office of the Assistant Secretary (Community and Field Services) includes:

1. Deputy Assistant Secretary (Field Administration).
2. Deputy Assistant Secretary (Consumer Services).
3. Deputy Assistant Secretary (Policy Development).
4. Deputy Assistant Secretary (Regional Operations).
5. Deputy Assistant Secretary (Youth and Student Affairs).
6. Executive Director of the President's Committee on Mental Retardation.
7. Director of the Office of Mental Retardation Coordination.

SEC. 1L.30 *Functions.* A. The Office of Field Administration: Provides an integrated management services program both for headquarters and regional offices; operates an integrated personnel and budget system; develops a single system for the management of internal and external communications; administers a property management system; provides headquarters responses to regional requests for the complete range of administrative and management activities; and, as assigned, directs, coordinates, and oversees Department-wide activities for the Secretary and Assistant Secretary (Community and Field Services).

B. The Office for Consumer Services: Acts as principal advisor to the Assistant Secretary (Community and Field Services) on legislation and policies to strengthen and coordinate consumer-related programs of the Department, emphasizing consumer education, consumer protection, consumer information and consumer participation; acts as consumers' advocate within the Department and maintains a continuing dialogue between consumers and HEW's operating agencies; coordinates the development and distribution of consumer information materials; provides technical assistance to agencies, organizations and individuals outside the Department; and conducts a field demonstration program of technical assistance for low-income consumers.

C. The Office of Policy Development: Serves as the principal advisor to the Assistant Secretary (Community and Field Services) in the various Department processes and cycles (planning, budget formulation, and legislation) as they impact the development and review of the field services policies of the Department; assures that field policy considerations are reflected in all Department programs and plans; formulates Office positions on secretarial initiatives, such as services integration and intergovernmental relations; and relates HEW efforts to other agencies and national public interest groups in the formulation of regional and field policy and the evaluation of departmental performance.

D. The Office of Regional Operations: Provides Department headquarters leadership to regional offices and acts as the focal point to assure implementation at the regional level of departmental priorities, policies, and programs; provides regional feedback as to the effectiveness of headquarters guidance; identifies issues for further analysis and provides updated information for use in policy formulation, organizational planning, and legislative developments; promotes the establishment and implementation of regional systems, procedures, and operations for carrying out planning and evaluation activities related to regional program initiatives; represents regional offices at Department headquarters on both internal HEW and external operational matters; serves as the primary headquarters contact for the regional offices in meeting Federal decentralization objectives.

E. The Office of Youth and Student Affairs: Advocates the interests of youth in the Department; works to involve young people in the program and decisionmaking processes; establishes communication links with a wide range of youth groups, including national youth-serving organizations and student and community youth organized groups; works to make the internal structure of HEW more responsive to the creative energies of youth; and provides information on HEW policies and programs to interested youth organizations, including the maintenance of a Reference Library and Resource Center containing information on subjects of interest to youth.

F. The President's Committee on Mental Retardation: Provides service and assistance in the areas of mental retardation as the President may require; evaluates the national effort to combat mental retardation and assists in the coordination of Federal, State, local, and private program review and planning activities in the mental retardation field; assists in the formulation of new program initiatives.

G. The Office of Mental Retardation Coordination: Serves as a focal point for coordination and evaluation of the Department's mental retardation activities and consideration of relevant Department-wide policies, programs, procedures, activities, and related matters; serves in an advisory capacity to the Secretary in regard to issues related to the administration of the Department's mental retardation programs; and serves as liaison for the Department with the President's Committee on Mental Retardation.

Date: June 9, 1972.

STEVEN D. KOHLERT,
Deputy Assistant Secretary for Management.

[FR Doc.72-9014 Filed 6-14-72;8:47 am]

ATOMIC ENERGY COMMISSION

[Docket No. 50-293]

BOSTON EDISON CO.

Notice of Issuance of Facility Operating License

Notice is hereby given that the Atomic Energy Commission (the Commission) has issued Facility Operating License No. DPR-35 to Boston Edison Co. (Boston Edison) which authorizes the loading of nuclear fuel into the reactor core and operation at power levels not to exceed 399 megawatts thermal, for the purpose of testing the Pilgrim Nuclear Power Station (the facility), a single cycle, forced circulartion, boiling water nuclear reactor located at Boston Edison's site in Plymouth County, Mass. The facility is designed for operation at approximately 1,998 megawatts thermal, but in accordance with the provisions of Facility Operating License No. DPR-35 and the technical specifications appended thereto, activities under the license are restricted to loading of nuclear fuel into the reactor core and operation at power levels not to exceed 399 megawatts thermal (20 percent of the facility's rated power level of 1,998 megawatts thermal).

A notice of consideration of issuance of facility operating license was published by the Commission on April 23, 1971 (36 F.R. 7696). The notice provided that within thirty (30) days from the date of publication in the FEDERAL REGISTER, any person whose interest might be affected by the issuance of a license could file a petition for leave to intervene in accordance with 10 CFR Part 2, rules

of practice, of the Commission's regulations. A number of petitions for leave to intervene were filed in response to said notice, and by memorandum and order dated July 12, 1971, the Commission determined that a public hearing would be held and that the Sierra Club and the Union of Concerned Scientists, and the Commonwealth of Massachusetts should be admitted to intervene as parties in this proceeding. An appropriate notice of hearing was issued by the Commission July 12, 1971 (36 F.R. 13287), and an Atomic Safety and Licensing Board (the Board) was appointed to preside over the hearing. A supplementary notice of hearing, pertaining to environmental matters not previously encompassed by the notice of hearing, was issued by the Commission on December 27, 1971 (36 F.R. 25242). The matter of Boston Edison's application for a license to operate at 1,998 megawatts thermal is pending before the Board. A public hearing convened on December 6, 1971, in Plymouth, Mass., in this matter, and on June 1, 1972, a notice of hearing was issued by the Board, indicating that a second hearing will be held on June 27, 1972, in Plymouth, Mass., for the purpose of considering the issues specified in the Board's memorandum and order, dated May 24, 1972.

On April 7, 1972, Boston Edison made a motion, pursuant to the Commission's regulations, for an order authorizing the Director of Regulation to issue a license authorizing the loading of fuel in the reactor core and operation at not more than 20 percent of full power for the purpose of testing Pilgrim Nuclear Power Station. While the Sierra Club and the Union of Concerned Scientists, joint intervenors, initially opposed such motion, the opposition was subsequently withdrawn.

On May 10, 1972, the Commission's final environmental statement related to operation of Pilgrim Nuclear Power station was issued (37 F.R. 9576), and on May 17, 1972, applicant supplemented its motion to move under sections A.12 of Appendix D and § 50.57(c) of 10 CFR Part 50 for an order authorizing the Director of Regulation to make appropriate findings on matters specified in paragraph (a) of § 50.57 of 10 CFR Part 50, and to issue a license authorizing the loading of nuclear fuel in the reactor core and limited operating of the Pilgrim Nuclear Power Station as requested in such motion.

On June 1, 1972, the Board issued an order in accordance with the provisions of the Commission's regulations in 10 CFR Part 50, § 50.57(c) and A.12 of Appendix D to Part 50, authorizing the Director of Regulation to make appropriate findings on the issues set forth in § 50.57(a) of 10 CFR Part 50 and to issue a license authorizing loading of nuclear fuel into the reactor core of the Pilgrim Nuclear Power Station and operation of such facility at power levels not to exceed 399 megawatts thermal, for the purpose of testing.

The Commission's regulatory staff has inspected the facility and has determined that, for operation as authorized by the license, the facility has been constructed in accordance with the application, as amended, the provisions of Provisional Construction Permit No. CPPR–49, the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations. Boston Edison has submitted proof of financial protection in satisfaction of the requirements of 10 CFR Part 140.

The Commission's Director of Regulation has made the findings set forth in the license, and has concluded that the facility will operate in conformity with the application, as amended, the requirements of the Atomic Energy Act of 1954, as amended, and the rules and regulations of the Commission, and will not be inimical to the common defense and security or to the health and safety of the public and that Boston Edison is technically and financially qualified to engage in the activities authorized by the operating license.

The license is effective as of the date of issuance and shall expire eighteen (18) months from said date unless extended for good cause shown, or superseded by subsequent licensing action.

Copies of (1) the Board's order, dated June 1, 1972, (2) Facility Operating License No. DPR–35, complete with technical specifications (Appendix A), (3) Boston Edison's environmental report dated September 14, 1970, and environmental report supplement, dated November 8, 1971, as amended, (4) the safety evaluation for the Pilgrim Nuclear Power Station, dated August 25, 1971, and Supplement No. 1 thereto, (5) the report of the Advisory Committee on Reactor Safeguards, dated April 7, 1971, (6) draft detailed statement on environmental considerations, dated February 1972, (7) final environmental statement, dated May 1972, related to operation of the Pilgrim Nuclear Power Station, and (8) the final safety analysis report, as amended, are available for public inspection in the Commission's Public Document Room, 1717 H Street NW., Washington, DC, and at the Plymouth Public Library, North Street, Plymouth, Mass. Single copies of the license, in addition to items (4), (6), and (7) may be obtained upon request addressed to the Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing.

Dated at Bethesda, Md., this 8th day of June 1972.

For the Atomic Energy Commission.

ROGER S. BOYD,
Assistant Director for Boiling Water Reactors, Directorate of Licensing.

[FR Doc.72-9000 Filed 6-14-72;8:46 am]

[Docket No. PRM-30-52]

McDONNELL DOUGLAS ASTRONAUTICS CO.

Filing of Petition

Notice is hereby given that the McDonnell Douglas Astronautics Co., 2955 George Washington Way, Richland, WA 99352, by letter dated May 10, 1972, has filed with the Atomic Energy Commission a petition for rule making to amend § 35.31 of 10 CFR Part 35 and § 32.70 of 10 CFR Part 32.

The petition requests that § 35.31, General License for Medical Use of Certain Quantities of Byproduct Material, be amended to include promethium-147 in prosthetic devices such as nuclear batteries for cardiac pacemakers and other clinical devices. Promethium-147 is a radioactive material which emits weak beta radiation and has a radioactive half-life of about 2.6 years.

A general license is effective without the filing of an application with the Commission or the issuance of a licensing document to a particular person. Accordingly, if a general license is issued for such prosthetic devices, it would not be necessary for a physician to file an application with the Commission and receive a specific license in order to possess and install such devices in patients.

The petition proposes that the general license authorize possession of promethium-147 in the form of sealed sources which have met specified tests to demonstrate encapsulation integrity; that each sealed source contain not more than 100 curies of promethium-147, and that not more than 500 curies of promethium-147 be possessed by a physician at any one time under the general license.

The amendment proposed by the petitioner would require the manufacturer of the prosthetic device to maintain a record of all devices manufactured and distributed to physicians under the general license, and require the physician to supply the name, address and social security number of each patient fitted with a prosthetic device containing promethium-147. This information would be integrated into the device records of the manufacturer who would retain the records until the device is returned to the vendor or until it is confirmed that the device has been disposed of as radioactive waste.

The proposed amendment would require the testing of sealed sources by subjecting them to an impact test, crush test, temperature test, cremation temperature test, and corrosion test.

The petition also proposes a conforming amendment to § 32.70, Manufacture and Distribution of Byproduct Materials for Medical Use Under General License, to include a reference to prosthetic devices.

A copy of the petition for rule making is available for public inspection in the Commission's Public Document Room at 1717 H Street NW., Washington, DC. A copy of the petition may be obtained by writing the Rules and Procedures Unit at the below address.

All interested persons who desire to submit written comments or suggestions concerning the petition for rule making should send their comments to the Rules and Procedures Unit, Office of Administration, U.S. Atomic Energy Commission, Washington, D.C. 20545, within 60

days after publication of this notice in the FEDERAL REGISTER.

Dated at Germantown, Md., this 9th day of June 1972.

For the Atomic Energy Commission.

W. B. McCOOL,
Secretary of the Commission.

[FR Doc.72-9001 Filed 6-14-72;8:46 am]

ENVIRONMENTAL DEFENSE FUND, INC.

Filing and Denial of Petition for Rule Making

Notice is hereby given that the Environmental Defense Fund, Inc., by letter dated May 17, 1972, has filed with the Commission a petition for rule making to amend the Commission's rules of practice, 10 CFR Part 2.

The petitioner, in anticipation of the enactment of Public Law 92-307, which added a new section 192 to the Atomic Energy Act of 1954, as amended (the Act), providing for the use of expedited procedures in proceedings in which a hearing is otherwise required before issuance of an operating license, in connection with the issuance of certain temporary operating licenses for nuclear power reactors whose electrical energy is needed to meet specified energy needs, requested promulgation of procedures specified in the petition for the conduct of such proceedings. A copy of the petition is available for inspection in the Commission's Public Document Room at 1717 H Street NW., Washington, DC.

The Commission has given careful consideration to that petition for rule making and is appreciative of the suggestions made therein. However, the Commission has itself developed the amendments to Parts 2 and 50 published at p. 11871, in implementation of Public Law 92-307. The Commission believes that those amendments are a more appropriate means of carrying out the Congressional purpose, although some of the petitioner's suggestions have been appropriately implemented and the amendments do, in fact, include provisions similar to some of the provisions suggested in the petition for rule making.

Accordingly, the petition for rule making filed by the Environmental Defense Fund, Inc., is denied.

Dated at Germantown, Md., this 13th day of June 1972.

For the Atomic Energy Commission.

W. B. McCOOL,
Secretary of the Commission.

[FR Doc.72-9095 Filed 6-14-72;8:50 am]

CIVIL AERONAUTICS BOARD

[Docket No. 23401]

TRANS WORLD AIRLINES, INC. AND PAN AMERICAN WORLD AIRWAYS, INC.

Notice of Postponement of Hearing Regarding Enforcement Proceeding

Notice is hereby given that the hearing in the above-entitled matter is postponed from June 15, 1972 (37 F.R. 9504, May 11, 1972), to June 16, 1972, at 10 a.m., local time, in Room 1031, Universal Building, North, 1875 Connecticut Avenue NW., Washington, DC, before the undersigned examiner.

Dated at Washington, D.C., June 9, 1972.

[SEAL] JOSEPH L. FITZMAURICE,
Hearing Examiner.

[FR Doc.72-9039 Filed 6-14-72;8:49 am]

ENVIRONMENTAL PROTECTION AGENCY

PROPOSED IMPLEMENTATION PLAN REGULATIONS

Notice of Public Hearings

On June 14, 1972, the Administrator published proposed regulations to correct certain deficiencies in State plans for implementation of the national ambient air quality standards. In the notice of proposed rule making, the Administrator signified his intention of holding public hearings on all such proposed regulations and indicated that such public hearings would be held no earlier than 30 days following publication of the notice of proposed rule making. The purpose of this notice is to specify the dates, times, and places at which these public hearings are to be held. This information is set forth below, arranged to coincide with the areas covered by the Environmental Protection Agency's Regional Offices.

REGION I

MASSACHUSETTS

July 17 at 10 a.m., Holiday Inn, I-291, Dwight-in-Congress, Springfield. Hearing officer: Thomas Bracken.

July 17 at 10 a.m., JFK Federal Building, Room 2003, Boston. Hearing officer: Richard Johnson.

RHODE ISLAND

July 14 at 10 a.m., Holiday Inn, I-95, Atwells Avenue, Providence. Hearing officer: Thomas Bracken.

VERMONT

July 14 at 1 p.m., Tavern Motor Inn, State Street, Montpelier. Hearing officer: Richard Johnson.

REGION II

NEW JERSEY

July 14 at 8 p.m., Ryder College, Student Center, Room 237, Trenton. Hearing officer: Meyer Scolnick.

July 15 at 10 a.m., Fairleigh Dickinson University, Lower Lecture Hall, Round Building, West Passaic and Montross Avenues, Rutherford. Hearing officer: Meyer Scolnick.

VIRGIN ISLANDS

July 17 at 8 p.m., Grand Hotel Gallery, Charlotte Amalie, St. Thomas. Hearing officer: Peter B. Devine.

July 18 at 8 p.m., Government House, Christiansted, St. Croix. Hearing officer: Peter B. Devine.

REGION III

DELAWARE

July 31 at 10 a.m., Middle Conference Room, Highway Administration Building, Room 113, Dover. Hearing officer: Daniel J. Snyder III.

MARYLAND

July 17 at 10 a.m., Maryland Inn, Church Road, Annapolis. Hearing officer: Daniel J. Snyder III.

REGION IV

GEORGIA

July 17 at 9:30 a.m., Georgia State Agriculture Building, Room 201, 19 Junter Street, Atlanta. Hearing officer: Joan Odell. This hearing will be conducted jointly with the State of Georgia.

KENTUCKY

July 18 at 10 a.m., Kentucky State Department of Health Building, 1st Floor Auditorium, 275 East Main Street, Frankfort. Hearing officer: Joan Odell.

SOUTH CAROLINA

July 19 at 10:30 a.m., State Board of Health, J. Marion Sims Building Auditorium, 2600 Bull Street, Columbia. Hearing officer: Joan Odell.

TENNESSEE

July 20 at 10 a.m., University of Tennessee, Nashville. Hearing officer: Bill Nichols.

REGION V

OHIO

July 18 at 9 a.m., Holiday Inn Downtown, 175 East Town Street, Columbus. Hearing officer: James O. McDonald.

July 19 at 9 a.m., Ohio Room, Statler Hilton Hotel, Euclid, East 12th Street, Cleveland. Hearing officer: James O. McDonald.

MICHIGAN

July 18 at 9 a.m., Capital Park Motel, 500 South Capital, Lansing. Hearing officer: Dale S. Bryson.

July 19 at 9 a.m., Howard Johnson's, Washington Boulevard and Michigan Avenue, Detroit. Hearing officer: Dale S. Bryson.

MINNESOTA

July 14 at 9 a.m., Holiday Forum, Holiday Inn Downtown, 1313 Nicollet Avenue, Minneapolis. Hearing officer: Walter A. Romanek.

REGION VIII

WYOMING

July 20 at 9 a.m., House Chamber, State Capitol Cheyenne. Hearing officer: Leonard W. D. Campbell.

REGION IX

HAWAII

July 14 at 9 a.m., State Legislature Auditorium, State Capitol, Honolulu. Hearing officer: Cassandra Dunn.

REGION X

WASHINGTON

July 14 at 10 a.m., Orcas Room, Colosseum Northcourt, Seattle Center, Seattle. Hearing officer: Donald W. Moose.

It is also noted that the State of Maine will hold a public hearing July 12, 1972, on a proposed regulation substantially the same as one proposed by the Administrator. Accordingly, the Environmental Protection Agency will not hold a separate hearing on this proposed regulation.

Information on hearings in Region VI and Region VII will be published in a subsequent issue of the FEDERAL REGISTER.

Persons wishing to participate in these public hearings should signify their intentions by notifying the appropriate Regional Administrator and supplying five copies of their statements 5 days in advance of the hearing date. Notifications and copies of such statements should be directed to the attention of the appropriate hearing officer, as identified above.

Copies of the proposed regulations which will be considered at these public hearings are available from the Agency's regional offices at the following addresses:

Region I, John F. Kennedy Federal Building, Boston, Mass. 02203.
Region II, Federal Office Building, 26 Federal Plaza, New York, NY 10007.
Region III, Curtis Building, Sixth and Walnut Streets, Philadelphia, PA 19106.
Region IV, 1421 Peachtree Street, Atlanta, GA 30309.
Region V, 1 North Wacker Drive, Chicago, IL 60606.
Region VIII, Lincoln Tower Building, 1860 Lincoln Street, Denver, CO 80203.
Region IX, 100 California Street, San Francisco, CA 94111.
Region X, 1200 Sixth Avenue, Seattle, WA 98108.

Dated: June 12, 1972.

ROBERT W. FRI,
Acting Administrator.

[FR Doc.72-9043 Filed 6-14-72;8:50 am]

FEDERAL COMMUNICATIONS COMMISSION

[Canadian List 292]

CANADIAN STANDARD BROADCAST STATIONS

Notification List

List of new stations, proposed changes in existing stations, deletions, and corrections in assignments of Canadian standard broadcast stations modifying the assignments of Canadian broadcast stations contained in the Appendix to the Recommendations of the North American Regional Broadcasting Agreement Engineering Meeting January 30, 1941.

MAY 25, 1972.

Call letters	Location	Power kw.	Antenna	Schedule	Class	Antenna height (feet)	Ground system: Number of radials	Ground system: Length (feet)	Proposed date of commencement of operation
		580 kHz							
CKAP (correction of coordinates on description sheet only, notification List No. 190 dated October 2, 1964).	Kapuskasing, Ontario, N. 49°23'17", W. 82°23'52".	1	DA-1	U	III				
		1380 kHz							
(New)	Moncton, New Brunswick, N. 46°03'27", W. 64°52'05".	10	DA-1	U	III				E.I.O. 5.25.73.
		1380 kHz							
(New) (delete assignment immediately).	Oromocto, New Brunswick, N. 45°53'17", W. 66°34'55".	10	DA-1	U	III				
		1470 kHz							
CFRW (increase in power—PO (1470 kHz, 5 kw, DA-1.)	Winnipeg, Manitoba, N. 49°57'58", W. 97°16'29".	10	DA-1	U	III				E.I.O. 5.25.73.

[SEAL]

FEDERAL COMMUNICATIONS COMMISSION,
WALLACE E. JOHNSON,
Chief, Broadcast Bureau.

[FR Doc.72-8957 Filed 6-14-72;8:45 am]

FEDERAL POWER COMMISSION

[Docket No. E-7731]

CLIFFS ELECTRIC SERVICE CO.

Notice of Application

JUNE 7, 1972.

Take notice that on May 25, 1972, Cliffs Electric Service Co. (applicant), filed an application with the Federal Power Commission seeking authority pursuant to section 203 of the Federal Power Act to purchase up to 1,400,000 shares of Class A (nonvoting) Stock of Upper Peninsula Generating Co.

The applicant is incorporated under the laws of the State of Michigan with its principal business office at Cleveland, Ohio. Cliffs is a wholly owned subsidiary of Cleveland-Cliffs Iron Co. and operates certain electric facilities in the Upper Peninsula of Michigan. Energy from those facilities is sold principally to iron mines and related mining facilities which are operated by the parent company.

Upper Peninsula Generating Co. (Generating Company) is engaged in the generation of electric energy for sale to its owners, the applicant and Upper Peninsula Power Company (Power Company). Cleveland-Cliffs is the owner of record of 50 percent of the outstanding Common (voting) Stock of Generating Company with the other 50 percent being owned by Power Company. Pursuant to an order of the Securities and Exchange Commission, Cleveland-Cliffs is in the process of transferring its stock ownership in Generating Company to Service Company.

The applicant proposes to make an investment in Generating Company for further construction of generating units in order that anticipated increased demands for electric energy will be adequately met; and to contribute to the purchase and installation of precipitators required to abate air pollution. Under present arrangements, the Generating Company has four units with a net dependable capability of 178,870 kw., and applicant and Power Company are entitled to purchase, respectively 66.65 percent and 33.35 percent of the output.

The current program calls for the addition of two units with net capabilities of 80,000 kw. each with the resulting net capability of 160,000 kw. allocated 30,000 kw. (18.75 percent) to the Power Company and 130,000 kw. (81.25 percent) to Service Company. The construction, fixed and operating costs together with the generation from these two new units will be accounted for and allocated apart from units 1 through 4.

Any persons desiring to be heard or to make any protest with reference to said application should, on or before June 20, 1972, file with the Federal Power Commission, Washington, D.C. 20426, petitions or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8

or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding or to participate as a party in any hearing therein must file petitions to interevene in accordance with the Commission's rules. The application is on file with the Commission and available for public inspection.

KENNETH F. PLUMB,
Secretary.

[FR Doc.72-9004 Filed 6-14-72;8:47 am]

[Docket No. RI72-215, etc.]

TENNECO OIL CO. ET AL.

Order Shortening Suspension Period for Proposed Rate

JUNE 7, 1972.

Tenneco Oil Co. et al., Dockets Nos. RI72-215, etc.; Amoco Production Co., Docket No. RI72-221.

By order issued April 26, 1972, in the above-entitled proceedings the proposed increased rate under Supplement No. 34 to Amoco Production Co.'s FPC Gas Rate Schedule No. 363 was suspended for 5 months in Docket No. RI72-221. The situation presented here is the same as that discussed in our order issued April 26, 1972, with respect to certain increases filed by Tenneco Oil Co., and Sun Oil Co. Additional acreage was dedicated to the subject contract (Supps. Nos. 25, 27, and 30 to Amoco's FPC Gas Rate Schedule No. 363) under amendments dated on or after October 1, 1968. Consequently, the proposed 22-cent rate, insofar as it relates to sales from the acreage dedicated under Supplements Nos. 25, 27, and 30, does not exceed the 1 day price level for increases for that vintage gas, and therefore it should be suspended for 1 day to that extent.

The Commission orders:

(A) For the reason set forth above, the April 26, 1972, order is modified so as to suspend in Docket No. RI72-221 Supplement No. 34 to Amoco's FPC Gas Rate Schedule No. 363, insofar as it relates to sales from acreage dedicated under Supplements Nos. 25, 27, and 30 to that rate schedule, for only 1 day until June 4, 1972. The 5-month suspension period shall remain in effect for sales from all other acreage covered under Amoco's FPC Gas Rate Schedule No. 363.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.72-9005 Filed 6-14-72;8:47 am]

[Docket No. RP72-131]

TRANSCONTINENTAL GAS PIPE LINE CORP.

Notice of Proposed Change In Rate and Charge

JUNE 7, 1972.

Take notice that on May 30, 1972, Transcontinental Gas Pipe Line Corp. (Transco) tendered for filing proposed changes in its FPC Gas Tariff, First Revised Volume No. 1, to be effective as of July 14, 1972. The tender composed of First Revised Sheet No. 5 proposed to increase the level of rates in its FPC Gas Rate Schedule No. S-2 and result in an increase in jurisdictional revenues of approximately $833,000, based on the operations for the 12-month period ended April 30, 1972.

Transco states that the above-designated sheet relates solely to an underground storage service rendered to seven customers by means of a purchase by Transco from Texas Eastern Transmission Corp. (Texas Eastern) of an identical storage service under the latter's Rate Schedule X-28 (Oxford Storage Field). On January 13, 1972, Texas Eastern filed proposed changes in its FPC Gas Tariff, including increases in said Rate Schedule No. X-28. By order issued February 11, 1972, in Docket No. RP72-98, the Commission suspended Texas Eastern's filing until July 14, 1972. Transco requests that its proposed change be permitted to become effective without suspension simultaneously with that of Texas Eastern's. Transco also proposes that if the filing is accepted as presented, it would agree and undertake to refund to the customers affected any refunds which it may receive from Texas Eastern with respect to such service pursuant to final and nonappealable order of the Commission in Docket No. RP72-98, and to reduce the level of rate in Rate Schedule No. S-2 to reflect the reduction in Texas Eastern's rate as determined in that proceeding.

Copies of the filing were served upon Transco's customers and interested State Commissions.

Any person desiring to be heard or to protest said applications should file a petition to intervene or protest with the Federal Power Commission, 441 G Street NW., Washington, D.C. 20426, in accordance with §§ 1.8 and 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8, 1.10). All such petitions or protests should be filed on or before June 23, 1972. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a petition to intervene.

KENNETH F. PLUMB,
Secretary.

[FR Doc.72-9003 Filed 6-14-72;8:47 am]

[Docket No. CI72-718 etc.]

H. A. STUART ET AL.

Notice of Applications for Certificates, Abandonment of Service, and Petitions To Amend Certificates [1]

JUNE 6, 1972.

H. A. Stuart (successor to General American Oil Co. of Texas and other Applicants listed herein).

Take notice that each of the applicants listed herein has filed an application or petition pursuant to section 7 of the Natural Gas Act for authorization to sell natural gas in interstate commerce or to abandon service as described herein, all as more fully described in the respective applications and amendments which are on file with the Commission and open to public inspection.

Any person desiring to be heard or to make any protest with reference to said applications should on or before July 5, 1972, file with the Federal Power Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Persons wishing to become parties to a proceeding or to participate as a party in any hearing therein must file petitions to intervene in accordance with the Commission's rules.

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 all applications in which no petition to intervene is filed within the time required herein if the Commission on its own review of the matter believes that a grant of the certificates or the authorization for the proposed abandonment is required by the public convenience and necessity. Where a petition for leave to intervene is timely filed, or where 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 applicants to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc.72-8902 Filed 6-14-72;8:45 am]

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[1] This notice does not provide for consolidation for hearing of the several matters covered herein.

Docket No. and date filed	Applicant	Purchaser and location	Price per Mcf	Pressure base
CI72-718 (G-9381) F 5-2-72	H. A. Stuart (successor to General American Oil Co. of Texas), Post Office Box 1757, Victoria, TX 77901.	United Gas Pipe Line Co., South Cabeza Creek Field, Goliad County, Tex.	18.3	14.65
CI72-719 (CS71-2) F 5-8-72[1]	Skelly Oil Co. (successor to George F. Thagard, Jr., Trustee and Ted Leyhe), Post Office Box 1650, Tulsa, OK 74102.	Natural Gas Pipeline Co. of America, Haley Unit, Loving and Winkler Counties, Tex.	[2] 17.5656	14.65
CI72-720 B 5-8-72	Occidental Petroleum Corp., 5000 Stockdale Highway, Bakersfield, CA 93309.	Panhandle Eastern Pipe Line Co., North Carter Field, Beckham County, Okla.	Depleted	----
CI72-721 5-8-72[3]	Petroleum, Inc. (Operator) et al., 300 West Douglas, Wichita, KS 67202.	Northern Natural Gas Co., Mocane-Laverne Gas Area, Beaver County, Okla.	[4] 18.5	14.65
CI72-724 A 5-11-72	Sun Oil Co., Post Office Box 2880, Dallas, TX 75221.	Michigan-Wisconsin Pipe Line Co., Northeast Boiling Springs Area, Woodward County, Okla.	[5] 36.90	14.65
CI72-725 5-12-72[6]	Cities Service Oil Co., Post Office Box 300, Tulsa, OK 74102.	United Gas Pipe Line Co., P. D. Harrison Unit, Willow Springs Field, Gregg County, Tex.	[2] 19.0	14.65
CI72-726 (CI61-691) F 5-10-72	Texas Oil & Gas Corp. (successor to Atlantic Richfield Co.), Fidelity Union Tower Bldg., Dallas, Tex. 75201.	Michigan Wisconsin Pipe Line Co., Southwest Freedom Field, Woodward County, Okla.	[2] 18.7775	14.65
CI72-728 A 5-15-72	Humble Oil & Refining Co., Post Office Box 2180, Houston, TX 77001.	Columbia Gas Transmission Corp., Pecan Island Field, Vermilion Parish, La.	[7] 26.0	15.025
CI72-729 B 5-15-72	Texaco, Inc., Post Office Box 2420, Tulsa, OK 74102.	Lone Star Gas Co., Doyle Field, Stephens County, Okla.	Depleted	----
CI72-730 B 5-12-72	Sun Oil Co., Post Office Box 2880, Dallas, TX 75221.	Phillips Petroleum Co., West Panhandle Field, Gray County, Tex.	([8])	----
CI72-731 A 5-15-72	Gulf Oil Corp., Post Office Box 1589, Tulsa, OK 74102.	El Paso Natural Gas Co., North Puckett (Wolfcamp) Field, Pecos County, Tex.	[9] 32.10	14.65
CI72-733 A 5-15-72	American Natural Gas Production Co., 1 Woodward Ave., Detroit, MI 48226.	Michigan-Wisconsin Pipe Line Co., Cree Flowers Field, Tex.	[2] 22.58	14.65
CI72-734 A 5-15-72	do	Michigan-Wisconsin Pipe Line Co., Woodward Area, Okla.	[2] 21.34	14.65
CI72-735 A 5-15-72	Texaco, Inc., Post Office Box 3109, Midland, TX 79701.	Panhandle Eastern Pipeline Co., Farwell Creek (Morrow) Field, Hansford County, Tex.	[10] 23.76	14.65
CI72-737 A 5-12-72	Atlantic Richfield Co., Post Office Box 2819, Dallas, TX 75221.	Caprock Pipeline Co., Bobbit Field, Carson County, Tex.	8.03	14.65
CI72-738 A 5-17-72	Amoco Production Co., Post Office Box 591, Tulsa, OK 74102.	Colorado Interstate Gas Co., a division of Colorado Interstate Corp., Antelope Field, Sweetwater County, Wyo.	[11] 23.75	14.65
CI72-739 A 5-17-72	American Petrofina Co. of Texas, Post Office Box 2159, Dallas, TX 78421.	El Paso Natural Gas Co., San Juan 29-5 Dakota Unit, Rio Arriba County, N. Mex.	[12] 31.864	15.025
CI72-740 (CI66-482) F 5-15-72	Texaco, Inc. (successor to Delta Drilling Co. (Operator) et al.), Post Office Box 3109, Midland, TX 79701.	Northern Natural Gas Co., Ozona Field, Crockett County, Tex.	17.0638	14.65
CI72-741 B 5-15-72	C & K Petroleum, Inc., 607 Midland National Bank Bldg., Midland, Tex. 79701.	Transcontinental Gas Pipe Line Corp., El Campo Field, Wharton County, Tex.	Depleted	----
CI72-742 B 5-18-72	Midwest Oil Corp., 1700 Broadway, Denver, CO 80202.	Cities Service Gas Co., J. A. Meade Field, Comanche County, Okla.	Depleted	----
CI72-745 A 5-19-72	Hunt Oil Co., 1401 Elm St., Dallas, TX 75202.	Northern Natural Gas Co., Elsinore (Devonian) Field, Pecos County, Tex.	[2] 28.0	14.65
CI72-746 A 5-19-72	Stephens Production Co., 115 North 12th St., Fort Smith, AR 72901.	Arkansas Louisiana Gas Co., Aledo Field, Custer and Dewey Counties, Okla.	[13] 20.0	14.65
CI72-747 A 5-19-72	do	Arkansas Louisiana Gas Co., Slaytonville Area, Sebastian County, Ark., and Le Flore County, Okla.	[14] 21.5	14.65
CI72-748 (G-13263) F 5-19-72	HNG Oil Co. (successor to Atlantic Richfield Co. (Operator) et al.), Post Office Box 767, Midland, TX 79701.	El Paso Natural Gas Co., Dollarhide Field, Lea County, N. Mex.	[15] 11.0	14.65
CI72-749 (CS67-94 and CS70-30) F 5-19-72	HNG Oil Co. (successor to Frank O. Elliott et al. and Highland Production Co. et al.), Post Office Box 767, Midland, TX 79701.	do	[15] 11.0	14.65
CI72-750 A 5-19-72	Union Oil Co. of California, Post Office Box 7600, Los Angeles, CA 90051.	Darenco, Inc., Lazy B Field, Campbell County, Wyo.	13.0	15.025
CI72-752 (G-4899) F 5-22-72	Clinton Oil Co. (successor to Amoco Production Co.), 217 North Water St., Wichita, KS 67202.	United Gas Pipe Line Co., Red Fish Bay Field, Nueces County, Tex.	19.0	14.65
CI72-753 (CS66-63) F 5-19-72	Sohio Petroleum Co. (successor to Claud E. Aikman), 970 First National Center-North, Oklahoma City, Okla. 73102.	El Paso Natural Gas Co., Eumont (Queen) Field, Lea County, N. Mex.	17.4556	14.65
CI72-761 B 4-28-72	Robert J. Hewitt, agent for Dennis O'Connor et al., 400 Victoria Bank & Trust Co. Bldg., Victoria, Tex. 77901.	Lone Star Gathering Co., acreage in Goliad County, Tex.	([16])	----
CI72-763 5-22-72[17]	Skelly Oil Co., Post Office Box 1650, Tulsa, OK 74102.	Lone Star Gas Co., Cox Lease, Stephens County, Okla.	13.14	14.65
CI72-764 A 5-24-72	Gulf Oil Corp., Post Office Box 1589, Tulsa, OK 74120.	Transwestern Pipeline Co., Rock Tank Morrow Field, Eddy County, N. Mex.	[18] 30.60	14.65
CI72-765 B 5-24-72	do	Panhandle Eastern Pipe Line Co., Northwest Eva Pool, Texas County, Okla.	Depleted	----
CI72-768 A 5-24-72	Champlin Petroleum Co., Post Office Box 9365, Fort Worth, TX 76107.	Colorado Interstate Gas Co., a division of Colorado Interstate Corp., Black Butte Field, Sweetwater County, Wyo.	[2] 20.75	14.65
CI72-769 B 5-19-72	Corbin J. Robertson et al., 2100 First City National Bank Bldg., Houston, Tex. 77002.	Trunkline Gas Co., North Freshwater Bayou Area, Vermilion Parish, La.	Depleted	----
CI72-773 A 5-26-72	The Offshore Co., Post Office Box 2765, Houston, TX 77001.	Sea Robin Pipeline Co., Block 225, Ship Shoal Area, Offshore Louisiana.	[2] 35.0	15.025

Filing code: A—Initial service.
B—Abandonment.
C—Amendment to add acreage.
D—Amendment to delete acreage.
E—Succession.
F—Partial succession.
See footnotes at end of table.

[1] Applicant proposes to continue the sale of natural gas formerly covered in part by the operator filings of Atlantic Richfield Co. in Docket No. CI68-690 and in part by interest acquired from George F. Thagard, Jr., Trustee, a small producer certificate holder in Docket No. CS71-2 and Ted Leyhe.
[2] Subject to upward and downward B.t.u. adjustment.
[3] Applicant proposes to continue the sale of natural gas heretofore authorized in Docket No. CI70-82 to be made pursuant to PetroDynamics, Inc. (Operator) et al., FPC Gas Rate Schedule No. 15.
[4] Subject to upward and downward B.t.u. adjustment. Plus 75 percent tax reimbursement.
[5] Includes 1.95 cents per Mcf upward B.t.u. adjustment.
[6] Applicant proposes to continue the sale of natural gas heretofore authorized in Docket No. CI61-932 to be made pursuant to Dorfman Production Co., FPC Gas Rate Schedule No. 1.
[7] Applicant is willing to accept a permanent certificate at an initial rate of 26 cents per Mcf; however, the contract price is 30 cents per Mcf.
[8] Assigned acreage to Alfred J. Smith.
[9] Includes 2.10 cents per Mcf upward B.t.u. adjustment.
[10] Includes 1.76 cents per Mcf upward B.t.u. adjustment.
[11] Subject to contractual B.t.u. adjustment.
[12] Includes 3.864 cents per Mcf upward B.t.u. adjustment.
[13] Purchaser is authorized to deduct from ¾ cent to 1½ cents for compression.
[14] Purchaser is authorized to deduct ¼ cent for dehydration and ¾ cent for single-stage and 1½ cents for two-stage compression, when required.
[15] Casinghead gas. Plus liquid payment.
[16] Expiration of lease.
[17] Applicant proposes to continue the sale of natural gas heretofore authorized in Docket No. CI60-2 to be made pursuant to Kirkpatrick Oil and Gas Co. (Operator) et al., FPC Gas Rate Schedule No. 2.
[18] Includes 0.60 cent per Mcf upward B.t.u. adjustment.

[FR Doc.72-8902 Filed 6-14-72;8:45 am]

FEDERAL RESERVE SYSTEM

AMERICAN BANCSHARES, INC.

Acquisition of Bank

American Bancshares, Inc., North Miami, Fla., has applied, in three separate applications as set forth below, for the Board's approval under section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)):

(1) To acquire 80 percent or more of the voting shares of Second National Bank of Clearwater, Clearwater, Fla.;

(2) To acquire 80 percent or more of the voting shares of First National Bank of the Upper Keys, Tavernier, Fla.; and

(3) To acquire 80 percent or more of the voting shares of Sterling National Bank of Davie, Davie, Fla.

The factors that are considered in acting on the applications are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

The applications 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 applications 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 30, 1972.

Board of Governors of the Federal Reserve System, June 8, 1972.

[SEAL] MICHAEL A. GREENSPAN,
Assistant Secretary.

[FR Doc.72-9006 Filed 6-14-72;8:47 am]

SOUTHEAST BANKING CORP.

Acquisition of Bank

Southeast Banking Corp., Miami, Fla., has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to acquire 80 percent or more of the voting shares of First Bank of Deltona, Deltona, Fla. 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 30, 1972.

Board of Governors of the Federal Reserve System, June 9, 1972.

[SEAL] MICHAEL A. GREENSPAN,
Assistant Secretary.

[FR Doc.72-9007 Filed 6-14-72;8:47 am]

OFFICE OF EMERGENCY PREPAREDNESS

WASHINGTON

Notice of Major Disaster and Related Determinations

Pursuant to the authority vested in me by the President under Executive Order 11575 of December 31, 1970; and by virtue of the Act of December 31, 1970, entitled "Disaster Relief Act of 1970" (84 Stat. 1744), as amended by Public Law 92-209 (85 Stat. 742); notice is hereby given that on June 10, 1972, the President declared a major disaster as follows:

I have determined that the damages in certain areas of the State of Washington from flooding, beginning about May 28, 1972, are of sufficient severity and magnitude to warrant a major disaster declaration under Public Law 91-606. I therefore declare that such a major disaster exists in the State of Washington. You are to determine the specific areas within the State eligible for Federal assistance under this declaration.

Notice is hereby given that pursuant to the authority vested in me by the President under Executive Order 11575 to administer the Disaster Relief Act of 1970 (Public Law 91-606, as amended), I hereby appoint Mr. Creath A. Tooley, Regional Director, OEP Region 10, to act as the Federal Coordinating Officer to perform the duties specified by section 201 of that Act for this disaster.

I do hereby determine the following area in the State of Washington to have been adversely affected by this declared major disaster:

The county of:
Okanogan.

Dated: June 10, 1972.

G. A. LINCOLN,
Director,
Office of Emergency Preparedness.

[FR Doc.72-9030 Filed 6-14-72;8:49 am]

SECURITIES AND EXCHANGE COMMISSION

[File 500-1]

CLINTON OIL CO.

Order Suspending Trading

JUNE 9, 1972.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $.03⅓ par value, and all other securities of Clinton Oil Co., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from June 11, 1972, through June 20, 1972.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-9020 Filed 6-14-72;8:48 am]

[70-5203]

CONNECTICUT LIGHT AND POWER CO.

Notice of Proposed Issue and Sale of Notes to Banks and Dealer in Commercial Paper and Exception of Competitive Bidding

JUNE 9, 1972.

Notice is hereby given that the Connecticut Light and Power Co. (CL&P), Selden Street, Berlin, Conn. 06037, an electric utility subsidiary company of Northeast Utilities, a registered holding company, has filed an application-declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating sections 6 and 7 of the Act and Rule 50(a)(5) promulgated thereunder as applicable to the proposed transactions. All interested persons are referred to the application-declaration, which is summarized below, for a complete statement of the proposed transactions.

CL&P presently has outstanding short-term notes to banks and to a dealer in commercial paper aggregating $38,750,000 principal amount and expects to issue and sell up to an aggregate $15 million principal amount of additional short-term notes to banks or to a dealer in commercial paper prior to June 30, 1972, pursuant to authorization by a Commission order of April 27, 1971 (Holding Company Act Release No. 17108). CL&P proposes to renew and extend any notes so issued or to refund them with other similar notes issued to banks or to a dealer in commercial paper, and to issue and sell additional short-term notes (and to renew such notes) from time to time but not later than December 31, 1973. The aggregate amount of such notes at any one time outstanding, including both notes issued on or prior to June 30, 1972, and those thereafter issued, will at no time exceed $164 million. CL&P intends to utilize the proceeds of the sale of its notes for construction expenditures estimated to be approximately $129,500,000 for 1972 and $120,900,000 for 1973.

The proposed bank notes will each be dated the date of issue, will have maximum maturity dates of 9 months with right of renewal, will bear interest at the prime commercial bank rate in effect at the lending bank on the date of issue, and will be subject to prepayment at any time at the company's option without premium. Although no formal commitments for future borrowings have been made with any bank, CL&P expects such borrowings will be effected from the following banks, up to the maximum amount indicated for each.

Name of bank	Maximum to be borrowed	Maximum compensating balances required
Bankers Trust Co., New York, N.Y.[1]	$12,000,000	$2,400,000
The Connecticut Bank & Trust Co., Hartford, Conn.	7,000,000	
Hartford National Bank & Trust Co., Hartford, Conn.	9,000,000	
The City National Bank of Connecticut, Waterbury, Conn.	2,500,000	
Clinton National Bank, Clinton, Conn.	140,000	
The Colonial Bank & Trust Co., Waterbury, Conn.	1,800,000	
The Connecticut National Bank, Waterbury, Conn.	2,000,000	
The First National Bank of Boston, Boston, Mass.[1]	25,000,000	
The First National Bank of Litchfield, Litchfield, Conn.	100,000	
The First New Haven National Bank, New Haven, Conn.	1,000,000	100,000
Glastonbury Bank & Trust Co., Glastonbury, Conn.	160,000	
The Home National Bank, Meriden, Conn.	300,000	
Irvin Trust Co., New York, N.Y.[1]	3,000,000	600,000
Manufacturers Hanover Trust Co., New York, N.Y.[1]	5,000,000	1,000,000
Merchants Bank & Trust Co., Norwalk, Conn.	250,000	
Morgan Guaranty Trust Co., New York, N.Y.[1]	5,000,000	1,000,000
New Britain Bank & Trust Co., New Britain, Conn.	500,000	
New Britain National Bank, New Britain, Conn.	500,000	
Northern Connecticut National Bank, Windsor Locks, Conn.	210,000	
The Plainville Trust Co., Plainville, Conn.	200,000	
Putnam Trust Co., Greenwich, Conn.	800,000	
Second National Bank of New Haven, New Haven, Conn.	1,000,000	150,000
The Seymour Trust Co., Seymour, Conn.	150,000	
The Southington Bank & Trust Co., Southington, Conn.	100,000	
State National Bank of Connecticut, Bridgeport, Conn.	2,000,000	
Union Trust Co., Norwalk, Conn.	3,000,000	
United Bank & Trust Co., Bristol, Conn.	500,000	
The Westport Bank & Trust Co., Westport, Conn.	300,000	
The Willimantic Trust Co., Willimantic, Conn.	230,000	
Total	83,740,000	

[1] Joint line with other system companies.

It is stated that minimum compensating balances of 10 percent of the line of credit plus 10 percent of the notes outstanding on the line of credit are required by the New York City banks. Assuming the full available borrowings are made from these banks, the related effective interest rate (based on a prime rate of 5 percent) will be 6.25 percent. The two New Haven banks listed require compensating balances of 10 percent and 15 percent, respectively, of notes outstanding under their lines of credit; and the related effective interest rates would be 5.56 percent and 5.88 percent, respectively (assuming a 5 percent prime rate). With respect to the other banks listed, it is stated that normal working balances maintained by one or more Northeast system companies are adequate to support the corresponding lines of credit.

It is stated that as the proposed notes mature, they may be renewed or repaid out of any funds then available to CL&P, including funds derived from similar short-term borrowings; and that, unless otherwise authorized by the Commission, any bank notes or commercial paper of CL&P outstanding at December 30, 1973, will be repaid from internal cash resources or from the proceeds of long-term debt or equity financing.

The proposed commercial paper notes will be issued in denominations of not less than $50,000 and not more than $1 million, will mature within no more than 270 days after the date of issuance, and will be sold by CL&P directly to A. G. Becker & Co., Inc. (Becker), at the discount rate per annum prevailing at the date of issuance for commercial paper of comparable quality and of the particular maturity sold by public-utility issuers to commercial paper dealers. Becker, as principal, will reoffer the commercial paper to institutional investors at a discount of no more than one-eighth of 1 percent per annum less than the prevailing discount rate to CL&P. The commercial paper will be reoffered to not more than 200 identified and designated customers in a list (nonpublic) prepared in advance by Becker. It is anticipated that the commercial paper will be held by customers to maturity, but if such customers desire to resell prior to maturity, Becker, pursuant to a verbal repurchase agreement, will repurchase the commercial paper and reoffer the same to others in the group of 200 customers.

No commercial paper notes will be issued having a maturity of more than 90 days after December 31, 1973, if such commercial paper notes would have an effective interest cost which exceeds the prime commercial bank rate at which CL&P could borrow from banks in at least equal amounts. No commission or fee will be payable in connection with the issuance and sale of the commercial paper. The commercial paper will not be prepayable prior to maturity.

CL&P requests the Commission to except the issuance and sale of the commercial paper from the competitive bidding requirements of Rule 50 pursuant to paragraph (a)(5)(B) of said rule on the grounds that it is not practicable to invite competitive bids for commercial paper and that current rates for commercial paper of prime borrowers such as CL&P are published daily in financial publications. CL&P also requests authority to file certificates of notification under Rule 24 in respect of its commercial paper on a quarterly basis.

It is represented that no fees or commissions (including legal fees) will be paid or incurred, directly or indirectly, in connection with the proposed transactions and that incidental services, estimated at $500, will be performed at cost by Northeast Utilities Service Co., an affiliated service company. It is further represented that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than June 27, 1972, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application-declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicant-declarant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application-declaration, as amended or as it may be further amended, may be granted and permitted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-9021 Filed 6-14-72;8:48 am]

[812-3155]

CONNECTICUT GENERAL LIFE INSURANCE CO. ET AL.

Withdrawal of Notice of Application

JUNE 9, 1972.

Connecticut General Life Insurance Co., CG Fund, Inc., CG Income Fund, Inc., and CG Equity Sales Co., Hartford, Conn. 06115, have filed an application pursuant to section 6(c) of the Investment Company Act of 1940 (Act), for an order of the Commission exempting them from section 22(d) of the Act for certain purposes.

The notice of the filing of said application was issued by the Commission on May 19, 1972 (Investment Company Act Release No. 7184). The notice is hereby withdrawn.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-9022 Filed 6-14-72;8:48 am]

[File 500-1]

ECOLOGICAL SCIENCE CORP.

Order Suspending Trading

JUNE 9, 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 12, 1972, through June 21, 1972.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-9023 Filed 6-14-72;8:48 am]

[File 500-1]

FIRST WORLD CORP.

Order Suspending Trading

JUNE 8, 1972.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the Class A and Class B common stock, $0.15 par value, of First World Corp. being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15 (c) (5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from June 9, 1972, through June 18, 1972.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-9024 Filed 6-14-72;8:48 am]

[70-5202]

HARTFORD ELECTRIC LIGHT CO.

Notice of Proposed Issue and Sale of Notes to Banks and to Dealer in Commercial Competitive Bidding

JUNE 9, 1972.

Notice is hereby given that the Hartford Electric Light Co. (Hartford), 176 Cumberland Avenue, Wethersfield, CT 06109, a public-utility subsidiary company of Northeast Utilities, a registered holding company, has filed an application-declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating sections 6 and 7 of the Act and Rule 50 (a) (5) promulgated thereunder as applicable to the proposed transactions. All interested persons are referred to the application-declaration, which is summarized below, for a complete statement of the proposed transactions.

Hartford proposes, from time to time but not later than December 31, 1973, to issue and sell short-term notes (including commercial paper), in an aggregate principal amount outstanding at any one time of not more than $87 million. Hartford intends to utilize the proceeds of the sale of the notes for its construction expenditures which are estimated to be $91,500,000 for 1972 and $64,300,000 for 1973.

At the date of filing Hartford had an aggregate principal amount of $21,900,000 outstanding in promissory notes to banks and in commercial paper, and expects to issue and sell up to an aggregate principal amount of $10 million of its short-term notes to banks or to a dealer in commercial paper prior to June 15, 1972, pursuant to authorization in an April 27, 1971, order of the Commission (Holding Company Release No. 17109). In a separate filing, Hartford proposes to sell, on June 15, 1972, $35 million aggregate principal amount of first mortgage bonds and to repay all the outstanding short-term borrowings with the proceeds thereof (Holding Company Act Release No. 17585, May 30, 1972). Hartford does not anticipate further short-term borrowings will be made prior to June 30, 1972.

The bank notes herein proposed will each be dated the date of issue, will have maximum maturity dates of 9 months with right of renewal, will bear interest at the prime rate in effect at the lending bank on the date of issue, will be issued no later than December 31, 1973, and will be subject to prepayment at any time at the company's option without premium. Although no formal commitments for future borrowings have been made with any bank, Hartford expects such borrowings will be effected from the following banks:

Name of bank	Maximum to be borrowed	Maximum compensating balances required
Bankers Trust Co., New York, N.Y.[1]	$12,000,000	$2,400,000
The City National Bank of Connecticut, Waterbury, Conn	2,500,000	
The Connecticut Bank & Trust Co., Hartford, Conn	6,000,000	
Hartford National Bank & Trust Co., Hartford, Conn	9,000,000	
Colonial Bank & Trust Co., Waterbury, Conn	1,800,000	
The First National Bank of Boston, Boston, Mass	25,000,000	
The First New Haven National Bank, New Haven, Conn	500,000	
Irvin Trust Co., New York, N.Y.[1]	3,000,000	600,000
Manufacturers Hanover Trust Co, New York, N.Y.[1]	$5,000,000	$1,000,000
Morgan Guaranty Trust Co., New York, N.Y.[1]	5,000,000	1,000,000
Simsbury Bank & Trust Co., Simsbury, Conn	200,000	
The State National Bank of Connecticut, Greenwich, Conn	2,000,000	
Union Trust Co., Stamford, Conn	3,000,000	
United Bank & Trust Co., Hartford, Conn	400,000	
Total	75,400,000	

[1] Joint line with other system companies.

Minimum compensating balances of 10 percent of the line of credit plus 10 percent of the notes outstanding on the line of credit are required of Hartford by the New York City banks. Assuming the indicated maximum borrowings are made from these banks, the effective interest rate (based on a 5-percent prime rate) will be 6.25 percent. It is stated that normal working balances maintained by Northeast system companies at listed banks outside of New York City are adequate to support the above lines of credit.

As such notes mature, they may be renewed or repaid out of any funds then available to Hartford including funds derived from similar short-term borrowings.

The commercial paper notes will be issued in denominations of not less than $50,000 and not more than $1 million and will be sold by Hartford directly to a dealer in commercial paper at the discount rate per annum prevailing at the date of issuance for commercial paper of comparable quality and of the particular maturity sold by public-utility issuers to commercial paper dealers. No commercial paper notes will be issued having a maturity of more than 90 days after December 31, 1973, which have an effective interest cost which exceeds the prime commercial bank rate at which Hartford could borrow from banks in an amount at least equal to the principle amount of such commercial paper. No commission or fee will be payable in connection with the issuance and sale of the commercial paper.

The commercial paper dealer, as principal, will reoffer the commercial paper to institutional investors at a discount of no more than one-eighth of 1 percent per annum less than the prevailing discount rate to Hartford. The commercial paper will be reoffered to not more than 200 identified and designated customers in a list (nonpublic) prepared in advance by the dealer. It is anticipated that the commercial paper will be held by customers to maturity, but if such customers desire to resell prior to maturity, the dealer, pursuant to a verbal repurchase agreement, will repurchase the commercial paper and reoffer the same to others in the group of 200 customers.

The application-declaration states that, unless otherwise authorized by the

Commission, any bank notes or commercial paper of Hartford outstanding at December 31, 1973, will be repaid from internal cash resources or from the proceeds of long-term debt or equity financing.

Hartford requests that the issue and sale of its commercial paper notes be excepted from the requirements of Rule 50, pursuant to subparagraph (a)(5)(B) in view of the fact that current rates for commercial paper for prime borrowers such as Hartford are readily ascertainable by reference to daily financial publications and that it is not practicable to invite competitive bids for commercial paper.

It is represented that no fees or commissions (including legal fees) will be paid or incurred, directly or indirectly, in connection with the proposed transaction and that incidental services, estimated at $500, will be performed at cost by Northeast Utility Service Co., an affiliated service company. It is further represented that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than June 27, 1972, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application-declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being applicant-declarant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application-declaration, as filed or as it may be amended, may be permitted to become effective as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-9025 Filed 6-14-72;8:48 am]

[File 500-1]

LDS DENTAL SUPPLIES, INC.

Order Suspending Trading

JUNE 9, 1972.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $0.01 par value, of LDS Dental Supplies, Inc., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period from June 10, 1972, through June 19, 1972.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-9026 Filed 6-14-72;8:48 am]

[70-5209]

METROPOLITAN EDISON CO.

Notice of Proposed Issue and Sale of Shares of Cumulative Preferred Stock at Competitive Bidding

JUNE 9, 1972.

Notice is hereby given that Metropolitan Edison Co. (Met-Ed), 2800 Pottsville Pike, Muhlenberg Township, Berks County, PA 19605, an electric utility subsidiary Company of General Public Utilities Corp. (GPU), a registered holding company, has filed an application with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating section 6(b) of the Act and Rule 50 promulgated thereunder as applicable to the proposed transaction. All interested persons are referred to the application, which is summarized below, for a complete statement of the proposed transaction.

Met-Ed proposes to issue and sell, subject to the competitive bidding requirements of Rule 50 under the Act, 250,000 shares of its Cumulative Preferred Stock, ------ percent Series H, par value $100 per share. The divilend rate of the preferred stock (which will be a multiple of one twenty-fifth of 1 percent) and the price to be paid to Met-Ed (which will be not less than $100 nor more than $102.75 per share) will be determined by competitive bidding. The terms of the preferred stock include a prohibition against refunding the preferred stock prior to July 1, 1977, directly or indirectly, with funds derived from the issue of debt securities at a lower effective interest cost or preferred stock at a lower effective dividend cost.

The proceeds from the proposed sale of the preferred stock will be used to pay a portion of Met-Ed's short-term bank borrowings, which were incurred for construction purposes and which are expected to aggregate approximately $49,500,000 at the time of the proposed sale. Met-Ed's 1972 construction program is estimated at $146,500,000. Met-Ed plans to finance its 1972 construction program by the issuance and sale of debentures, funds provided from operations, and cash contributions by GPU.

The fees and expenses to be incurred in connection with the proposed transaction will be filed by amendment. The application further states that the issue and sale of the preferred stock is subject to the jurisdiction of the Pennsylvania Public Utility Commission, the State commission of the State in which Met-Ed is organized and doing business, and that no other State Commission, has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than June 30, 1972, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the application, as filed or as it may be amended, may be granted as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-9027 Filed 6-14-72;8:48 am]

[File No. 7-4159]

TELEX CORP.

Notice of Application for Unlisted Trading Privileges and of Opportunity for Hearing

JUNE 7, 1972.

In the matter of application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in a certain security.

The above named national securities exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the warrants to purchase common stock of the following company, which security is listed and registered on one or more other national securities exchanges:

Telex Corporation, File No. 7–4159.

Upon receipt of a request, on or before June 23, 1972, from any interested person, the Commission will determine whether the application with respect to any of the companies named shall be set down for hearing. Any such request should state briefly the title of the security in which he is interested, the nature of the interest of the person making the request, and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on any of the said applications by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, not later than the date specified. If no one requests a hearing with respect to any particular application, such application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72–9028 Filed 6–14–72;8:48 am]

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area 906 (class B)]

ALASKA

Declaration of Disaster Loan Area

Whereas, it has been reported that during the month of June 1972, because of the effects of certain disasters, damage resulted to homes and business property located in the State of Alaska;

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 all areas on the Kuskokwim River between the towns of Nedfra and Kwillingok and all areas on the Yukon River between the towns of Marshall and Kotlik, Alaska, suffered damage or destruction resulting from flooding beginning on May 1, 1972, and continuing.

OFFICE

Small Business Administration Regional Office, Fifth Floor, Dexter-Horton Building, 710 Second Avenue, Seattle, WA 98104.

2. Applications for disaster loans under the authority of this declaration will not be accepted subsequent to September 30, 1972.

Dated: June 2, 1972.

CLAUDE ALEXANDER,
Associate Administrator for Operations and Investment.

[FR Doc.72–9011 Filed 6–14–72;8:47 am]

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

MISSOURI BEEF PACKERS, INC.

Application For a Variance, Prehearing Conference; Interim Order

I. *Notice of application.* Notice is hereby given that Missouri Beef Packers, Inc., Box 910, Plainview, TX 79072, has made application pursuant to section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1596, 29 U.S.C. 655) and 29 CFR 1905.11 for a variance, and for an interim order pending a decision on the application for a variance, from the standards prescribed in 29 CFR 1910.22(c) and 1910.23(c) concerning the requirements and specifications for guardrails for floor openings, platforms, and runways. The applicant has included with the application for a variance a request for a hearing on the application as provided in section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1596, 29 U.S.C. 655), 29 CFR 1905.11(b) (6), and 29 CFR 1905.15(a).

The applicant states that the addresses of the company facilities affected by the application are as follows:

Missouri Beef Packers, Inc., Highway 87 North, Plainview, TX 79072.
Missouri Beef Packers, Inc., Post Office Box 129, Rock Port, Mo. 64482.
Missouri Beef Packers, Inc., Friona, Tex. 79035.
Missouri Beef Packers, Inc., Holton, Kans. 66436.

Accompanying the application is a statement by the company certifying that all employees who would be affected by any variance have been notified of the application by giving a copy of the application to the employee representative, by posting a summary statement of the application where such employee notices are normally posted, and by specifying where a copy of the application can be examined.

Included also is a statement by the applicant that the company has notified its employees that they have the right to petition the Assistant Secretary of Labor for Occupational Safety and Health for a hearing; and that included in any such petition must be (1) a concise statement of facts showing how the employer or employee would be affected by the relief applied for; (2) a specification of any statement or representation in the application which is denied, and a concise summary of the evidence that would be adduced in support of each denial; and (3) any views or arguments on any issue of fact or law.

In processing beef in the "kill room," the applicant uses a pit approximately 4' x 5' x 26''. Employees must stand behind a required guardrail in order to perform their tasks on the beef as it moves along before them by means of a conveyor. The applicant states that, in order to perform their tasks, employees must be able to reach the beef.

In requesting the variance the applicant asserts that the U.S. Department of Agriculture has a requirement that, in order to prevent possible contamination of the meat, the beef carcasses not be allowed to come in contact with any part of the platform or any railings thereon.

Applicant states that the company has provided an 18-inch guardrail rather than the standard 42-inch guardrail as required by 29 CFR 1910.23(c) (see also 29 CFR 1910.23(e)). The company states that the 18-inch guardrail is sufficiently high to act as a warning to employees that they are approaching the edge of the pit. If the company were to provide a 42-inch guardrail as required by the standards it would have to elevate the beef carcasses in order to avoid having the carcasses touch the rail, thus putting the carcasses out of reach of the employees. The applicant states that tests have been performed which support these assertions.

Concerning the merits of the application, the applicant states that the 18-inch guardrail, which has been installed, performs essentially the same function and provides approximately the same safety and health conditions as provided by a 42-inch guardrail. An 18-inch guardrail would not come in contact with the beef carcasses, and thus would not violate the asserted USDA requirement against contamination.

A copy of the application will be made available for inspection and copying upon request at the Office of Standards, U.S. Department of Labor, Railway Labor Building, 400 First Street NW., Washington, DC 20210, and at the following regonal and area offices:

REGION IV (ARKANSAS, LOUISIANA, NEW MEXICO, OKLAHOMA, AND TEXAS)

C. Occupational Safety and Health Administration, Federal Building, Room 1036, 600 South Street, New Orleans, LA 70130.

B. Occupational Safety and Health Administration, Petroleum Building, Room 512, 420 South Boulder, Tulsa, OK 74103.

C. Occupational Safety and Health Administration, Old Federal Office Building, Room 802, 201 Fannin Street, Houston, TX 77002.

REGION VII (IOWA, KANSAS, MISSOURI, AND NEBRASKA)

D. Occupational Safety and Health Administration, Federal Building, Room 2525, 1520 Market Street, St. Louis, MO 63103.

II. *Public participation.* Written data, views, and arguments concerning the application may be mailed to the Office of

Safety and Health Standards, 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 Office of Safety and Health Standards, except as to matters the disclosure of which is prohibited by law.

Notice is hereby given of a prehearing conference on August 3 and 4, 1972, to commence at 11 a.m. at 4214 Federal Building, and Courthouse 200 Northwest Fourth Street, in Oklahoma City, Okla. The purpose of the conference is to provide for the exchange of documents which are to be offered in evidence at the hearing and to arrive at such agreements as will aid in the conduct and disposition of the proceeding. A Hearing Examiner shall be designated for this purpose who shall have the powers prescribed in 29 CFR 1905.23. Thereafter, the Hearing Examiner shall cause to be served a reasonable notice of hearing, as provided in 29 CFR 1905.20.

Employers and employees who believe that they would be affected by a grant or denial of the variance must file with the Office of Safety and Health Standards a notice of intention to appear at the prehearing conference and the hearing no later than July 14, 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 the variance. In addition, the notice may contain a request to hold a hearing at a place or places other than that of the prehearing conference and the reasons therefor.

III. *Interim order.* It would appear from the application for a variance that an interim order is necessary in order to preserve the status quo pending the decision on the merits of the application: *Therefore, it is ordered,* Pursuant to authority in section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970 and 29 CFR 1905.11(c), that Missouri Beef Packers, Inc., be and it is hereby, authorized to continue to use the 18-inch guardrail for accident prevention in accordance with the methods and conditions set forth in the application for a variance in lieu of the requirements set forth in 29 CFR 1910.22(c), 29 CFR 1910.23(c), and 29 CFR 1910.23(e).

The applicant shall give notice to affected employees of the terms of this interim order by the same means required to be used to inform them of the application for a variance.

Effective date of interim order. This interim order shall be effective as of June 15, 1972, and shall remain in effect until a decision is rendered on the application for a variance.

Signed at Washington, D.C., this 12th day of June 1972.

G. C. GUENTHER,
Assistant Secretary of Labor.

[FR Doc.72-9038 Filed 6-14-72;8:49 am]

INTERSTATE COMMERCE COMMISSION

[Notice 10]

ASSIGNMENT OF HEARINGS

JUNE 12, 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 2153 Sub 41, Midwest Motor Express, Inc. Extension—Glendive, Mont., now assigned July 10, 1972, at Bismarck, N. Dak., will be held in the Blue Room, Capitol Building, Bismarck, N. Dak. (1 week).

MC 29120 Sub 133, All-American Transport, Inc., now assigned July 10, 1972, at Des Moines, Iowa, will be held in room 707, Federal Building, 210 Walnut Street, Des Moines, IA.

Ex Parte No. MC 37 Sub 14B, commercial zones and terminal areas, now being assigned hearing July 24, 1972 (2 days), in room 305, 1252 West Peachtree Street NW., Atlanta, GA.

MC 133146 Sub 5, International Transportation Service, Inc., now being assigned hearing July 26, 1972 (3 days), in room 305, 1252 West Peachtree Street NW., Atlanta, GA.

MC 136230, Interstate Warehousing Corp., now being assigned hearing July 31, 1972 (1 week), in room 305, 1252 West Peachtree Street NW., Atlanta, GA.

MC 3700 Sub 66, Manhattan Transit Co., now assigned hearing July 24, 1972 (1 week), at Newark, N.J., hearing room later to be designated.

MC 134082 Sub 6, K. H. Transport, Inc., now assigned June 14, 1972, at Washington, D.C., postponed to August 8, 1972, at the offices of the Interstate Commerce Commission, Washington, D.C.

MC-F-11280, Gleason Transportation Co., Inc.—investigation of control—J. J. Minnehan, Inc., and MC-F-11304, Gleason Transportation Co., Inc.—purchase—J. J. Minnehan, Inc., now being assigned hearing August 7, 1972, at Boston, Mass., in a hearing room to be later designated.

MC 29688 Sub 9, M. Deloghi Trucking, Inc., now being assigned hearing August 3, 1972, at Boston, Mass., in a hearing room to be later designated.

MC 51146 Sub 249, Schneider Transport, Inc., now being assigned hearing August 9, 1972, at Boston, Mass., in a hearing room to be later designated.

MC 106644 Sub 127, Superior Trucking Co., Inc., now being assigned hearing August 2, 1972, at Boston, Mass., in a hearing room to be later designated.

FD 26901, George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees of the property of Penn Central Transportation Co., debtor, abandonment portion of Holyoke branch between Simsbury, Hartford County, Conn., and Westfield and Hampden County, Mass., now being assigned hearing July 31, 1972, at Springfield, Mass., in a hearing room to be later designated.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-9047 Filed 6-14-72;8:49 am]

FOURTH SECTION APPLICATION FOR RELIEF

JUNE 12, 1972.

Protests to the granting of an application must be prepared in accordance with Rule 1100.40 of the general rules of practice (49 CFR 1100.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 42449—*Corn and soybeans to Great Lakes ports and gulf ports.* Filed by Chicago and North Western Transportation Co. (No. 106), for interested rail carriers. Rates on corn and soybeans, in carloads, as described in the application, from points on the C&NW in Illinois, Iowa, Minnesota, Missouri, Nebraska, South Dakota, and Wisconsin, to Great Lake ports and gulf ports, as defined in tariff listed below.

Grounds for relief—Carrier and market competition.

Tariff—Chicago and North Western Transportation Co. tariff 17194, ICC No. 1. Rates are published to become effective on July 15, 1972.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-9048 Filed 6-14-72;8:49 am]

[Notice 75]

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–73535. By order of June 9, 1972, the Motor Carrier Board approved the transfer to Wisconsin-Pacific Express, Inc., Sheboygan, Wis., Certificate No. MC–70142, issued January 25, 1971, to Basil L. Traynor, doing business as Traynor Trucking, Woodville, Wis., authorizing the transportation of: Household goods, and general commodities, excluding commodities in bulk and other specified commodities, between Woodville, Wis., and points within 10 miles of Woodville, on the one hand, and, on the other, South St. Paul, St. Paul, Newport, and Minneapolis, Minn. A. R. Fowler, 2288 University Avenue, St. Paul, MN 55114, applicants' representative.

No. MC–FC–73558. By order of June 6, 1972, the Motor Carrier Board on reconsideration approved the transfer to Sal's Express Co., Inc., Bridgeport, Conn., of the portion of the operating rights in Certificate No. MC–7903 issued December 23, 1968, to Jack's Delivery Service, Inc., Cos Cob, Conn., authorizing the transportation of new furniture and new household utensils between New York, N.Y., on the one hand, and, on the other, points in Fairfield County, Conn. John E. Fay, 342 North Main Street, West Hartford, CT 06117, attorney for applicants.

No. MC–FC–73633. By order of June 7, 1972, the Motor Carrier Board approved the transfer to Earley's Transport Ltd., Strathroy, Ontario, Canada, of the operating rights in Certificate No. MC–126781 issued February 1, 1967, to Francis Lavern Earley, Strathroy, Ontario, Canada, authorizing the transportation of lumber, between the port of entry on the United States-Canada boundary line at or near Port Huron, Mich., on the one hand, and, on the other, points in Michigan, and from the port of entry on the United States-Canada boundary line at or near Detroit, Mich., to points in Michigan. Miss Wilhelmina Boersma, 1600 First Federal Building, Detroit, Mich. 48226, attorney for applicants.

No. MC–FC–73703. By order of June 7, 1972, the Motor Carrier Board approved the transfer to Riteway Transport, Inc., Phoenix, Ariz., of Certificate No. MC–134640 issued August 20, 1971, to Davis & Son, Inc., Phoenix, Ariz., authorizing the transportation of: General commodities, except those in bulk, between points in the Hopi Indian Reservation in Arizona, and Phoenix, Ariz., in a radial movement. Robert R. Digby, attorney, 217 Luhrs Tower, Phoenix, Ariz. 85003.

No. MC–FC–73748. By order of June 9, 1972, the Motor Carrier Board approved the transfer to Firpo & Sons, Inc., Marcus Hook, Pa., of Certificate No. MC–73366 issued August 15, 1963, to Samuel Imburgia, doing business as Firpo's Moving & Storage, Marcus Hook, Pa., authorizing the transportation of: Household goods, office furniture, store fixtures, between Marcus Hook, Pa., and Wilmington, Del., and points in Pennsylvania, Delaware, New Jersey, New York, and Maryland. Edwin L. Scherlis, Attorney, 1209 Lewis Tower Building, Philadelphia, Pa. 19102.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72–9049 Filed 6–14–72;8:49 am]

[Notice 75–A]

MOTOR CARRIER TRANSFER PROCEEDINGS

JUNE 12, 1972.

Application filed for temporary authority under section 210a(b) in connection with transfer application under section 212(b) and transfer rules, 49 CFR Part 1132:

No. MC–FC–73782. By application filed June 8, 1972, BEALL'S EXPRESS, INC., 103 Apples Church Road, Thurmont, MD 21788, seeks temporary authority to lease the operating rights of WESTERN EXPRESS, INC., 1522 South Caton Avenue, Baltimore, MD 21227, under section 210 a(b). The transfer to BEALL'S EXPRESS, INC., of the operating rights of WESTERN EXPRESS, INC., is presently pending.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72–9050 Filed 6–14–72;8:50 am]

[Notice 82]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS [1]

JUNE 9, 1972.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC–67 (49 CFR Part 1131), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six (6) copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 18259 (Sub-No. 3 TA), filed May 30, 1972. Applicant: JACKSON DISTRIBUTION CORP., Post Office Box 204, Salina Station, Syracuse, NY 13208. Applicant's representative: Raymond A. Richards, 23 West Main Street, Webster, NY 14580. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such merchandise* as is dealt in by wholesale, retail, and chain grocery and food business houses, and, in connection therewith, *equipment, materials, and supplies* used in the conduct of such business, from Syracuse, N.Y., to points in Bennington and Rutland Counties, Vt.; Tioga County, Pa; Clinton, Essex, Rensellaer, Saratoga, and Warren Counties, N.Y., for 180 days. Supporting shippers: William E. Coffrey, Buyer, P & C Food Markets, Inc., Syracuse, N.Y. 13219, Bryan Zindren, District Manager, Sugardale Foods, Inc., 348 West Fayette Street, Syracuse, NY 13202. Send protests to: Morris H. Gross, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Room 104 O'Donnell Building, 301 Erie Boulevard, West Syracuse, NY 13202.

No. MC 60186 (Sub-No. 45 TA), filed May 30, 1972. Applicant: NELSON FREIGHTWAYS, INC., Post Office Box 356, 47 East Street, Rockville, CT 06066. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen vegetables*, in packages, from Caribou, Maine, to points in West Virginia, Tennessee, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, Virginia, and Kentucky, for 180 days. Supporting shipper: American Kitchen Foods, Inc., Caribou, Maine, 04736. Send protests to: District Supervisor, David J. Keirman, Bureau of Operations, Interstate Commerce Commission, 324 U.S. Post Office Building, 135 High Street, Hartford, CT 06101.

No. MC 106398 (Sub-No. 604 TA), filed May 26, 1972. Applicant: NATIONAL TRAILER CONVOY, INC., 1925 National Plaza, Box 51096, Dawson Station, Tulsa, OK 74151. Applicant's representative: Irvin Tull (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Campers and motor homes*, in initial movements, in truckaway service, from the plantsite of Skyline Corp. in Yamhill County, Oreg., to points in California, Idaho, Montana, Nevada, Utah, and Washington, for 180 days. Supporting shipper: Skyline Corp., Richard D. Jenks, Transportation Manager, 2520 By-Pass Road, Elkhart, IN 46514. Send protests to: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 240, Old Post Office Building, 215 Northwest Third, Oklahoma City, OK 73102.

[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.

No. MC 118989 (Sub-No. 73 TA), filed May 26, 1972. Applicant: CONTAINER TRANSIT, INC., 5223 South Ninth Street, Milwaukee, WI 53221. Applicant's representative: Albert A. Andrin, 29 South LaSalle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic containers, and related accessories and parts*, from the plantsites of WB Bottle Supply Co., Inc. at Milwaukee and Green Bay, Wis., to Atlanta, Ga.; Chicago, Ill.; Cedar Rapids, Iowa; Cleveland and Springfield, Ohio; Lakeland, Fla.; Meridian, Miss.; Indianapolis, Ind.; Springfield, Mo.; Kansas City, Mo.; Grand Rapids, Mich.; Decatur, Ill.; and Warrenton, Mo., for 180 days. Supporting shipper: WB Bottle Supply Co., Inc., 822–836 East Bay Street, Milwaukee, WI 53207 (Jerry J. Wing, President). Send protests to: District Supervisor Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 119767 (Sub-No. 290 TA), filed May 30, 1972. Applicant: BEAVER TRANSPORT CO., Post Office Box 188, Pleasant Prairie, WI 53158. Applicant's representative: Fred H. Figge (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 wholesale and retail grocery houses (except in bulk in tank vehicles), from Galesburg, Ill., to points in Iowa, Minnesota, Missouri, and Wisconsin, for 180 days. Supporting shipper: CPC International, Inc., International Plaza, Englewood Cliffs, N.J. 07632 (R. V. Huagen, Assistant Transportation Manager, Motor Transportation). Send protests to: District Supervisor, Lyle D. Helfer, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 126305 (Sub-No. 45 TA), filed May 26, 1972. Applicant: BOYD BROTHERS TRANSPORTATION CO., INC., Route 1, Clayton, AL 36016. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, NJ 07306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Flooring, laminated wood products* (except flooring), *and lumber* (except flooring), when moving on the same vehicle in mixed loads with flooring and laminated wood products (except flooring), from points in Jackson County, Fla., to points in Alabama, Louisiana, Texas, Oklahoma, Tennessee, Kentucky, Georgia, North Carolina, South Carolina, and Virginia, for 180 days. Supporting shipper: Rex Lumber Co., Post Office Box 7, Graceville, FL 32440. Send protests to: Clifford W. White, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 814, 2121 Building, Birmingham, Ala. 35203.

No. MC 128220 (Sub-No. 8 TA), filed May 30, 1972. Applicant: RALPH LATHAM, doing business as LATHAM TRUCKING COMPANY, Post Office Box 508, Burnside, KY 42519. Applicant's representative: John M. Nader, Post Office Box E, Bowling Green, KY 42101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Charcoal, charcoal briquettes, wood chips, vermiculite, lighter fluid, and spices and sauces* used in outdoor cooking, from Cookeville, Tenn., to points in Alabama, Florida, Georgia, Indiana, Kentucky, Mississippi, North Carolina, Ohio, South Carolina, Tennessee, Virginia, West Virginia, and Michigan (except points in the Upper Peninsula of Michigan), for 180 days. Supporting shipper: T. C. Clarkson, Vice President, Marketing, Royal Oak Charcoal Co., Post Office Box 38, Memphis, TN 38101. Send protests to: R. W. Schneiter, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 222 Bakhaus Building, 1500 West Main Street, Lexington, KY 40505.

No. MC 135425 (Sub-No. 4 TA), filed May 26, 1972. Applicant: CYCLES LIMITED, Post Office Box 5715, Jackson, MS 39208. Applicant's representative: Morton E. Kiel, 140 Cedar Street, New York, NY 10006. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are dealt in by a manufacturer of toilet preparations (except in bulk), from the facilities of Noxell Corp. in Cockeysville, Md., to points in Louisiana, Arkansas, Florida, Georgia, Wisconsin, Illinois, Utah, Missouri, Kansas, Oklahoma, Colorado, Texas, Arizona, and California, for 180 days. Supporting shipper: Noxell Corp., Baltimore, Md. 21203. Send protests to: Alan C. Tarrant, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 212, 145 East Amite Building, Jackson, Miss. 39201.

No. MC 135966 (Sub-No. 1 TA), filed May 26, 1972. Applicant: ENGLISH AND SONS CORPORATION, Route 130, 9 Roosevelt Boulevard, Thorofare, NJ 08086. Applicant's representative: James H. Sweeney, 850 Charles Street, Gloucester City, NJ 08030. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Trailers, rollers and pavers* (to include truckaway operations), from Thorofare, N.J., to points in the United States (except Alaska and Hawaii); and (2) *materials and supplies* used or useful in the manufacture of trailers, rollers, and pavers, from points in the United States (except Alaska and Hawaii) to Thorofare, N.J., for 180 days. Supporting shipper: General Engines Co., Route 130, Thorofare, N.J. 08086. 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 136694 (Sub-No. 1 TA), filed May 30, 1972. Applicant: MEX-AM CARGO CARRIERS, INC., 79199 Harry Hines Boulevard, Dallas, TX 75235. Applicant's representative: David D. Brunson, 419 Northwest Sixth Street, Oklahoma City, OK 73102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Bananas and exempt commodities* when moving in mixed shipments with bananas, from ports of entry at Brownsville, Hidalgo, Roma, Laredo, Eagle Pass, Del Rio, Presidio, and El Paso, Tex., to points in the United States; and (2) *polypropylene and plastic bags, cardboard and fiberboard boxes, advertising displays and packaging material, supplies* used in distribution and sale of bananas and ICC exempt commodities when moving with bananas, from points in the United States to Hidalgo, El Paso, and McAllen, Tex., for 180 days, restricted to service in import and export only. NOTE: Carrier does not intend to tack authority. Supporting shipper: Caribbean Gulf, Inc., 1227 Northwest 21st Street, Miami, FL 33127. 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 136701 (Sub-No. 1 TA), filed May 25, 1972. Applicant: WALT A. STURMOSKI, Post Office Box 671, Belen, NM 87002. Applicant's representative: W. Ferrell Peyton, 1030 National Building, 505 Marquette Avenue NW., Albuquerque, NM 87101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Wines, beer, and whiskey*, from Ripon, Lodi, Rutherford, and San Francisco, Calif., to Albuquerque, N. Mex.; Phoenix, Ariz., to Albuquerque, N. Mex.; Houston, Tex., to Albuquerque, N. Mex.; Peoria and Bellville, Ill., to Albuquerque, N. Mex.; Louisville, Owensboro, Frankfort, Lawrenceberg, and Bardstown, Ky., to Albuquerque, N. Mex.; Canandaigua and Maspeth, N.Y., to Albuquerque, N. Mex.; El Segunda and Los Angeles, Calif., to Albuquerque, N. Mex.; Boston, Mass., to Albuquerque, N. Mex., for 180 days. Supporting shipper: United Wholesale Liquor Co., 917 Second Street SW., Albuquerque, NM 87102. Send protests to: District Supervisor Murdoch, Interstate Commerce Commission, Bureau of Operations, 1106 Federal Office Building, 517 Gold Avenue SW., Albuquerque, NM 87101.

No. MC 136723 TA, filed May 23, 1972. Applicant: MARSHALL LEDBETTER, SR., and MARSHALL LEDBETTER, JR., doing business as VICTORY VAN LINES, 1201 South High Street, Columbia, TN 38401. Applicant's representative: Marshall Ledbetter, Jr. (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 Columbia, Tenn., and points in the counties of Bedford, Cannon, Coffee, De Kalb, Franklin, Giles, Hickman, Humphreys, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Perry, Rutherford, Warren, Wayne, and Williamson, for 180 days. Supporting

shipper: Western Electric, 6701 Roswell Road NE., Atlanta, GA 30328. Send protests to: Joe J. Tate, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 803 1808 West End Building, Nashville, TN 37203.

No. MC 136727 (Sub-No. 1 TA), filed May 25, 1972. Applicant: GRIFFIN TRANSFER & STORAGE CO., INC., Post Office Box 662, Fleming Drive, Morganton, NC 28655. 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 communication, between Morganton, N.C., and points in the counties of Burke, McDowell, Yancey, Mitchell, Avery, Watauga, Caldwell, Alexander, and Catawba, N.C., under continuing contract with Western Electric Co., for 180 days. Supporting shipper: Western Electric Co., 6701 Roswell Road NE., Atlanta, GA 30328. Send protests to: Frank H. Wait, Jr., District Supervisor, Interstate Commerce Commission, Bureau of Operations, 316 East Morehead, Suite 417 (BSR Bldg.), Charlotte, NC 28202.

No. MC 136731 TA, filed May 26, 1972. Applicant: K. B. TRANSPORTATION, INC., 2185 Wall Avenue, Ogden, UT 84401. Applicant's representative: F. Robert Reeder, 520 Kearns Building, Salt Lake City, Utah 84101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum and petroleum products*, except road oil and asphalt, together with tires, batteries, and automotive accessories when moving on the same vehicle to consignees with the transportation of *rejected shipments and empty containers on return*, to points in Salt Lake, Davis, and Weber Counties, Utah; to points in Utah and Cassia and Power Counties, Idaho, and Teton, Uinta, and Lincoln Counties, Wyo., under a continuing contract with Kellerstrass Bros., Inc., for 180 days. Supporting shipper: Kellerstrass Bros., Inc., 2185 Wall Avenue, Post Office Box 1067, Ogden, UT 84401 (Kendall K. Kellerstrass, president). Send protests to: John T. Vaughan, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 5239 Federal Building, Salt Lake City, Utah 84111.

No. MC 136749 TA, filed May 26, 1972. Applicant: G. P. BOURROUS TRUCKING COMPANY, INC., Route 1, Box 181, Diboll, Tex. 75941. Applicant's representative: Mike Cotten, Post Office Box 1148, Austin, TX 78767. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Lumber*, from the plantsite of Georgia-Pacific Corp. at or near De Quincy, La., to points in Texas, for 180 days. Supporting shipper: J. C. Westmoreland, General Manager, De Quincy Plant, Georgia-Pacific Corp., Crossett Division, De Quincy, Post Office Box 1018, De Quincy, LA 70633. Send protests to: District Supervisor John C. Redus, Bureau of Operations, Interstate Commerce Commission, Post Office Box 61212, Houston, TX 77061.

No. MC 136750 TA, filed May 31, 1972. Applicant: NEW ENGLAND FINISHING & FURNITURE HAULERS, INC., 740 Windsor Street, Hartford, CT 06120. Applicant's representative: Hugh M. Joseloff, 410 Asylum Street, Hartford, CT 06103. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Sofa beds, chairs, and upholstered furniture*, from Hartford, Conn., to retail furniture stores located in the towns or cities of Hartford and Bridgeport, Conn.; and Springfield, Boston, Cambridge, and Lowell, Mass., and on return, between Hartford, Conn., on the one hand, and, on the other, Hartford and Bridgeport, Conn., and Springfield, Boston, Cambridge, and Lowell, Mass., for 180 days. Supporting shipper: Runion Manufacturing Co., Inc., Post Office Drawer 1029, Greer, SC 29651. Send protests to: District Supervisor David J. Kiernan, Interstate Commerce Commission, Bureau of Operations, 324 U.S. Post Office Building, 135 High Street, Hartford, CT 06101.

No. MC 136751 TA, filed May 30, 1972. Applicant: HERBERT RENNICH, ARNOLD RENNICH AND CYRIL COLONEL, doing business as SOUTHERN INTERIOR EXPRESS, Box 94, Wynndel, BC, Canada. Applicant's representative: Herbert Rennich (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Kitchen cabinets*, from Richmond, British Columbia, Canada, to points in Spokane County, Wash., Idaho, and Montana, for 180 days. Supporting shipper: Thompson's Crestwood Kitchens, Box 927, Creston, BC, Canada. Send protests to: E. J. Casey, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

MOTOR CARRIERS OF PASSENGERS

No. MC 136732 TA, filed May 31, 1972. Applicant: CHEMAL, INC., Post Office Box 44, Wallops Island, VA 23337. Applicant's representative: George Brothers (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Passengers*, from Wallops Island, Va., to Washington, D.C., Baltimore, Md., New York, N.Y., and points in North Carolina, Maryland, and New Jersey, for 180 days. Supporting shipper: William L. Elliott, Contracting Officer, National Aeronautics and Space Administration, Wallops Station, Wallops Island, Va. 23337. Send protests to: Robert D. Caldwell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 12th and Constitution Avenue NW., Washington, D.C. 20423.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-9051 Filed 6-14-72;8:50 am]

[Notice 48]

MOTOR CARRIER, BROKER, WATER CARRIER, AND FREIGHT FORWARDER APPLICATIONS

JUNE 9, 1972.

The following applications (except as otherwise specifically noted, each applicant (on applications filed after March 27, 1972) states that there will be no significant effect on the quality of the human environment resulting from approval of its application), are governed by Special Rule 1100.247 [1] of the Commission's general rules of practice (49 CFR, as amended), published in the FEDERAL REGISTER, issue of April 20, 1966, effective May 20, 1966. These rules provide, among other things, that a protest to the granting of an application must be filed with the Commission within 30 days after date of notice of filing of the application is published in the FEDERAL REGISTER. Failure seasonably to file a protest will be construed as a waiver of opposition and participation in the proceeding. A protest under these rules should comply with section 247(d)(3) of the rules of practice which requires that it set forth specifically the grounds upon which it is made, contain a detailed statement of protestant's interest in the proceeding (including a copy of the specific portions of its authority which protestant believes to be in conflict with that sought in the application, and describing in detail the method—whether by joinder, interline, or other means—by which protestant would use such authority to provide all or part of the service proposed), and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. Protests not in reasonable compliance with the requirements of the rules may be rejected. The original and one (1) copy of the protest shall be filed with the Commission, and a copy shall be served concurrently upon applicant's representative, or applicant if no representative is named. If the protest includes a request for oral hearing, such requests shall meet the requirements of section 247(d)(4) of the special rules, and shall include the certification required therein.

Section 247(f) of the Commission's rules of practice further provides that each applicant shall, if protests to its application have been filed, and within 60 days of the date of this publication, notify the Commission in writing (1) that it is ready to proceed and prosecute the application, or (2) that it wishes to withdraw the application, failure in which the application will be dismissed by the Commission.

Further processing steps (whether modified procedure, oral hearing, or other procedures) will be determined

[1] Copies of Special Rule 247 (as amended) can be obtained by writing to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

generally in accordance with the Commission's general policy statement concerning motor carrier licensing procedures, published in the FEDERAL REGISTER, issue of May 3, 1966. This assignment will be by Commission order which will be served on each party of record. Broadening amendments will not be accepted after the date of this publication except for good cause shown, and restrictive amendments will not be entertained following publication in the FEDERAL REGISTER of a notice that the proceeding has been assigned for oral hearing.

No. MC 200 (Sub-No. 255), filed May 12, 1972. Applicant: RISS INTERNATIONAL CORPORATION, 903 Grand Avenue, Kansas City, MO 64142. Applicant's representative: Rodger J. Walsh, 12th Floor, Temple Building, 903 Grand Avenue, Kansas City, MO 64106. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), serving the plantsite of the Bort & Beck Division of Borg-Warner Corp., at 18½ Mile Road, east of Mound Road, Sterling Heights, Mich., as an off-route point in connection with applicant's regular route operations to and from Detroit, Mich. NOTE: If a hearing is deemed necessary, applicant requests it be held at Detroit, Mich., or Chicago, Ill.

No. MC 2202 (Sub-No. 406), filed May 15, 1972. Applicant: ROADWAY EXPRESS, INC., 1077 Gorge Boulevard, Post Office Box 471, Akron, OH 44309. Applicant's representative: James W. Conner (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk and those requiring special equipment); (1) between Chattanooga, Tenn., and Oklahoma City, Okla., (A) from Chattanooga over U.S. Highway 41 to the junction of U.S. Highways 41 and 72, thence over U.S. Highway 72 to the junction of U.S. Highways 72 and 72–A, thence over U.S. Highway 72–A to the junction of U.S. Highway 72–A and 72, thence over U.S. Highway 72 to the junction of U.S. Highway 72 and Interstate Highway 40, thence over Interstate Highway 40 to Oklahoma City, and return over the same route; serving the junctions of U.S. Highways 72 and 72–A and U.S. Highway 69 and Interstate Highway 40, for purposes of joinder only; and (B) from Chattanooga to the junction of U.S. Highway 72 and Interstate Highway 40 as specified above, thence over Interstate Highway 40 to the junction of Interstate Highway 40 and 55, thence over Interstate Highway 55 to the junction of Interstate Highway 55 and U.S. Highway 64, thence over U.S. Highway 64 to the junction of U.S. Highways 64 and 266, thence over U.S. Highway 266 to the junction of U.S. Highway 266 and Interstate Highway 40, thence over Interstate Highway 40 to Oklahoma City, and return over the same route; serving the junction of U.S. Highways 266 and 69 for purposes of joinder only, (2) between Chattanooga, Tenn., and Muskogee, Okla., (A) from Chattanooga to the junction of U.S. Highway 64 and Interstate Highway 40 as specified above, thence over U.S. Highway 64 to Muskogee, and return on the same route, and (B) from Chattanooga to the junction of Muskogee Turnpike and Interstate Highway 40 as specified above, thence over the Muskogee Turnpike and Muskogee, and return over the same route;

(3) Between Chattanooga, Tenn., and Springfield, Mo.; from Chattanooga to the junction of Interstate Highways 40 and 55 as specified above, thence over Interstate Highway 55 to the junction of Interstate Highway 55 and U.S. Highway 63, thence over U.S. Highway 63 to the junction of U.S. Highways 63 and 60, thence over U.S. Highway 60 to Springfield, and return over the same route. Serving the junctions of U.S. Highways 72 and 72–A for purposes of joinder only; and (4) between Chattanooga, Tenn., and East St. Louis, Ill., (A) from Chattanooga over U.S. Highway 41 to the junction of U.S. Highways 41 and 41–A, thence over U.S. Highway 41–A to the junction of U.S. Highways 41–A and 68, thence over U.S. Highway 68 to the junction of U.S. Highways 68 and 62, thence over U.S. Highway 62 to the junction of U.S. Highways 62 and 45, thence over U.S. Highway 45 to the junction of U.S. Highway 45 and Illinois Highway 146, thence over Illinois Highway 146 to the junction of Illinois Highways 146 and 3, thence over Illinois Highway 3 to East St. Louis, and return over the same route. (B) From Chattanooga to the junction of U.S. Highways 62 and 45 as specified above, thence over U.S. Highway 60 to the junction of U.S. Highways 60 and 51, thence over U.S. Highway 51 to the junction of U.S. Highway 51 and Illinois Highway 3, thence over Illinois Highway 3 to East St. Louis, and return over the same route, and (C) from Chattanooga over Interstate Highway 24 to the junction of Interstate Highways 24 and 57, thence over Interstate Highway 57 to the junction of Interstate Highways 57 and 64, thence over Interstate Highway 64 to East St. Louis, and return over the same route. NOTE: Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No MC 2229 (Sub-No. 169), filed May 15, 1972. Applicant: RED BALL MOTOR FREIGHT, INC., 3177 Irving Boulevard, Dallas, TX 75247. Applicant's representative: Martin B. Turner (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except classes A and B explosives, commodities in bulk, household goods as defined by the Commission, and commodities requiring special equipment), (1) between Kansas City, Mo., and Dallas, Tex., in connection with carrier's regular route operations, serving no intermediate points; from Kansas City over Interstate Highway 70 to its intersection with Interstate Highway 35 at or near Topeka, Kans., thence over Interstate Highway 35 to Dallas, Tex., and return over the same route; (2) between Kansas City, Mo., and Sherman, Tex., in connection with carrier's regular route operations, serving no intermediate points; from Kansas City over U.S. Highway 69 to its intersection with U.S. Highway 75, thence over U.S. Highway 75 to Sherman, and return over the same route; (3) between Fort Smith, Ark., and Dallas, Tex., in connection with carrier's regular route operations, serving the intermediate point of Paris, Tex., for the purpose of joinder only; from Fort Smith over U.S. Highway 271 to Paris, Tex., thence over Texas Highway 24 to Greenville, Tex., thence over U.S. Highway 67 to Dallas, Tex., and return over the same route; (4) between Little Rock, Ark., and Texarkana, Ark., in connection with carrier's regular route operations, serving no intermediate points; from Little Rock over Interstate Highway 30 to Texarkana and return over the same route; (5) between El Dorado, Ark., and Memphis, Tenn., in connection with carrier's regular route operations, serving no intermediate points; from El Dorado over U.S. Highway 167 to its intersection with U.S. Highway 79, thence over U.S. Highway 79 to Memphis, Tenn., and return over the same route;

(6) Between Shreveport, La., and Fort Smith, Ark., in connection with carrier's regular route operations, serving the intermediate point of Texarkana for the purpose of joinder only; from Shreveport over U.S. Highway 71 to Fort Smith and return over the same route; (7) between Little Rock, Ark., and Kansas City, Mo., in connection with carrier's regular route operations, serving no intermediate points; from Little Rock over U.S. Highway 65 to Springfield, Mo., thence over Missouri Highway 13 to intersection of U.S. Highway 50, thence over U.S. Highway 50 to Kansas City, and return over the same route; (8) between Memphis, Tenn., and Kansas City, Mo., in connection with carrier's regular route authority, serving no intermediate points; from Memphis over U.S. Highway 63 to its intersection with U.S. Highway 60, thence over U.S. Highway 60 to its intersection with U.S. Highway 65, thence over U.S. Highway 65 to Springfield, Mo., thence over Missouri Highway 13 to its intersection with U.S. Highway 50, thence over U.S. Highway 50 to Kansas City, and return over the same route; (9) between Memphis, Tenn., and New Orleans, La., in connection with carrier's regular route authority, serving the intermediate point of Jackson, Miss., for the purpose of joinder only; from Memphis over Interstate Highway 55 and/or U.S. Highway 51 to its intersection with Interstate Highway 10, thence over Interstate Highway 10 to New Orleans and return over

the same route; (10) between Oklahoma City, Okla., and Denver, Colo., in connection with carrier's regular route operations, serving no intermediate points; from Oklahoma City over Interstate Highway 40 to its intersection with U.S. Highway 270, thence over U.S. Highway 270 to its intersection with U.S. Highway 83, thence over U.S. Highway 83 to its intersection with U.S. Highway 50, thence over U.S. Highway 50 to its intersection with U.S. Highway 287, thence over U.S. Highway 287 to Denver, and return over the same route;

(11) Between Alexandria, La., and Lufkin, Tex., in connection with carrier's regular route authority, serving no intermediate points; from Alexandria over Louisiana Highway 28 to Leesville, La., thence over Louisiana Highway 8 to the Texas-Louisiana State line, thence over Texas Highway 63 to its intersection with U.S. Highway 69, thence over U.S. Highway 69 to Lufkin, Tex., and return over the same route; (12) between Paris, Tex., and Oklahoma City, Okla., in connection with carrier's regular route operations, serving no intermediate points; from Paris, Tex., over U.S. Highway 271, to its intersection with Oklahoma Highway 3, thence over Oklahoma Highway 3 to Ada, Okla., thence over Oklahoma Highway 13 to its intersection with U.S. Highway 177, thence over U.S. Highway 177 to its intersection with Interstate Highway 40, thence over Interstate Highway 40 to Oklahoma City, and return over the same route; (13) between Wichita Falls, Tex., and Oklahoma City, Okla., in connection with carrier's regular route authority, serving no intermediate points; from Wichita Falls, over U.S. Highway 277 to Oklahoma City and return over the same route; (14) between Dallas, Tex., and Oklahoma City, Okla., in connection with carrier's regular route operations, serving no intermediate points; from Dallas, over Texas Highway 114 to its intersection with U.S. Highway 81, thence over U.S. Highway 81 to its intersection with U.S. Highway 277, thence over U.S. Highway 277 to Oklahoma City, and return over the same route; (15) between Houston, Tex., and Clovis, N. Mex., in connection with carrier's regular route authority, serving no intermediate points; from Houston over U.S. Highway 290 to its intersection with Texas Highway 36, thence over Texas Highway 36 to its intersection with Interstate Highway 20, thence over Interstate Highway 20 to its intersection with U.S. Highway 84, thence over U.S. Highway 84 to Clovis, and return over the same route;

(16) Between Houston, Tex., and Baton Rouge, La., in connection with carrier's regular route authority, serving Beaumont, Tex., for the purpose of joinder only; from Houston, Tex., over U.S. Highway 90 to Beaumont, Tex., thence over Texas Highway 12 to its intersection with U.S. Highway 190, thence over U.S. Highway 190 to Baton Rouge, and return over the same route; (17) between Memphis, Tenn., and Denver, Colo., in connection with carrier's regular route authority, serving the intermediate point of Kansas City, Mo., for the purpose of joinder only; from Memphis over U.S. Highway 63 to its intersection with U.S. Highway 60, thence over U.S. Highway 60 to its intersection with Missouri Highway 13, thence over Missouri Highway 13 to its intersection with U.S. Highway 50, thence over U.S. Highway 50 to Kansas City, thence over Interstate Highway 70 and/or U.S. Highway 40 to Denver, Colo., and return over the same route; (18) between Houston, Tex., and Amarillo, Tex., in connection with carrier's regular route authority, serving no intermediate points; from Houston over U.S. Highway 290 to intersection with Texas Highway 36, thence over Texas Highway 36 to its intersection with Interstate Highway 20, thence over Interstate Highway 20 to intersection with U.S. Highway 84, thence over U.S. Highway 84 to its intersection with U.S. Highway 87, and/or Interstate Highway 27 to Amarillo, and return over the same route; (19) between the intersection of U.S. Highways 82 and 65 near Lake Village, Ark., and the intersection of U.S. Highway 65 and Louisiana Highway 2 at or near Highland, La., serving no intermediate points and serving said intersections as points of joinder only in connection with carrier's regular route operation; from the intersection of U.S. Highways 82 and 65 over U.S. Highway 65 to its intersection with Louisiana Highway 2, and return over the same route;

(20) Between the intersection of Louisiana Highway 1 and U.S. Highway 84 near Grand Bayou, La., and the intersection of U.S. Highways 84 and 171 at or near Mansfield, La., serving no intermediate points and serving the junctions of Louisiana Highway 1 and U.S. Highway 84 and U.S. Highways 84 and 171 as a point of joinder only, in connection with carrier's regular route authority; from junction of Louisiana Highway 1 and U.S. Highway 84 over U.S. Highway 84 to junction of U.S. Highway 171 and return over the same route; (21) between Little Rock, Ark., and Jackson, Miss., in connection with carrier's regular route authority, serving the intermediate point of Vicksburg, Miss., as a point of joinder only; from Little Rock, Ark., over U.S. Highway 65 to its intersection with Interstate Highway 20, thence over Interstate Highway 20 to Jackson and return over the same route; and (22) between Dallas, Tex., and Bonham, Tex., in connection with carrier's regular route operations serving no intermediate points; from Dallas, Tex., over U.S. Highway 75 to its intersection with Texas Highway 121, thence over Texas Highway 121 to Bonham, and return over the same route. NOTE: The above routes (1) through (22) are all alternate routes for operating convenience only. If a hearing is deemed necessary, applicant requests it be held at Dallas or Fort Worth, Tex.

No. MC 16903 (Sub-No. 31), filed May 15, 1972. Applicant: MOON FREIGHT LINES, INC., 120 West Grimes Lane, Bloomington, IN 47402. Applicant's representative: Ferdinand Born, 601 Chamber of Commerce Building, Indianapolis, Ind. 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Marble chips, lawn and garden limestone, and white marble play sands* in bags from the plantsite of Vermarco Ground Products Co. (division of Vermont Marble Co.) at Pittsford, Rutland County, Vt., to points in New Hampshire, Maine, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Delaware, District of Columbia, Pennsylvania, Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Maryland, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Virginia, West Virginia, Texas, and Wisconsin, (2) *stone, slate, marble,* and *granite,* (a) from Providence, R.I., to points in Rutland County, Vt., and (b) from Alanby County, N.Y., to points in Rutland County, Vt., restricted to shipments which have had a prior movement by water; and (3) *slate and slate products,* from points in Rutland County, Vt., and Washington County, N.Y., to points in Maine, New Hampshire, Rhode Island, Delaware, Maryland, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Boston, Mass.

No. MC 23618 (Sub-No. 18), filed May 12, 1972. Applicant: McALISTER TRUCKING COMPANY, a corporation, 1618 South Treadway Boulevard, Post Office Box 2377, Abilene, TX 79604. 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: *Pipe, tubing, pipe fittings, and pipe accessories,* in straight or mixed truckloads from Lone Star, Tex., and points within 5 miles thereof, on the one hand, and, on the other, points in Arizona, Colorado, Kansas, Louisiana, Montana, New Mexico, Oklahoma, Texas, Utah, and Wyoming. NOTE: Applicant has Mercer commodities, earth drilling, water well commodities, and water and sewer pipeline authority in same territory, present application seeks additional commodities, in same territory, if authority is required, applicant seeks no duplicating authority and knows of no tacking possibilities. This application is accompanied by a motion to dismiss. If a hearing is deemed necessary, applicant requests it be held at Dallas or Fort Worth, Tex.

No. MC 28478 (Sub-No. 37), filed May 16, 1972. Applicant: GREAT LAKES EXPRESS COMPANY, a corporation, 172 Davenport Street, Saginaw, MI 48602. Applicant's representative: Rex Eames, 900 Guardian Building, Detroit, Mich. 48226. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Calcium chloride and magnesium*

chloride, other than in bulk, from Ludington and Midland, Mich., on the one hand, and, on the other, points in Illinois, Indiana, Kentucky, Ohio, Tennessee, West Virginia, and Wisconsin, those points in Minnesota on and east of Interstate Highway 35, those points in Iowa on and east of U.S. Highway 65 and 69, those points in Missouri on and east of U.S. Highway 65, and the Kansas City commercial zone, those points in Pennsylvania on and west of the following highways: U.S. Highway 220 from the Maryland border north to its junction with U.S. Highway 15, thence north of U.S. Highway 15 to its junction with Pennsylvania Highway 14, thence north over Pennsylvania Highway 14 to the New York border, those points in New York on and west of U.S. Highway 11, and on and south of New York Highway 13 from Lake Ontario to its junction with U.S. Highway 11 at Pulaski, N.Y. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant is presently authorized to transport general commodities from Midland, Mich., to numerous points in Ohio, Indiana, Illinois, New York, and Pennsylvania on a regular route basis. A joint-line service with Dixie Ohio Express, Inc., would be possible to the authorized points of Dixie Ohio Express, Inc., in Kentucky, New York, Ohio, Pennsylvania, and Tennessee. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Detroit, Mich.

No. MC 42405 (Sub-No. 31), filed May 12, 1972. Applicant: MISTLETOE EXPRESS SERVICE, 111 North Harrison, Oklahoma City, OK 73102. Applicant's representative: Max G. Morgan, 600 Leininger Building, Oklahoma City, Okla. 73112. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except classes A and B explosives, moving in express service), between Dallas, Tex., and Ryan, Okla., from Dallas over Texas Highway 183 (or the Dallas-Fort Worth Turnpike) to Fort Worth, thence over U.S. Highway 81 to Ryan, Okla., serving Dallas, Tex., and Ryan, Okla., for purposes of joinder as an alternate route for operating convenience only, in connection with carrier's authorized authority and return over the same route. NOTE: If a hearing is deemed necessary, applicant requests it be held at Oklahoma City, Okla., or Washington, D.C.

No. MC 53965 (Sub-No. 82) (Correction), filed April 3, 1972, published in the FEDERAL REGISTER, issue of May 11, 1972, and republished in part as corrected this issue. Applicant: GRAVES TRUCK LINE, INC., 739 North 10th, Salina, KS. Applicant's representative: John E. Jandera, 641 Harrison Street, Topeka, KS 66603. The purpose of this partial republication is to reflect applicant as a *common carrier* in lieu of a contract carrier, which was erroneously published. The rest of the application remains as previously published.

No. MC 60157 (Sub-No. 17) (Amendment), filed April 13, 1972, published in the FEDERAL REGISTER, issue of May 25, 1972, and republished as amended this issue. Applicant: C. A. WHITE TRUCKING COMPANY, a corporation, 4641 Greenville Avenue, Dallas, TX 75206. Applicant's representative: J. G. Dail, Jr., 1111E Street NW., Washington, DC 20004. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic pipe and plastic tubing*, from Houston, Tex., to points in the United States (except Alaska and Hawaii). NOTE: Applicant states that it holds certain mercer, sulphur, pipeline, and water well authority which might be tacked to the authority sought to the extent that the requested commodities could be moved under those descriptions; however, tacking is not foreseen. The purpose of this republication is to redescribe the authority sought. If a hearing is deemed necessary, applicant requests it be held at Houston, Tex.

No. MC 82841 (Sub-No. 93), filed May 15, 1972. Applicant: HUNT TRANSPORTATION, INC., 10770 I Street, Omaha, NE 68127; 801 Livestock Exchange Building, 68107. Applicant's representative: Donald L. Stern, 530 Univac Building, 7100 West Center Road, Omaha, NE 68106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Augers, bin unloading equipment, feeder systems, bucket elevators, grain roller mills, grain cleaners, disk plows, and parts and accessories thereof*, from the plantsite of Hutchinson Division, Royal Industries, located at or near Clay Center, Kans., to points in the United States (except Alaska and Hawaii), restricted to traffic originating at the plantsite of Hutchinson Division, Royal Industries, located at or near Clay Center, Kans. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo., or Omaha, Nebr.

No. MC 106497 (Sub-No. 68), filed May 16, 1972. Applicant: PARKHILL TRUCK COMPANY, a corporation, Post Office Box 912 (business loop I–44 East), Joplin, MO 64801. Applicant's representative: A. N. Jacobs, Post Office Box 113, Joplin, MO 64801. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Commodities*, the transportation of which because of their size or weight require the use of special equipment or handling, and parts of commodities, the transportation of which because of their size or weight requires the use of special equipment or handling; and (2) *self-propelled articles*, each weighing 15,000 pounds or more, and *related machinery, tools, parts, and supplies* moving in connection therewith (restricted to self-propelled articles which are transported on trailers), between Wisconsin, on the one hand, and, on the other, points in Missouri, Iowa, and Illinois. NOTE: Applicant intends to tack with its Subs Nos. 4, 35, and 48. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Milwaukee, Wis.

No. MC 106644 (Sub-No. 139), filed May 12, 1972. Applicant: SUPERIOR TRUCKING COMPANY, INC., 2770 Peyton Road NW., Post Office Box 916, Atlanta, GA 30301. Applicant's representative: Duane W. Acklie, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fire hydrants and valves and parts, accessories, materials, and supplies* used in the installation of the above, from the plantsites and storage facilities of Clow Corp. at Oskaloosa, Iowa, to points in Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, West Virginia, Wisconsin, Wyoming, and the District of Columbia, restricted to the transportation traffic originating at the plantsite or storage facilities of Clow Corp. at Oskaloosa, Iowa. NOTE: Applicant holds contract carrier authority under MC 104724 (Sub-No. 13), therefore dual operations and common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Louisville, Ky., or Washington, D.C.

No. MC 106644 (Sub-No. 140), filed May 12, 1972. Applicant: SUPERIOR TRUCKING COMPANY, INC., 2770 Peyton Road, NW., Post Office Box 916, Atlanta, GA 30301. Applicant's representative: Duane W. Acklie, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Missiles and missile parts, supplies, materials, parts, and components*, used in the maintenance, servicing, repairs, and operations of missiles, between points in Orange County, Fla., Caddo and Bossier Counties, La., on the one hand, and, on the other, points in Montana and North Dakota. NOTE: Applicant holds contract carrier authority under MC 104724 (Sub-No. 13), therefore dual operations and common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Jacksonville, Fla., Atlanta, Ga., or Washington, D.C.

No. MC 107515 (Sub-No. 764 amendment), filed July 23, 1971, published in the FEDERAL REGISTER issue of September 10, 1971, and republished as amended this issue. Applicant: REFRIGERATED

TRANSPORT CO., INC., Post Office Box 308, Forest Park, GA 30050. Applicant's representatives: Alan E. Serby and Paul M. Daniell, Post Office Box 872, Atlanta, GA 30301. NOTE: The sole purpose of this partial republication is to reflect Marcus Hook, Pa., as origin point in lieu of Marcus Hook, N.J., as was erroneously shown in the previous publication. The rest of application remains as previously published.

No. MC 113267 (Sub-No. 285), filed May 15, 1972. Applicant: CENTRAL & SOUTHERN TRUCK LINES, INC., 312 West Morris Street, Caseyville, IL 62232. Applicant's representative: Lawrence A. Fischer (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dairy products*, and *exempt commodities*, when transported in mixed loads with dairy products, from Lewisburg, Tenn., to Chicago, Ill., and Albany, Ga. NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Nashville, Tenn.

No. MC 113267 (Sub-No. 286), filed May 15, 1972. Applicant: CENTRAL & SOUTHERN TRUCK LINES, INC., 312 West Morris Street, Caseyville, IL 62232. Applicant's representative: Lawrence A. Fischer (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Grand Island, Nebr., to points in Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Oklahoma, Tennessee, Texas, Wisconsin, and Minnesota. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Lincoln or Omaha, Nebr.

No. MC 114211 (Sub-No. 169), filed May 12, 1972. Applicant: WARREN TRANSPORT, INC., 324 Manhard Street, Post Office Box 420, Waterloo, IA 50704. Applicant's representative: Charles W. Singer, Suite 1625, 33 North Dearborn, Chicago, IL 60602. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Tractors* (except tractors with vehicle beds, bed frames, or fifth wheels), *agricultural machinery and implements, industrial and construction machinery and equipment, such merchandise* as is dealt in by lawn, garden, and recreation vehicle dealers (except chemicals and commodities in bulk), *equipment* designed for use in connection with the above referred to commodities, *internal combustion engines, attachments* for all the foregoing commodities, and *parts and accessories* for all the foregoing commodities, *materials, equipment, and supplies* used in the manufacture, sale, or distribution of all the foregoing commodities, (1) between Detroit, Mich., Kaukauna, Wis., Des Moines, Iowa, Clearfield, Utah, Cuyahoga Falls, Ohio, Baltimore, Md., Philadelphia, Pa., and Norfolk, Va., on the one hand, and, on the other, points in the United States (except Alaska and Hawaii); and (2) between ports of entry on the international boundary line between the United States and Canada located in Michigan and New York, on the one hand, and on the other, points in the United States (except Alaska and Hawaii). Restriction: The service sought in (1) and (2) is restricted to the transportation of shipments either originating at or destined to the plants, warehouse sites, and experimental farms and facilities of Massey-Ferguson, Inc., and its affiliates and subsidiaries located at Detroit, Mich., Kaukauna, Wis., Des Moines, Iowa, Clearfield, Utah, Cuyahoga Falls, Ohio, Baltimore, Md., Philadelphia, Pa., and Norfolk, Va., Toronto, Brandford, and Long Branch, Ontario. NOTE: If a hearing is deemed necessary, applicant request it be held at Chicago, Ill., or Washington, D.C.

No. MC 114211 (Sub-No. 170), filed May 15, 1972. Applicant: WARREN TRANSPORT, INC., 324 Manhard Street, Post Office Box 420, Waterloo, IA 50704. Applicant's representative: Charles W. Singer, Suite 1625, 33 North Dearborn, Chicago, IL 60602. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (A) (1) *Farm machinery*, (2) *aggregate and asphalt plants*, (3) *equipment and machinery* used for, or in connection with, aggregates, asphalt, or similar commodities, (4) *construction, road building and maintenance equipment*, (5) *material handling, material distributing*, and *self-unloading machinery and equipment*, (6) *paving machinery and equipment*, (7) *material reducing and processing machinery and equipment*, (8) *crushers, screening machinery and equipment, washers, conveyors, elevators, driers*, and *trailers*, (9) *quarry and mining machinery and equipment*, (10) *dust collectors and antipollution machinery* and *equipment*, (11) *cranes*, (12) *parts, attachments, accessories, and related equipment* for the commodities described in (1) through (11) above, from points in Linn County, Iowa, to points in the United States (except Hawaii and Alaska); (B) *equipment, materials, and supplies* used in the manufacture, sale, or distribution of the commodities listed in (A) above (except commodities in bulk), from points in the United States (except Hawaii and Alaska to points in Linn County, Iowa; and (C) *experimental and show display machinery* and *equipment* of the commodities listed in (A) above, between points in the United States (except Hawaii and Alaska). NOTE: Applicant indicates that tacking will be made with existing authorities. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Des Moines, Iowa.

No. MC 114604 (Sub-No. 11), filed May 18, 1972. Applicant: CAUDELL TRANSPORT, INC., State Farmers Market, Building 33, Forest Park, GA 30050. Applicant's representative: Guy H. Postell, Suite 713, 3384 Peachtree Road NE., Atlanta, GA 30326. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Candy and confectionery and related incidental advertising or promotional material*, from the plant and warehouse sites of Brock Candy Co., Inc., at Chattanooga, Tenn., to points in Alabama, Louisiana, Mississippi, North Carolina, and South Carolina. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga.

No. MC 115113 (Sub-No. 30), filed May 2, 1972. Applicant: IOWA PACKERS XPRESS, INC., Post Office Box 231, Spencer, IA 51301. Applicant's representative: Bill Husby (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products, meat byproducts, and articles distributed by meat packinghouses* (except hides and commodities in bulk), as described in sections A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from the plantsite and warehouse facilities utilized by Farmland Foods, Inc., located at or near Carroll, Iowa, to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, New Jersey, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia, restricted to the transportation of traffic originating at the above-named origin points and destined to the above-named destinations. NOTE: If a hearing is deemed necessary, applicant requests it be held at Sioux City, Iowa, or Omaha, Nebr.

No. MC 115331 (Sub-No. 329), filed May 22, 1972. Applicant: TRUCK TRANSPORT, INCORPORATED, 1931 North Geyer Road, St. Louis, MO 63131. Applicant's representative: J. R. Ferris, 230 St. Clair Avenue, East St. Louis, IL 62201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Lignin sulfinate, liquor*, in bulk, from Fort Madison, Iowa, and Rothschild, Wis., to points in Arkansas, Illinois, Minnesota, Iowa, Kansas, Missouri, Nebraska, Oklahoma, and South Dakota; and (2) *agricultural chemicals*, in containers, from the warehouse facilities utilized by Chemagro, a Division of Baychem Corp., located in Woodbury County, Iowa, and Dakota County, Nebr., to points in Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Wisconsin, and Wyoming. NOTE: Applicant states that tacking possibilities exist, but no tacking is anticipated. If a hearing is deemed necessary, applicant requests it be held at Kansas City or St. Louis, Mo.

No. MC 115841 (Sub-No. 431), filed May 4, 1972. Applicant: COLONIAL REFRIGERATED TRANSPORTATION, INC., 1215 Bankhead Highway West, Birmingham, AL 35204; Post Office Box 168, Concord, TN 37720. Applicant's representative: Roger M. Shaner, Post Office Box 168, Concord, TN 37720. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Cheese and cheese products*, from Franklinton, La., to points in the United States (except Alaska and Hawaii), restricted to traffic originating at Franklinton, La. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Denver, Colo., Salt Lake City, Utah, or Washington, D.C.

No. MC 116314 (Sub-No. 23), filed May 9, 1972. Applicant: MAX BINSWANGER TRUCKING, a corporation, 13846 Alondra Boulevard, Santa Fe Springs, CA 90670. Applicant's representative: Carl H. Fritze, 1545 Wilshire Boulevard, Suite 606, Los Angeles, CA 90017. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Cement*, in bulk, (1) from Colton, Calif., to points in Arizona (except Mohave and Yuma Counties on and north of Interstate Highway 10) and points in Beaver, Piute, Wayne, Iron, Garfield, Washington, Kane, and San Juan Counties, Utah; (2) from Creal, Calif., to points in Arizona (except Yuma and Mohave Counties) and points in Beaver, Piute, Wayne, Iron, Garfield, Washington, Kane, and San Juan Counties, Utah; (3) from Monolith, Calif., to points in Beaver, Piute, Wayne, Iron, Garfield, Washington, Kane, and San Juan Counties, Utah; (4) from Victorville, Calif., to points in Arizona (except Mohave County and Yuma County on and north of Interstate Highway 10); points in that part of Nevada north of U.S. Highway 6 (except Gabbs, Hawthorne, and Yerington); and points in Beaver, Piute, Wayne, Iron, Garfield, Washington, Kane, and San Juan Counties, Utah; (5) from the plantsite of Pacific Western Industries, Inc., at or near Gorman, Calif., to points in Beaver, Piute, Wayne, Iron, Garfield, Washington, Kane, and San Juan Counties, Utah; and (6) from Crestmore and Oro Grande, Calif., to points in Arizona and Nevada and to points in Beaver, Piute, Wayne, Iron, Garfield, Washington, Kane, and San Juan Counties, Utah. NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Los Angeles, Calif.

No. MC 116544 (Sub-No. 130), filed May 15, 1972. Applicant: WILSON BROTHERS TRUCK LINE, INC., 700 East Fairview Avenue, Post Office Box 636, Carthage, MO 64836. Applicant's representative: Robert Wilson (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and meat byproducts* as described in sections A, B, and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk), from the plantsite and/or storage facilities utilized by Wilson Certified Foods, Inc., at Marshall, Mo., to points in Alabama, Florida, Georgia, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, and West Virginia (restricted to traffic originating at Marshall, Mo., and destined to points in the named States). NOTE: Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Oklahoma City, Okla.

No. MC 116763 (Sub-No. 221), filed May 15, 1972. Applicant: CARL SUBLER TRUCKING, INC., North West Street, Versailles, Ohio 45380. Applicant's representative: H. M. Richters (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Paper, paper articles, printed materials, products produced or distributed by manufacturers and converters of paper and paper products, and commodities used in the manufacture and distribution of the foregoing* (except in bulk, and commodities which because of size or weight require the use of special equipment), from Brainerd and Cloquet, Minn., to points in Alabama, Connecticut, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and the District of Columbia, restricted to traffic originating at the facilities of the Northwest Paper Co. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant further states no duplicating authority sought. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 119532 (Sub-No. 5), filed May 1, 1972. Applicant: IRA FARRELL & LAUREL FARRELL, doing business as: IRA FARRELL & SON, 12 Sterritt Street, Houlton, ME 04730. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Bananas*, from Albany, N.Y., to port of entry on United States-Canadian boundary at Houlton and Calais, Maine. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Augusta or Portland, Maine.

No. MC 123048 (Sub-No. 215), filed May 15, 1972. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., 1919 Hamilton Avenue, Racine, WI 53401. Applicant's representative: Paul C. Gartzke, 121 West Doty Street, Madison, WI 53703. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Tractors* (except tractors with vehicle beds, bed frames of fifth wheels), *agricultural machinery and implements, industrial and construction machinery and equipment*, such merchandise as is dealt in by lawn, garden and recreation vehicle dealers, except chemicals and commodities in bulk, *equipment* designed for use in connection with the above referred to commodities, *internal combustion engines, attachments, parts and accessories* for all of the foregoing commodities, *materials, equipment, and supplies* used in the manufacture, sale, or distribution of all of the foregoing commodities, (1) between Detroit, Mich., Kaukauna, Wis., Des Moines, Iowa, Clearfield, Utah, Cuyahoga Falls, Ohio, Baltimore, Md., Philadelphia, Pa., and Norfolk, Va., on the one hand, and, on the other points in the United States (except Alaska and Hawaii); (2) between ports of entry on the United States-Canadian boundary line located in Michigan and New York on the one hand, and, on the other, points in the United States (except Alaska and Hawaii). Restriction: The service authorized in (1) and (2) is restricted to the transportation of shipments either originating at or destined to the plants, warehouse sites, and experimental farms and facilities of Massey-Ferguson, Inc., and its affiliates and subsidiaries located at Detroit, Mich.; Kaukauna, Wis.; Des Moines, Iowa; Clearfield, Utah; Cuyahoga Falls, Ohio; Baltimore, Md.; Philadelphia, Pa. and Norfolk, Va.; Toronto, Brantford and Long Branch, Ontario. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Washington, D.C.

No. MC 127172 (Sub-No. 4), filed May 17, 1972. Applicant: FRANCIS MARGOLIES, doing business as MARC BAGGAGE LINES, 9033 Hollyberry Avenue, Des Plaines, IL 60016. Applicant's representative: George S. Mullins, 4704 West Irving Park Road, Chicago, IL 60641. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *New furniture*, crated or uncrated, from Addison and Chicago, Ill., to points in Illinois, Indiana on and north of U.S. Highway 30 and west of Indiana Highway 19, Iowa, Minnesota, and Wisconsin; restricted to shipments having a prior movement via rail or motor carrier, or private carriage to the applicant's warehouse or facilities located at Chicago or Addison, Ill., for break bulk and distribution to destination territory named, also restricted against interline operations. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 127834 (Sub-No. 73), filed April 11, 1972. Applicant: CHEROKEE HAULING & RIGGING, INC., 540–42 Merritt Avenue, Nashville, TN 37203. Applicant's representative: M. Byran Stanley, 540–42 Merritt Avenue, Nashville, TN 37203. Authority sought to operate as a *common carrier*, by motor

vehicle, over irregular routes, transporting: *Prestressed and precast concrete products,* from points in Rutherford County, Tenn., to points in Alabama, Georgia, Kentucky, Mississippi, North Carolina, and South Carolina. NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Nashville, Tenn., or Washington, D.C.

No. MC 129680 (Sub-No. 3), filed May 12, 1972. Applicant: FRANK H. MORRIS, doing business as MORRIS TRANSPORTATION, 188 Broad Street, Wethersfield, CT 06109. Applicant's representative: Thomas W. Murrett, 342 North Main Street, West Hartford, CT 06117. Authority sought to operate as a *contract carrier,* by motor vehicle, over irregular routes, transporting: *Steel,* under a continuing contract or contracts with Shepard Steel Co., Inc., from the plantsite of the Shepard Steel Co., Inc., in Hartford, Conn., to points in Rhode Island, Massachusetts, New Hampshire, Vermont, Maine, New Jersey, and to points in New York and Pennsylvania on and east of Interstate Highway 81. NOTE: If a hearing is deemed necessary, applicant requests it be held at Hartford or New Haven, Conn.

No. MC 133316 (Sub-No. 7), filed March 31, 1972. Applicant: FRANK R. GIVIGLIANO, doing business as GIVIGLIANO TRANSPORT, 1513 San Pedro Street, Post Office Box 22, Trinidad, CO 81082. Applicant's representative: Joseph F. Nigro, 1515 Cleveland Place, Suite 400, Denver, CO 80202. Authority sought to operate as a *common carrier,* by motor vehicle, over regular routes, transporting: *General commodities,* (except household goods, commodities in bulk, those requiring special equipment, those of unusual value, and those injurious or contaminating to other lading), (1) between Trinidad and Springfield, Colo., over U.S. Highways 350 and 160 serving all intermediate points and including the off-route point of the Las Animas County Airport, (2) between Denver, Colo., and Dalhart, Tex., over Interstate Highway 25 to Raton, N. Mex., U.S. Highways 64 and 87 to Clayton, N. Mex., and U.S. Highway 87 to Dalhart, Tex., serving all intermediate points, (3) between Trinidad, Colo., and Dalhart, Tex., over U.S. Highways 350, 160, and Colorado Highway 389 to the Colorado and New Mexico State line at Branson, N. Mex., over U.S. Highways 551 and 72 to Des Moines, N. Mex., over U.S. Highways 64 and 87 to Clayton, N. Mex., and U.S. Highway 87 to Dalhart, Tex., serving all intermediate points, and (4) between Trinidad and Lajunta, Colo., over U.S. Highway 350, serving all intermediate points. NOTE: If a hearing is deemed necessary, applicant requests it be held at Trinidad or Denver, Colo.

No. MC 133684 (Sub-No. 4), filed May 16, 1972. Applicant: GORDON FAST FREIGHT, INC., 605 41st Avenue, NE., Puyallup, WA 98372. Applicant's representative: Joseph O. Earp, 607 Third Avenue, Seattle, WA 98104. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Wine and other alcoholic beverages,* in packages, from Modesto, Los Gatos, and San Jose, Calif., to Everett, Wash. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Seattle, Wash.

No. MC 133788 (Sub-No. 3), filed May 26, 1972. Applicant: E Z MESSENGER SERVICE, INC., 61 Voorhis Lane, Hackensack, NJ 07601. Applicant's representative: Thomas F. X. Foley, 744 Broad Street, Newark, NJ 07102. Authority sought to operate as a *contract carrier,* by motor vehicle, over irregular routes, transporting: *Automobile accessories and parts,* in expedited service, between Mahwah, N.J., on the one hand, and, on the other, points in Orange and Westchester Counties, N.Y., for the account of Ford Motor Co. NOTE: Applicant states that it presently transports automobile accessories and parts in expedited service for Ford Motor Co., between Mahwah, N.J., on the one hand, and, on the other, New York, N.Y., and points in Bergen, Essex, and Hudson Counties, N.J.; under contract with Ford Motor Co. If a hearing is deemed necessary, applicant requests it be held at Newark, N.J., or New York, N.Y.

No. MC 133936 (Sub-No. 1), April 27, 1972. Applicant: LESCO, INC., Post Office Box 2663, Memphis, TN 38102. Applicant's representative: D. D. Brunson, 419 Northwest Sixth Street, Oklahoma City, OK 73102. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: (1) *New furniture* in cartons or containers, parts and items used and dealt in by wholesale and retail furniture merchandisers and suppliers; (2) *Premiums, prizes, displays and advertising materials,* used, distributed, or dealt in by wholesale, retail furniture merchandisers and suppliers; and (3) *agricultural commodities* otherwise exempt under section 203(b)(6) of the ICC act when moving in mixed loads with commodities set forth in (1) and (2) above, from points in Arkansas, Missouri, Mississippi, Kentucky, Louisiana, Alabama, Georgia to points in Memphis, Tenn. NOTE: Applicant states that the requested authority can be tacked with its existing authority at Memphis, Tenn. If a hearing is deemed necessary, applicant requests it be held at Oklahoma City, Okla., Dallas, Tex., Memphis, Tenn., or Washington, D.C.

No. MC 136117 (Sub-No. 1) (clarification), filed May 5, 1972, published in the FEDERAL REGISTER issue of June 1, 1972, and republished in part, as clarified this issue. Applicant: BERNARD ANDRE, 2702 West First Street, North Platte, NE 69101. Applicant's representative: Richard A. Dudden, 121 East Second Street, Post Office Box 60, Ogallala, NE 69153. The purpose of this partial republication is to show applicant's correct street address as 2702 West First Street, North Platte, Nebr. 69101, in lieu of 3702 West First Street, which was inadvertently published. The rest of the application remains as previously published.

No. MC 136279 (Sub-No. 4), filed May 15, 1972. Applicant: J. H. WARE, Post Office Box 398, Fulton, MO 65251. Applicant's representative: Dale E. Sporleder, 614 Central Trust Building, Jefferson City, Mo. 65101. Authority sought to operate as a *contract carrier,* by motor vehicle, over irregular routes, transporting: *Fresh meat* in carcasses and part carcasses and boxed meat, restricted to traffic originating at the plantsite and/or warehouse of Dugdale Packing Co., St. Joseph, Mo., to points in Illinois, Indiana, Virginia, South Carolina, Massachusetts, and New Hampshire, under contract with Dugdale Packing Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Jefferson City or Kansas City, Mo.

No. MC 136299 (Sub-No. 1), filed May 3, 1972. Applicant: HI-LINERS MATERIAL CONTRACTING, INC., 388 State Street, 303 Capitol Tower, Salem, OR 97301. Applicant's representative: Norman F. Webb, 615 Capitol Tower, Salem, Oreg. 97301. Authority sought to operate as a *contract carrier,* by motor vehicle, over irregular routes, transporting: *Powerline construction materials and supplies, assembled and disassembled powerline power units, related parts therefor, and all those incidental items* necessary to transmit power from one substation to another, including but not limited to poles, structural steel, insulators, hardware, conductors, and bolts; backhaul would consist of returning the *pallets and boxes* from the powerline construction job sites or job areas to the storage yards. Backhaul also to include *salvage steel, takedown steel and building material,* from any storage yard for said materials in points in Washington or Oregon to any powerline construction job area or job site, Oregon or Washington, and from the job area or job site on return trip to the storage yard, under contract with A. J. Valla Co. and the Wire Installation Contractors, Inc. NOTE: If a hearing is deemed necessary, applicant requests it be held at Portland, Oreg.

No. MC 136419 (Sub-No. 2), filed May 15, 1972. Applicant: WESTERN KENTUCKY TRUCKING, INC., doing business as INTERIOR TRUCK LINE, 1245 Center Street, Henderson, KY 42420. Applicant's representative: William T. Carroll, 100 St. Ann Building, Owensboro, Ky. 42301. Authority sought to operate as a *contract carrier,* by motor vehicle, over irregular routes, transporting: *Liquid feed solutions and liquid fertilizer,* in bulk, in tank vehicles, from manufacturing, storage, or supply facilities located at or near Henderson, Ky., and Vincennes and Mount Vernon, Ind., to points in Illinois, Indiana, and Kentucky, under contract with Supersweet Feeds, a division of International Multifoods Corp and the Royster Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Owensboro or Louisville, Ky.

No. MC 136680, filed May 1, 1972. Applicant: E. H. STRALOW, 101 East Morris Street, Morrison, IL 61270. Applicant's representative: Lester S. Weinstine, Morrison, Ill. 61270. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Coke*, between Sterling, Ill., and Gary, Ind., under contract with Northwestern Steel & Wire Co., Sterling, Ill. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 136688, filed May 5, 1972. Applicant: GRACE SCHNITKER AND MICHAEL E. SCHNITKER, a partnership, doing business as SCHNITKER TRUCK LINES, Post Office Box 155, Arenzville, IL 62611. Applicant's representative: George B. Gillespie, 217 South Seventh Street, Springfield, IL 62701. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lumber and forest products*, between Beardstown and Arenzville, Ill., to and from points in Iowa, Missouri, Kentucky, Tennessee, Wisconsin, Indiana, Arkansas, Michigan, and Nebraska. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo., or Chicago, Ill.

No. MC 136704, filed May 8, 1972. Applicant: KENNETH FRANKLIN WAGNON, LILIAN ANN WAGNON AND KENNETH DAVID WAGNON, a partnership, doing business as KENNETH F. WAGNON TRUCKING CONTRACTOR, 84774 North Cloverdale Road, Creswell, OR 97426. Applicant's representative: Kenneth F. Wagnon (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Rough handle stock*, between Cascade Handle Co.; located at Eugene, Oreg., and Weyerhaeuser plant, located at Longview, Wash. NOTE: If a hearing is deemed necessary, applicant requests it be held anywhere in Oregon.

No. MC 136705, filed May 4, 1972. Applicant: MINARD DeJONG, doing business as MIC-WAYS COMPANY, 515 Naylor Avenue, SW., Grand Rapids, MI 49509. Applicant's representative: J. M. Neath, Jr., 900 One Vandenberg Center, Grand Rapids, Mich. 49502. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Rough and finished construction lumber, rough and finished plywood, building products* made of pulp and lumber, and *steel roofing and formed plastic and accessories related to the construction of steel roofing and formed plastic*, from the plant and warehouse sites of Marquette Lumbermen's Warehouse, Inc., at Grand Rapids, Mich., and Marquette Saginaw Warehouse, Inc., at Saginaw, Mich., to points in Lake, Porter, La Porte, St. Joseph, Elkhart, Lagrange, Steuben, Hamilton, and Marion Counties, Ind., restricted to the traffic originating at such plant and warehouse sites and destined to points within the destination territory. NOTE: If a hearing is deemed necessary, applicant requests it be held at Lansing, Mich., Chicago, Ill., or Washington, D.C.

No. MC 136706, filed May 4, 1972. Applicant: CO-OP CARTAGE COMPANY, a corporation, 1701 North Delaware Avenue, Philadelphia, PA 19125. Applicant's representative: Ronald N. Cobert, 1730 M Street NW., Washington, DC 20036. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Phonograph records, tapes, cassettes, and accessories thereof*, between Washington, D.C., on the one hand, and, on the other, points in Delaware, Maryland, New Jersey, and Pennsylvania. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 136718, filed May 15, 1972. Applicant: GLENN'S, INC., Post Office Box 426, Arcadia, IN 46030. Applicant's representative: Donald W. Smith, 900 Circle Tower, Indianapolis, Ind. 46204. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *New furniture*, from Cicero, Ind., Geneva, Ill., and Columbus, Wis., to points in Indiana, Illinois, Wisconsin, Minnesota, Missouri, Ohio, West Virginia, Kentucky, Tennessee, Pennsylvania, Michigan, and Omaha, Nebr., under contract with Harris Pine Mills. NOTE: If a hearing is deemed necessary, applicant requests it be held at Indianapolis, Ind., or Chicago, Ill.

No. MC 136748, filed May 16, 1972. Applicant: MILTON K. MORRIS, INC., Post Office Box 98, Swedesboro, NJ 08095. Applicant's representative: James H. Sweeney, 850 Charles Street, Gloucester, NJ 08030. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Carbonated beverages*, from Philadelphia, Pa., to New York and Long Island City, N.Y., Baltimore and Fort Hoyle, Md., points in Delaware, those points in that part of New Jersey south of a line extending through Trenton, Princeton, Paterson, Newark, and Jersey City, N.J., and those in that part of New York south of a line extending through Troupsburg, Hornell, Hammondsport, Watkins Glen, Ithaca, Courtland, Oxford, Sidney and Deposit, N.Y.; (2) *empty containers*, from the above-specified destinations to Philadelphia, Pa.; (3) *groceries*, from Philadelphia, Pa., to Baltimore, Md., and to points in New Jersey, with no transportation in the reverse direction; (4) *canned goods*, from points in that part of Maryland east of the Chesapeake Bay to Philadelphia, Pa., with no transportation in the reverse direction; (5) *nonalcoholic beverages*, from Philadelphia, Pa., to points in New Jersey, Delaware, and Maryland within 75 miles of Philadelphia, Pa.; (6) *empty beverage containers*, from the above-specified destination points to Philadelphia, Pa.

(7) *General commodities*, between points within the territory bounded by a line beginning at Phillipsburg, N.J., and extending through Clinton, Flemington, Jamesburg, and Cassville, N.J., to High Point, N.J., thence south of Cape May, N.J., thence along the north and east shoreline of Delaware Bay and the Delaware River to Pennsville, N.J., thence across the Delaware River to New Castle, Del., thence west to the Delaware-Maryland State line at a point west of Glasgow, Del., thence north along the Delaware-Maryland State line to point of intersection with the Pennsylvania-Maryland State line, thence west along the Pennsylvania-Maryland State line to the east bank of the Susquehanna River, thence north and west along the east bank of the Susquehanna River to West Nanticoke, Pa., thence through Tunkhannock, Nicholson, Forest City, Honesdale, and Porters Lake to Delaware Water Gap, Pa., thence along the west bank of the Delaware River to Easton, Pa., and thence across the Delaware River to Phillipsburg, N.J., including the points named. Between points in the above-specified territory, on the one hand, and, on the other, New York, N.Y., Newark, N.J., Washington, D.C., and Baltimore and Bel Air, Md., and the canning district in the vicinity of Aberdeen, Md.; (8) *fruits*, from points in New Jersey, Pennsylvania, Delaware, New York, and Maryland, to points in the territory specified in the second paragraph above, with no transportation on return except as otherwise authorized. NOTE: Applicant holds contract carrier authority under MC 91811, therefore, dual operations and common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Philadelphia, Pa., or Washington, D.C.

MOTOR CARRIER OF PASSENGERS

No. MC 130104 (Sub-No. 1), filed April 17, 1972. Applicant: NORTH AMERICAN TOUR-A-CAMP, INC., doing business as: TOUR-A-CAMP, Rockland County YMCA, South Broadway, Nyack, N.Y. 10960. For a license (BMC–5) to engage in operation as a broker at Rockland County, Nyack, N.Y., in arranging for transportation in interstate or foreign commerce of *passengers and their baggage*, in all-expense tours, beginning and ending at points in Rockland County, N.Y., and extending to points in the United States (including Alaska and Hawaii).

APPLICATION FOR BROKERAGE LICENSE

No. MC 130169, filed May 15, 1972. Applicant: CHARLES EUGENE HAYDEN AND GEORGE ALLEN WILCOX, a partnership doing business as SUNSET TOURS TRAVEL SERVICE, 12550 Southwest Farmington Road, Beaverton, OR 97005. For a license (BMC–5) to engage in operations as a *broker* at Beaverton, Oreg., in arranging for the transportation by motor vehicle, in interstate or foreign commerce, of passengers and their baggage, in all expense charter operations, beginning and ending at points in Oregon and Washington and extending to points in the United States.

APPLICATIONS FOR FREIGHT FORWARDERS

No. FF-95 (Sub-No. 7) (LIFSCHULTZ FAST FREIGHT, INC., EXTENSION—BURNS HARBOR), filed May 30, 1972. Applicant: LIFSCHULTZ FAST FREIGHT, INC., 28 North Franklin Street, Chicago, IL 60606. Applicant's representative: Hylan Cooper, 450 Seventh Avenue, New York, NY 10001. Authority sought under section 410, Part IV of the Interstate Commerce Act, for a permit to extend operation as a freight forwarder, in interstate or foreign commerce, through use of the facilities of common carriers by railroad, water, air, and motor vehicle in the transportation of: *Windshield wipers and parts, sprayers, cabinets, display racks or stands, soap, cleaning compounds, solvents, hose, rubber or fabric, bathroom and lavatory fixtures, plastic articles, motor fuel additives, chest or boxes, fishing tackle or tool,* between Burns Harbor, Ind., and points in Maryland, Pennsylvania, and points in the United States north and east thereof and points in Minnesota, Texas, and California.

No. FF-416 (IMPERIAL CARRIERS, INC., FREIGHT FORWARDER APPLICATION), filed May 22, 1972. Applicant: IMPERIAL CARRIERS, INC., 151 Oliver Street, Newark, NJ 07105. Applicant's representative: Charles E. Creager, Suite 523, 816 Easley Street, Silver Spring, MD 20910. Authority sought under section 410, Part IV of the Interstate Commerce Act for a permit authorizing applicant to institute operation as a freight forwarder in interstate or foreign commerce, through use of the facilities of common carriers by air, express, motor, railroad, and water in the transportation of: *General commodities,* between points in the United States restricted to shipments having a prior or subsequent movement by air.

No. FF-417 (CF AIR FREIGHT, INC., FREIGHT FORWARDER APPLICATION), filed May 23, 1972. Applicant: CF AIR FREIGHT, INC., 1700 South El Camino Real, Suite 201, San Mateo, CA 94402. Applicant's representative: Eugene T. Liipfert, Suite 1100, 1660 L Street NW., Washington, DC 20036. Authority sought under section 410, Part IV of the Interstate Commerce Act, for a permit to institute operation as a freight forwarder, in interstate or foreign commerce, through use of facilities of common carrier by motor vehicle in the transportation of: *General commodities,* between points in the following territory or territories: 48 contiguous States of the United States and the District of Columbia. Restriction: No shipment may be transported which does not have a prior or subsequent move in the air freight forwarding service of the applicant.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.72-8971 Filed 6-14-72;8:45 am]

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federal register

THURSDAY, JUNE 15, 1972
WASHINGTON, D.C.

Volume 37 ■ Number 116

PART II

COMPTROLLER GENERAL

■

Federal Campaign Funds

■

Limitations on Spending and Disclosure of Contributions and Expenditures

COMPTROLLER GENERAL

FEDERAL CAMPAIGN FUNDS

Limitations on Spending for Communications Media; Disclosure of Contributions; Expenditures by Candidate and Political Committees

Introduction. The Federal Election Campaign Act of 1971, approved by the President February 7, 1972, represents a major departure from previous legislation governing Federal elections. The Act, effective April 7, 1972, for the first time imposes dollar limitations on spending by candidates for use of communications media. In addition, it requires full disclosure of contributions and expenditures by candidates, political committees, and others.

The law requires the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives to make political committee statements of organization and all financial reports filed by candidates, political committees, and other persons available for public inspection and copying no later than the end of the second day after receipt. Further, it requires that the three supervisory officers prepare annual compilations of campaign contributions and expenditures for dissemination. It is essential, therefore, that the statements and financial reports be filed by the required dates and that they contain complete and accurate data.

We anticipate that candidates, political committees, and other persons affected by the Act will have questions concerning its provisions. We have, therefore, prepared this booklet to assist them and others in understanding the law, regulations, and related reporting requirements. This booklet represents the first revision to the one issued in March 1972.

As additional questions are received and experience is gained in supervising the activities for which the Comptroller General of the United States is responsible under the law, this booklet will be revised to maintain its usefulness. Accordingly, we encourage you to submit your questions and recommendations regarding the administration of the law to the Office of Federal Elections in the General Accounting Office.

[SEAL] ELMER B. STAATS,
Comptroller General of the United States.

JUNE 1972.

GENERAL INFORMATION

1. Who is responsible for administering the provisions of the Act pertaining to statements of registration and reports of receipts and expenditures of campaign funds?

The Act designates three "supervisory officers" to administer title III of the Act covering disclosure of funds contributed and spent for campaigns for Federal elective office. The supervisory officers are:

a. "Secretary of the Senate" with respect to candidates for the Senate.

b. "Clerk of the House of Representatives" with respect to candidates for Representative in, or Delegate or Resident Commissioner to, the House of Representatives.

c. "Comptroller General of the United States" with respect to candidates for President and Vice President and in other cases.

The questions and answers contained in this booklet generally apply only to those matters for which the Comptroller General is responsible.

2. How will questions be resolved regarding the interpretation of the requirements in the Act for which the Comptroller General is responsible?

Questions regarding matters for which the Comptroller General is responsible as supervisory officer should be submitted in writing. The Comptroller General will issue interpretive rulings, advisory opinions, and additional rules and regulations as may be required. Questions should be addressed to:

Director, Office of Federal Elections, U.S. General Accounting Office, 441 G Street, NW., Washington, DC 20548, Telephone: 202-386-6411.

3. How can copies of the regulations, political committee registration forms, and financial report forms be obtained?

These may be obtained by writing or calling the Office of Federal Elections or GAO field offices (Appendix VII).

4. During what hours will the Office of Federal Elections be open for business?

The Office will be open from 9 a.m. to 5 p.m., Monday through Friday, except Federal holidays. During the period immediately after preelection and preconvention reports have been received, the Office may, if necessary, also be open for business on Saturdays from 9 a.m. to 5 p.m.

5. Will copies of statements of organization and reports of receipts and expenditures filed by candidates and political committees be available from the General Accounting Office (GAO)?

Yes. Statements and reports filed will be available for public inspection and copying at the Office of Federal Elections in the GAO. Requests for copies can be made in person or in writing. Copies will be made available at a prescribed charge. Persons submitting requests for copies by mail will be billed for the cost of mailing in addition to the cost of producing the requested copies.

NOTE: The law states that information obtained from the reports and registration statements is not to be sold or used for the purpose of soliciting contributions or for any commercial purpose.

6. Will copies of statements and reports filed by political committees be printed and made available for sale to the public?

Yes. Copies of the statements of organization and all reports of receipts and expenditures filed by each political committee during the calendar year will be printed by the Public Printer and sold to the public by the Superintendent of Documents. The Comptroller General is required to compile and furnish to the Public Printer by March 31 each year an annual report for each political committee containing copies of all reports filed, together with a copy of the statement of organization. The reports should be available to the public within a reasonable time after that date.

7. Will copies of statements of organization and reports of receipts and expenditures filed with State officers be available for public inspection and copying?

Yes. The law requires that they be made available no later than the end of the day received. A charge will be made for copies furnished. A list of State officers receiving copies of statements and reports is included in Appendix VIII.

8. Is there a legal limit on the amount which individuals may contribute to a candidate or political committee?

There is no legal limit on the amount that individuals may contribute to a candidate or political committee. There are limitations, however, on expenditures which a candidate for Federal elective office may make from his personal funds or the personal funds of his immediate family.

The legal limits are:

a. $50,000 for a candidate for the Office of President or Vice President.

b. $35,000 for a candidate for the office of Senator.

c. $25,000 for a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the House of Representatives.

The candidate's immediate family includes the candidate's spouse, and any child, parent, grandparent, brother, or sister of the candidate, and their spouses. These limitations are contained in title II of the Act as an amendment to title 18 of the United States Code.

9. May a political committee organize and operate on behalf of a candidate without his authorization?

Yes. Under title III of the Act any political committee which is not authorized by the candidate in writing is required to include a notice on the face or front page of all campaign literature and advertisements that the committee is not authorized by the candidate and that the candidate is not responsible for the activities of the committee. In addition, a committee needs the candidate's written authorization to spend money on his behalf for use of communications media (television, radio, CATV, newspaper and magazine advertising, and outdoor advertising).

STATEMENTS OF ORGANIZATION OF POLITICAL COMMITTEES

1. Who is required to register with the Comptroller General under the Federal Election Campaign Act of 1971?

Every political committee which anticipates receiving contributions or making expenditures during a calendar year of more than $1,000 in support of candidates for Federal elective office, any portion of which will be expended for or on behalf of candidates for the office of President or Vice President of the United States, is required to file a Registration and Statement of Organization with the Comptroller General. (See Appendix I,

p. 28, for definitions of "political committee," "contribution," and "expenditure.")

2. Does a committee which supports State or local candidates and which does not anticipate receiving or spending more than $1,000 for the purpose of supporting candidates for Federal elective office have to register with a supervisory officer?

No. The three supervisory officers have agreed on the criteria for filing a statement of organization. If the committee does not anticipate receiving or spending more than $1,000 in support of candidates for Federal elective office (President, Senator, or Representative), it need not register with any of the three supervisory officers.

3. When are political committees required to register?

A statement of organization is required to be filed within 10 days after its organization or within 10 days after the committee has information which causes it to anticipate receiving contributions or spending over $1,000, whichever is later. Since, however, many committees met this criteria by April 7, 1972, the effective date of the Act, they were required to file a registration statement by April 17, 1972.

4. Is there a specific form to be used by political committees supporting candidates for President and Vice President in filing statements of organization?

Yes. Comptroller General Election Form 1 (Appendix I) is to be used in filing a statement of organization. This form may be obtained from the Office of Federal Elections, U.S. General Accounting Office, 441 G Street, NW., Washington, DC 20548, or from GAO field offices listed in Appendix VII.

5. If a political committee expects to receive contributions or make expenditures for candidates for the Senate or House of Representatives, in addition to the Office of President, are separate statements of organization required to be filed?

Yes. If the political committee expects to receive contributions or make expenditures in excess of $1,000 in support of candidates for Federal elective office, any portion of which will be expended for or on behalf of candidate(s) for Senator or Representative, registration statements should be filed, as appropriate with the:

Secretary of the Senate, Room S–221, Capitol Building, Washington, D.C. 20510.
and/or
Clerk of the House of Representatives, Room 1036, Longworth House Office Building, Washington, D.C. 20515.

Registration forms may be obtained from those offices.

6. After filing a Registration Form and Statement of Organization with one or more supervisory officers, will a committee necessarily be required to file reports of receipts and expenditures?

No. The criteria for filing registration statements (see questions 1 and 2 above) and reports of receipts and expenditures (see question 1, p. 7) are different. The three supervisory officers have agreed upon the criteria for each of the two separate filing requirements. A committee which has filed a statement of organization with the Comptroller General or other supervisory officers may be relieved of reporting receipts and expenditures if it meets the established criteria for waiver. (See question 3, p. 7.)

7. How is information included in registration statements changed? For example, how is a change in the position of chairman or treasurer for a political committee to be reported?

If the change involves, for example, only a change in the name of the chairman or treasurer, it may be reported by letter. The notification should identify the name of the political committee, address, and registration number in addition to the names of the old and new officers. If the changes are extensive, revised registration statements should be filed.

8. The statement of organization must include the names, addresses, and relationships of affiliated or connected organizations. What is meant by the term "affiliated or connected organizations"?

Affiliated or connected organizations includes but is not limited to (1) an organization which organized the reporting committee primarily for the purpose of influencing the nomination or election of candidates for Federal office, (2) an organization whose primary purpose is to support the reporting committee, or (3) an organization whose membership is generally similar to that of the reporting committee.

9. How will the Office of Federal Elections insure that reports of receipts and expenditures from committees with identical or similar names will be handled properly?

As statements of organization of committees are received, the committees will be assigned registration numbers for identification purposes. Committees will be notified of the registration number which should be placed in the box provided on Comptroller General Election Form 3.

Reporting of Receipts and Expenditures by Candidates, Political Committees, and Other Persons

1. Who is required to file reports of receipts and expenditures of campaign funds for Federal elective office with the the Comptroller General of the United States?

Periodic reports are required to be filed by:

a. Every candidate for nomination or election to the Office of President or Vice President of the United States.

b. Every political committee (by its treasurer) which is required to file a Registration and Statement of Organization form with the Comptroller General unless specifically relieved of the reporting obligation by the Director, Office of Federal Elections, after review of the Statement of Organization.

c. Any person (other than a candidate or political committee) who makes contributions or expenditures on behalf of a candidate for the Office of President or Vice President, other than by contribution to a candidate or political committee, in excess of $100 during a calendar year.

2. Does the term "person or persons" when used to identify those required to file reports of receipts and expenditures (in addition to candidates and political committees) refer only to individuals?

No. The term "person" as defined by the law means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons.

3. Under what conditions can a political committee which has filed a statement of organization be relieved of filing reports of receipts and expenditures with the Comptroller General?

Reporting of receipts and expenditures will be waived if:

a. The committee is a local, city, or county committee and does not conduct its activities throughout the State or in any other State; and

b. The committee primarily supports persons seeking State or local office; and

c. The committee does not make contributions or expenditures, including transfers of funds to any other political committee, in support of a candidate for nomination or election to the Office of President or Vice President of the United States in an aggregate amount exceeding $1,000 in a calendar year. A contribution or expenditure in support of a candidate for Vice President is considered to be made on behalf of the candidate for President with whom he is running.

4. Is there a specific form to be used by candidates, political committees, and other persons in filing reports of receipts and expenditures of Federal campaign funds?

Yes. Comptroller General Election Form 2 is to be used by candidates for the Offices of President or Vice President; Comptroller General. Election Form 3 is to be used by political committees and other persons. The forms may be obtained from the Office of Federal Elections, and field offices of the U.S. General Accounting Office. The forms contain instructions regarding the information and data required to be reported. (See Appendixes II, III, and IV.)

5. Is a candidate for presidential nomination required to file preelection reports before a primary in which he makes no expenditures?

Yes. As long as he is a candidate (as defined in section 301(b) of the Act) in a primary election, he must file 15- and 5-day preelection reports, even if he has not received contributions or made expenditures in connection with the primary. In this case, a negative report should be filed. However, his supporting committees do not have to file if they have not made any contributions or expenditures for the purpose of influencing the result of the particular primary.

6. How many copies of the Report of Receipts and Expenditures (Comptroller General Election Forms 2 or 3) should be filed by candidates, political committees, and other persons with the Office of Federal Elections and the appropriate State officer?

a. An original is required to be filed with the Office of Federal Elections.

(This may be hand delivered or sent in preprinted return envelopes supplied by the Office of Federal Elections. The special envelopes request priority handling by the U.S. Postal Service.)

b. One copy is required to be filed with the Secretary of State or other appropriate State officer of each State or other jurisdiction in which an expenditure is made in connection with a presidential candidate's campaign for nomination or election. (See Appendix VIII for list of State officers.)

7. When do reports of receipts and expenditures have to be filed by candidates, political committees, and other persons?

Reports are required to be filed on March 10, June 10, September 10, and January 31 for each calendar year and on the 15th and fifth days next preceding each presidential primary (see list in Appendix VI), general election, and national nominating convention. Reports by candidates and political committees must be cumulative and cover the period from the closing date of the previous report filed. A committee must continue reporting its debts and obligations until extinguished. Reports filed by other persons under section 305 of the Act need not be cumulative and are required to be filed only for periods during which independent contributions or expenditures are made.

8. Would it be acceptable for a political committee supporting candidates for both (1) Federal elective office and (2) State and local offices to establish separate funds for each to simplify reporting of receipts and expenditures?

Yes. A committee of this nature could establish a separate "Federal Candidates Fund" for which specific solicitation would be made and which would be available only for the support of Federal candidates. If this method is used, steps should be taken to make certain that there is not free interchangeability between the two funds.

The recommended alternative, however, would be to arrange for the establishment of a separate affiliated committee which would receive contributions in behalf of the candidates for Federal elective office, thus separating organically the committee in support of State and local candidates and the one for Federal office candidates and facilitating compliance with the reporting requirements.

9. What is the time schedule for closing the books and for filing preelection reports of receipts and expenditures?

The reports due on the 15th day before an election must be complete as of midnight of the 22d day before the election. The reports due on the fifth day must be complete as of midnight of the 12th day before the election. These reports must either (1) be delivered by hand to the Office of Federal Elections by midnight of the due date or (2) be deposited as certified airmail (certified regular mail within 500 miles of Washington, D.C.) in an established U.S. post office by midnight of the second day before the due date.

For example, in the general election on Tuesday, November 7, 1972, the report due 5 days before the election must be hand delivered by midnight, Thursday, November 2, or mailed by midnight, Tuesday, October 31. In either event the closing date for the report is midnight, Thursday, October 26.

10. What information is required to be reported for each contributor of an aggregate amount in a calendar year in excess of $100?

a. Full name of contributor. (Name usually used for business purposes.)

b. Residence mailing address, including ZIP code.

c. Occupation.

d. Principal place of business, if any.

e. Amount.

The occupation should be identified by the title, if any, or type of work. The principal place of business should be identified by the full name of the contributor's employer or organization if self-employed, and city of employment or self-employment.

If any of the identifying items should change during the calendar year, the exact name and address previously used should be shown in any subsequent entry, as well as the new information.

11. If several contributions of less than $100 are received from a contributor which aggregate more than $100 during the calendar year, is it necessary to report his name, address, and other required information?

Yes. Special instructions are contained on Schedule A on how these situations are to be accounted for and reported.

12. How are receipts from fundraising events, including mass collections made at these events, to be reported?

These receipts are to be reported on Schedule B which requires the following information: Date of the event, type of event, amount from sale of tickets, and amount from mass collections.

13. If a person purchases a number of tickets for a political dinner, luncheon, or rally for distribution without reimbursement and the total of the tickets purchased is more than $100, is this reported as an itemized contribution?

Yes. Schedule A is to be used to list the pertinent information regarding the contributor and the contribution. Itemization is also required if a person purchases tickets for fund-raising events which aggregate more than $100 (1) during the reporting period or (2) during the calendar year to the reporting date.

14. How are proceeds from an auction of art works or other items of value for the benefit of a political campaign to be reported?

The total proceeds received from an auction or similar type of fund-raising event should be reported on Schedule B. The purchase of art works or other items at such an event is considered to be a contribution (similar to the purchase of tickets) by the purchaser and not by the artist. The total proceeds from such sales should be reported on item 1, Schedule B, and supported by a separate Schedule A showing the date, name, address, occupation, and principal place of business of each person or organization making purchases in an aggregate amount in excess of $100 at the event.

15. How are debts owed to or by a committee to be reported?

All debts owed to the committee and by the committee at the close of each reporting period must be reported on Schedule E. The remaining balances of the debts must continue to be reported until they are extinguished. For reporting purposes, a debt is considered to be incurred at the time of delivery of money, goods, or services.

16. How are receipts from the sale of such items as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar material to be reported?

These receipts are to be reported on Schedule B in total for each reporting period.

17. How are advances of funds, made by a candidate or political committee to provide ready cash to someone for the performance of a political campaign function, to be reported?

An advance when made to someone for a specific purpose, such as for travel, lodging, and meals, can be treated as a regular expenditure. If the advance is in excess of $100, it should be itemized on Schedule D and described, for example, as an "Advance for Travel." Adjustments may be made to the expenditure accounts, if warranted, when the accounting is made of the use of the advanced funds.

Advances for the purpose of covering anticipated expenditures for use of communications media, such as to an advertising agency, require special treatment in view of the expenditure limitations imposed by the law. In this case, the detail specifying how much was actually spent for radio, television, newspaper advertising, etc., should be included in the periodic report (Schedule C) if the information is available before the end of the report period. If not availabe before that time, the detail should be submitted in a separate letter that will be attached to the relevant report containing the original advance payment.

18. Do debts, obligations, contracts, agreements, or promises to make contributions or expenditures need to be reported to the Office of Federal Elections?

These need not be reported in advance of actual payment unless they are made in writing and exceed the amount of $100. Those in existence prior to April 7, 1972, need not be itemized, but the total outstanding amounts are required to be reported.

19. Is a report required to be filed when a political committee disbands?

Yes. Any committee which previously filed a statement of organization is required to notify the Comptroller General when it disbands. The notification should include a statement as to the disposition of residual funds or debts.

20. Are any expenditures made before April 7, 1972, required to be reported?

Yes. If an expenditure is made before April 7, 1972, for the use of communications media after that date, it must be reported and charged against the candidate's limitation applicable to the election in which used. Other contributions received or expenditures made before April 7, 1972, need not be reported.

21. Are contributions received by county or other local committees by checks which are endorsed over to State or national committees reportable by both committees?

If the check is made out to the county or other local committee and endorsed by it to a State or national committee, it would be a transfer of funds between committees. These would have to be reported by both committees involved. If a check received by a county or other local committee is made out to a State or national committee, it could be accepted and turned over to the payee committee without being endorsed or reported by the county or local committee. In this case, the payee committee is required to report the amount of checks turned over to its as contributions, itemizing those over $100.

22. The law defines contributions, to mean, among other things, a gift, subscription, loan, advance, a deposit of money, or "anything of value." How should the dollar value of contributions in kind (anything of value) be determined for reporting purposes?

The dollar value of contributions in kind should be determined by the contributor. It should be the fair market value of the item contributed; i.e., the value of the item if it were to be purchased or sold. The candidate or political committee receiving the contribution, however, should question the value placed on an item if it appears unreasonable. Contributions in kind must be reported on Schedule A appropriately labeled.

23. Is it acceptable to submit required reports of contributions and expenditures on computer tapes or disks?

Since the Comptroller General is required to make reports filed available for public inspection and copying no later than the second day after receipt, it is necessary that printed copies of the report be filed. The Office of Federal Elections, however, may find the computer tapes or disks helpful in preparing the yearly compilation reports. The use of them, therefore, should be offered to the Office of Federal Elections. Where printed reports are made with the use of a computer, the reports should provide the same information and in the same format required by the report forms.

24. The law requires that any contribution of $5,000 or more received after the closing date for the last report filed by a political committee, but prior to a primary, general, or other election, shall be reported within 48 hours after its receipt. Do transfers between political committees have to be reported under this requirement?

Yes. The definition of contribution contained in section 301 of the law includes "a transfer of funds between political committees." Reports of $5,000 contributions during the required period should be filed in person or by telegram. Other items included in the definition of "contribution" are:

a. A gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing a nomination or election of a person for Federal elective office.

b. A contract, promise, or agreement, whether or not legally enforceable, to make a Federal campaign contribution.

c. The payment by any person (other than a candidate or political committee) of compensation for the personal services rendered to a candidate or committee without charge to them.

25. Who is required to file reports on national conventions?

Committees or organizations which:

a. Represent a State (or a political subdivision thereof) or any group of persons in dealing with national party officials with respect to a nominating convention.

b. Represent a national party in making arrangements for a nominating convention.

The reports must be made within 60 days following the convention (but not later than 20 days prior to the date of the general election) on forms prescribed by the Office of Federal Elections. The reports should show the sources from which the committee or organization derived its funds, and the purposes for which the funds were expended.

26. To what extent are delegates' expenditures related to a convention of a national political party to nominate a candidate for the Office of President and Vice President reportable to the Office of Federal Elections?

Expenditures of individual delegates in an aggregate amount in excess of $100 within the calendar year are reportable under section 305 of the Act which applies to reports by other than political committees. Reportable expenditures include those made for the purpose of influencing other delegates to vote for the nomination of a particular candidate for President or Vice President. Expenditures for personal needs related to a convention, such as for travel, lodging, and food, are not required to be reported.

27. Is it necessary for political committees supporting more than one candidate to identify each expenditure as having been made for or on behalf of a particular candidate for Federal elective office?

In case of expenditures for purposes other than for communications media, the expenditure should be identified as on behalf of an individual candidate only if it is a transfer of funds directly to a candidate or to a one-candidate committee, or is otherwise identifiable as an expenditure specifically for or in support of a particular candidate. See Question No. 14 on page 20 for the rule on allocating communication media costs.

28. To what extent is the candidate, treasurer of a political committee, or other person filing a report of receipts and expenditures responsible for the information and data contained in it?

The person signing a report is required to make an oath or affirmation regarding the contents of the report which, in effect, makes the signer personally responsible for the accuracy and completeness of any information included in the report. The signer will be subject to criminal penalties if any willfully false or fraudulent statements or representations are included in the reports.

29. What are the penalties provided by the law for violation of title III regarding disclosure of campaign funds?

Under section 311(a) of the Act, a person who is convicted of violation of any provision of title III can be fined (not more than $1,000) or imprisoned (not more than 1 year), or both.

Communications Media Rates

1. Who is responsible for administering the provisions of the Federal Campaign Act pertaining to charges for use of communications media?

The Federal Communications Commission has this responsibility for charges relating to the use of broadcasting stations. (See Guidelines of the Federal Communications Commission.) The Comptroller General of the United States has this responsibility for charges relating to the use of newspapers and magazines.

2. How will a candidate know if he is being charged the correct amounts for use of broadcasting facilities, newspapers, or magazines for campaign purposes?

The broadcasting stations, newspapers, and magazines are required to make information available which will disclose their rate structures. During the 45-day period preceding a primary and during the 60-day period preceding the general election, the law limits charges for broadcasting to the lowest unit charge of the station for the same class and amount of time for the same period. At other times, broadcasting stations are limited to the charges made for comparable use of such station by other users.

Newspaper and magazine charges for campaign use may not exceed the charges made for comparable use of such space for other purposes. The law does not provide for any regulation of the charges for campaign use of outdoor advertising or telephones.

3. If a candidate, in connection with his campaign for nomination or election to a Federal elective office, believes that he has been charged an excessive amount by a broadcasting station, what action may he take?

The Federal Communications Commission has the responsibility to prescribe regulations for section 103(a) pertaining to charges for use of broadcasting stations. The candidate, therefore, may file a complaint with the FCC alleging that the broadcasting station has violated section 103(a) of the Act.

4. If a candidate for President or Vice President or for the Senate or House of Representatives believes that he has been charged for space in a newspaper or magazine an amount exceeding the charges made for comparable use of such space for other purposes, what action may he take?

The Comptroller General has the responsibility with respect to newspapers

and magazines. The candidate may file a complaint with the Office of Federal Elections alleging that the newspaper or magazine has violated section 103(b) of the Act. After an investigation, if it is believed that a violation has occurred, the matter will be referred to the Attorney General. Before filing a complaint, however, the candidate should make reasonable efforts to resolve the difference. If a complaint is filed, a copy should be sent to the newspaper or magazine involved in the complaint.

5. If questions arise on spending for the use of communications media by candidates or on behalf of candidates for Federal elective office, how can the answers to them be determined.

By writing or calling:

Office of Federal Elections, U.S. General Accounting Office, 441 G Street NW., Washington, D.C. 20548, Telephone: 202—386-6411.

LIMITATIONS ON CANDIDATES' EXPENDITURES FOR COMMUNICATIONS MEDIA

1. How are the amounts which legally qualified candidates for Federal elective office may spend for use of communications media in political campaigns determined?

The general spending limitation is 10 cents times the voting age population of the geographical area (district, State, or Nation) in which the election is held, or $50,000, whichever is greater. A separate limitation applies to each election. The allowable amount thus determined is increased by the percentage increase, if any, in the Consumer Price Index for the year preceding the election over the base year of 1970. The percentage increase for 1971 is 4.3 percent, thus increasing the $50,000 amount during 1972 to $52,150, and increasing the 10 cents per voting age resident during 1972 to 10.43 cents.

A candidate for presidential nomination may spend in any State the amount allowable to a candidate for U.S. Senate from such State. In the general election a presidential candidate may spend nationwide a total amount equal to 10 cents times the combined voting age population of the Nation, as increased by the price index.

Appendix V shows the computed limitations on candidates' expenditures for communications media for calendar year 1972.

2. How are the voting age population statistics determined?

On or before April 7, 1972 (during the first week in January in future years), the Secretary of Commerce will provide and certify to the Comptroller General and publish in the FEDERAL REGISTER an estimate of the voting age population of each State and congressional district. These estimates will be the basis for determining the total amount that can be spent for communications media.

For calendar year 1972 the Secretary of Commerce has certified to the Comptroller General estimates of the voting age population of (1) the Nation and (2) each State as of July 1, 1971. He advised that he was unable to furnish an estimate for each congressional district because a number of States were still redistricting or their redistricting was in litigation. However, he certified that in no case was the estimated voting age population included or likely to be included in any congressional district for the 93d Congress in excess of 500,000, except for the District of Columbia and the Commonwealth of Puerto Rico for which he has certified the voting age populations. The certified estimates of voting age populations are shown in Appendix V.

3. Are there any other limitations that apply to spending for use of communications media?

Yes. Of the total amount that candidates for President or Congress are authorized to spend for use of communications media, they may spend up to 60 percent for use of "broadcasting stations." Broadcasting stations are TV and radio stations and CATV systems. Other communications media are newspapers, magazines, outdoor advertising facilities, and telephones under certain conditions. Tables showing the expenditures authorized to be made by candidates for communications media are included in Appendix V and are available from the Office of Federal Elections.

4. Will records be kept by the supervisory officers which will disclose whether candidates have exceeded the expenditure limitations for communications media?

The supervisory officers will periodically receive financial reports on all contributions and expenditures from candidates and political committees. However, it is the responsibility of each candidate for Federal elective office to maintain accurate and complete records of expenditures for communications media for use in controlling expenditures and making sure that limitations are not exceeded. Also, the supervisory officer in auditing as required by the Act may, at any time, call upon the candidate to furnish a complete listing and documentation of communications media expenditures for verification, including their allocation among the States.

5. If a candidate decides to spend for communications media less than his overall limitation, will this in any way affect the candidate's broadcasting limitation? For example, if a candidate has available $40,000 to spend on communications media and his overall spending limitation is $60,000, is his broadcasting spending limitation $24,000 (60 percent of $40,000) or $36,000 (60 percent of $60,000)?

The candidate may spend for broadcasting purposes up to 60 percent of his overall limitation for communications media. In the example above, the candidate can spend up to $36,000 for use of broadcasting stations.

6. For purposes of determining the communications media expenditure limitations, is each primary, general, special, and runoff election treated separately?

Yes. A new expenditure limitation is applicable to each separate election. No amount is carried over from one election to another.

7. What is the period for determining the media expenditure limitation for candidates for presidential nomination?

The period begins on the date when the candidate (or anyone on his behalf) first makes a campaign expenditure. The period ends on the date when his party nominates a presidential candidate. In future years, the period will begin not earlier than January 1 of the election year.

8. Are communications media expenses charged against the candidate's expenditure limitations at the time the medium is used or at the time of payment?

Communications media expenses are to be charged against the limitation applicable to the election in connection with which the medium is used, regardless of the date of any contract or promise or when payment is made. Therefore, commitments and expenditures made for the use of media on or after April 7, 1972, are required to be charged against limitations applicable to elections held after that date. No charges need be made against the limitations if the use preceded April 7, 1972.

9. How will a newspaper, magazine, or outdoor advertising company know whether a candidate is exceeding his expenditure limitation for communications media?

The candidate (or a representative specifically authorized by the candidate in writing) is required to certify in writing that the payment for the use of the communications media will not violate the expenditure limitation.

10. If a candidate for presidential nomination makes a campaign speech on television or radio in a State where a primary is to be held and the broadcast reaches significant portions of nearby States, is the cost of the broadcast required to be apportioned among all States affected? If so, how are these costs to be apportioned and by whom?

If the candidate intends to reach persons in only one State in which he is actively seeking primary votes or convention delegates, then no apportionment is made and the total expenditure is attributed to the one State. If he intends to reach persons in two or more States in which he is actively seeking primary votes or convention delegates, the amount will be apportioned among such States. However, after the selection of all delegates to a national convention is completed and before the convention, the total amount of any broadcast cost must be apportioned among all the States reached by the broadcast.

11. If political committees or individual persons pay for the use of broadcasting stations, newspapers, magazines, or outdoor advertising to benefit a candidate's campaign, are these payments applied to the candidate's limitations?

Yes. Amounts spent for the use of communications media on behalf of any legally qualified candidate for Federal elective office are deemed to have been spent by the candidate. The candidate, therefore, will need to maintain records of all expenditures for communications media on his behalf to make sure he does not exceed the limitations provided by the law. Political committees and other persons, as well as candidates, are required to report these expenditures as

outlined in titles I and III of the Act.

12. Are amounts spent for the use of communications media to urge an opponent's defeat or to derogate an opponent's stand on campaign issues chargeable against the spending limitation of a candidate for Federal elective office?

A candidate is not charged with amounts spent by political committees or others attacking any of his opponents unless he directly or indirectly authorizes the spending. The media may charge for such spending: *Provided*, (1) That the responsible person signs a statement that he is not authorized by a candidate, (2) that the media takes reasonable precautions to verify the identity of the person making the expenditure and the organizational affiliation, and (3) there is no reason to suspect that any candidate is a party to the transaction. In these cases, notice must be given in the media presentation that such use is not authorized by any candidate.

13. If a candidate for presidential nomination has not reached his spending limit in 45 States, has reached his limit in 5 States, can he have a paid nationwide telecast before his party's national convention?

No. Unless the five States are blacked out, he will be exceeding his spending limit in those States, and thus be in violation of title I of the Act.

14. How will expenditures by candidates for presidential nomination be apportioned in cases where broadcasts or other media reach two or more States?

The broadcasting station or the network will inform the candidate of its "primary service" coverage in each State reached. This will be estimated based on the Grade B contour for television, the 1 mv./m. contour for FM radio, and the daytime and nighttime coverage for AM radio. These are technical terms which are defined by FCC standards. Newspapers, magazines, and outdoor advertising companies will inform the candidate of their coverage in each State.

15. If two or more candidates for Federal elective office combine in a single use of a particular communications medium, how should the amounts attributable to the expenditure limitation of each candidate be determined?

The distribution of the single expenditure among the candidates involved should be made on a reasonable basis and as agreed upon and certified by them.

16. Is an agent's commission included in the amount charged against the communications media spending limitation?

Yes. If it is a commission allowed the agent by the media, it is included in the amount charged against the candidate's spending limitation and must be included in the candidate's certification to the media.

17. What types of "outdoor advertising facilities" are included when determining total expenditures for use of communications media?

"Outdoor advertising facilities" includes billboards and any display space in any public place of a type customarily leased to commercial advertisers. This includes billboards and displays used outdoors and in taxis, buses, subways, and other mass transit facilities, including stations. It does not include such things as bumper stickers, emblems, banners, handouts, and handbills.

18. Under what conditions is the cost for use of telephones to be included as a communications media expense?

Such an expenditure is chargeable against communications media use limitations only if it is for either the cost of telephones, paid telephonists, or automatic telephone equipment obtained for the specific purpose of communicating by general canvass methods with potential voters. Opinion polls which are conducted without identification of sponsorship by or on behalf of a Federal candidate, and other telephone costs of a candidate, his staff, and his authorized committees for campaign purposes are excluded. Also excluded are telephone costs paid for by an individual volunteer for use of a telephone by him.

Records To Be Kept by Treasurers of Political Committees

1. What records of contributions, expenditures, and related data are required to be kept by treasurers of political committees?

In general, treasurers are required to keep a detailed and exact account of:

a. All contributions made to or for the political committee.

b. The full name, mailing address, occupation, and principal place of business of every person making a contribution in excess of $10, and the date and amount of the contribution.

c. All expenditures made by or on behalf of the political committee.

d. The full name, mailing address, occupation, and principal place of business of every person to whom an expenditure is made, the date and amount of the expenditure, and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made.

The Comptroller General's regulation (§ 16.2(b)) specifies that the detailed records shall be kept for a period of 4 years.

2. Does the treasurer have to keep copies of bills supporting expenditures made by the political committee?

Yes. The law requires the treasurer to obtain and keep a receipted bill stating the particulars for every expenditure made in an amount over $100.

3. In maintaining records of contributions in amounts in excess of $10 and reporting contributions in excess of $100, it is required that the contributor's "occupation" and "principal place of business" be identified. How is this to be done?

The treasurer of the political committee must use his best efforts to obtain this and other required information. The term "occupation" means title, if any, or type of work. The term "principal place of business, if any" means the full name of employer or organization if self-employed, and city of employment or self-employment.

Reports By Comptroller General

1. What types of reports will be prepared and published by the Comptroller General on contributions and expenditures by or on behalf of candidates for the Offices of President and Vice President of the United States?

At the end of each calendar year the Comptroller General will prepare and publish an annual report of:

a. Total reported contributions and expenditures for all candidates, political committees, and other persons during the year.

b. Total amounts expended according to such categories as he shall determine, and broken down into candidate, party, and nonparty expenditures on the national, State, and local levels.

c. Total amounts expended for influencing nominations and elections stated separately.

d. Total amounts contributed according to such categories of amounts as he shall determine and broken down into contributions on the national, State, and local levels for candidates and political committees.

e. Aggregate amounts contributed by any contributor shown to have contributed in excess of $100.

In addition, special comparative and other reports will be prepared from time to time.

The Comptroller General will also publish the results of independent studies of the administration of elections conducted under contracts. The law specifies that these will include, for example, studies of: (1) The method of selection of, and the type of duties assigned to, officials and personnel working on boards of elections, (2) practices relating to the registration of voters, and (3) voting and counting methods.

Audits and Investigations by Office of Federal Elections

1. Will audits be made with respect to statements of organization and financial reports filed by candidates, political committees, and other persons with the Comptroller General?

Yes. The law requires the Comptroller General as supervisory officer to make audits and field investigations with respect to reports and statements filed with him. Disclosures of failures to submit reports and omissions or mistakes will be reported as appropriate to achieve necessary corrective action. Apparent violations of the law will be referred to the responsible law enforcement authorities.

2. If a person believes a violation with respect to disclosure of Federal campaign funds has occurred, what action may he take?

Any person who believes a violation with regard to disclosure of campaign funds has occurred (or is about to occur) with respect to requirements under the Act regarding campaigns for the Office of President or Vice President may file a complaint with the Director, Office of Federal Elections. No form has been prescribed for filing a complaint. However, the complaint must be signed and verified by a notary public. If the complainant is a candidate, his reports will also be investigated along with the matters about which the complaint is made.

APPENDIX I

COMPTROLLER GENERAL OF THE UNITED STATES

U.S. GENERAL ACCOUNTING OFFICE
Washington, D.C.

REGISTRATION FORM AND STATEMENT OF ORGANIZATION FOR A COMMITTEE

SUPPORTING ANY CANDIDATE(S) FOR THE OFFICE OF PRESIDENT OR VICE PRESIDENT OF THE UNITED STATES AND ANTICIPATING CONTRIBUTIONS OR EXPENDITURES IN EXCESS OF $1,000 IN ANY CALENDAR YEAR

REQUIREMENTS FOR REGISTRATION OF POLITICAL COMMITTEES

(In accordance with the provisions of the Federal Election Campaign Act of 1971, P.L. 92-225)

SEE APPROPRIATE SUPERVISORY OFFICER'S MANUAL FOR ADDITIONAL REGULATIONS AND INSTRUCTIONS

A. The treasurer of each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding $1,000 any portion of which will be expended for the purpose of influencing the nomination or election of candidates for the office of President or Vice President shall file with the Comptroller General of the United States a Registration Form and Statement of Organization, within 10 days after its organization, or, if later, 10 days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of $1,000 any portion of which will be expended for the purpose of influencing the nomination or election of candidates for the office of President or Vice President. Each such committee in existence on April 7, 1972 shall file a Registration Form and Statement of Organization with the Comptroller General on or before April 17, 1972. Note: If the committee also supports a candidate for the U.S. Senate, a similar statement must be filed with the Secretary of the Senate, and if the committee supports a candidate for the U.S. House of Representatives a similar statement must be filed with the Clerk of the House of Representatives.

B. A copy of this statement shall be filed with the Secretary of State (or, if there is no Office of Secretary of State, the equivalent State officer) of the appropriate State.

C. A copy of this statement shall be preserved by the treasurer of the political committee for a period of not less than four (4) years.

D. Any change or correction of information previously submitted in a Registration Form and Statement of Organization shall be reported to the Comptroller General within ten (10) days following the change or correction. Such amendments to the statement shall contain the date, identity of the committee, the changed or corrected information appropriately identified, and shall be verified by the oath or affirmation of the person filing such information, taken before any officer authorized to administer the oaths.

E. Any committee which, after having filed one or more Registration Form and Statement of Organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding $1,000 shall so notify the Comptroller General. Such notification shall be verified by the oath or affirmation of the person filing it, taken before any officer authorized to administer the oaths, and such notification shall include a statement as to the disposition of residual funds if the committee is disbanding.

1. Full name of committee: .....

Mailing address and ZIP code: .....

.....

Date of this registration: .....

2. Affiliated or connected organizations:

Name of affiliated or connected organization	Mailing address and ZIP code	Relationship
*		

*Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate box above when information is continued on separate page(s).

3. Area, Scope and Jurisdiction of the Committee:
   (a) Will this committee operate in more than one State? _____
   (b) Will it operate on a statewide basis in one State? _____
   (c) Will it primarily support candidates seeking State or local office? _____
   (d) Will it support a candidate for the office of President or Vice President in an aggregate amount in excess of $1,000 during the calendar year? _____

COMP. GEN. ELECTION FORM 1

APPENDIX I

(Full Name of Committee)

4. (a) If the committee is supporting individual candidates for the office of President or Vice President, list each candidate by name, address, office sought, and party affiliation:

Full names of candidates	Mailing address and ZIP code	State and Congressional District	Party
*			

(b) List by name, address, office sought, and party affiliation, any candidate for other Federal office that this committee is supporting:

Full names of candidates	Mailing address and ZIP code	Office sought	Party
*			

(c) List by name, address, office sought, and party affiliation, any candidate for any other public office that this committee is supporting:

Full names of candidates	Mailing address and ZIP code	Office sought	Party
*			

5. If this committee is supporting the entire ticket of a party, give name of party: _____

6. Identify by name, address and position, the committee's custodian of books and accounts:

Full name	Mailing address and ZIP code	Committee title or position
*		

7. List by name, address and position, other principal officers of the committee, including officers and members of the finance committee, if any:

Full name	Mailing address and ZIP code	Committee title or position
*		

*Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate box above when information is continued on separate page(s).

2

8. *Does this committee plan to stay in existence beyond the current calendar year?* ..... If so how long? .....

9. In the event of dissolution, what disposition will be made of residual funds? .....

.....

10. List all banks or other repositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds:

Name of bank, repository, etc.	Mailing address and ZIP code
•	

11. List all reports required to be filed by this committee with States and local jurisdictions, together with the names, addresses, and positions of the recipients of the reports:

Report title	Dates required to be filed	Name and position of recipient	Mailing address and ZIP code
•			

*Submit additional information on separate continuation sheets appropriately labeled and attached to this Statement of Organization. Indicate in the appropriate box above when information is continued on separate page(s).

State of _____

County of _____ SS.

I, _____, being duly sworn, depose (affirm) and say that the information in this Registration Form and Statement of Organization is complete, true, and correct.
(Full Name of Treasurer of Political Committee)

_____
(Signature of Treasurer of Political Committee)

Subscribed and sworn to (affirmed) before me this _____ day of _____, A.D. 19____.

_____
(Notary Public)

[SEAL] My commission expires _____, 19____

Return completed form and attachments to:
Office of Federal Elections
U.S. General Accounting Office
441 G Street, NW.
Washington, D.C. 20548

3

EXTRACTS FROM THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

SEC. 303. (a) Each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding $1,000 shall file with the supervisory officer a statement of organization, within ten days after its organization or, if later, ten days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of $1,000. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the supervisory officer at such time as he prescribes.

(b) The statement of organization shall include—

(1) the name and address of the committee;
(2) the names, addresses, and relationships of affiliated or connected organizations;
(3) the area, scope, or jurisdiction of the committee;
(4) the name, address, and position of the custodian of books and accounts;
(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;
(6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;
(7) a statement whether the committee is a continuing one;
(8) the disposition of residual funds which will be made in the event of dissolution;
(9) a listing of all banks, safety deposit boxes, or other repositories used;
(10) a statement of the reports required to be filed by the committee with State or local officers, and, if so, the names, addresses, and positions of such persons; and
(11) such other information as shall be required by the supervisory officer.

(c) Any change in information previously submitted in a statement of organization shall be reported to the supervisory officer within a ten-day period following the change.

(d) Any committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding $1,000 shall so notify the supervisory officer.

* * * * *

SEC. 306. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period of time to be designated by the supervisory officer in a published regulation.

(c) The supervisory officer may, by published regulation of general applicability, relieve any category of political committees of the obligation to comply with Section 304 if such committee (1) primarily supports persons seeking State or local office, and does not substantially support candidates, and (2) does not operate in more than one State or on a statewide basis.

DEFINITIONS FOR USE WITH THIS STATEMENT OF ORGANIZATION REGISTRATION FORM

"*address*" and "*mailing address*" mean: building number, street, city, State and ZIP code;

"*affiliated or connected organizations*" means but is not limited to: (a) an organization which organized the reporting committee primarily for the purpose of influencing the nomination or election of candidates for Federal office; or (b) an organization whose primary purpose is to support the reporting committee; or (c) an organization whose membership is generally similar to that of the reporting committee;

"*candidate*" means: an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

"*contribution*" means: (1) a gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office or as a presidential or vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States; (2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose; (3) a transfer of funds between political committees; (4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge for any such purpose; and (5) notwithstanding the foregoing meanings of "contribution", the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee;

"*election*" means: (1) a general, special, primary, or runoff election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President, and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

"*expenditure*" means: (1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or as a presidential or vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States; (2) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure, and (3) a transfer of funds between political committees;

"*Federal office*" means: the office of President or Vice President of the United States; or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

"*file*", "*filed*", and "*filing*" mean: delivery to the Comptroller General of the United States, Washington, D.C., by midnight of the prescribed filing date, or deposit as certified air mail, in an established U.S. Post Office, postage prepaid, no later than midnight of the second day next preceding the filing date. Certified mail receipt shall be retained as evidence of mailing. Documents deposited within 500 miles from Washington, D.C. need not be sent by air mail but shall be certified. In the event the mailing deadline falls on a day in which no mail is certified, the next preceding day on which mail is certified shall be deemed the mailing date;

"*person*" means: an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons;

"*political committee*" means: any committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

"*State*" means: each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States; and

"*supervisory officer*" means: the Secretary of the Senate with respect to candidates for Senator; the Clerk of the House of Representatives with respect to candidates for Representative in, or Delegate or Resident Commissioner to, the Congress of the United States; and the Comptroller General of the United States in any other case.

COMPTROLLER GENERAL OF THE UNITED STATES

U.S. GENERAL ACCOUNTING OFFICE

Washington, D.C.

REPORT OF RECEIPTS AND EXPENDITURES FOR A CANDIDATE FOR NOMINATION OR ELECTION TO THE OFFICE OF THE PRESIDENT OR VICE PRESIDENT OF THE UNITED STATES

(Full Name of Candidate) _____ State (If Primary, Convention, or Caucus) _____

(Street) _____ (Party Affiliation) _____

(City, State, ZIP code) _____

TYPE OF REPORT

(Check Appropriate Box and Complete, if Applicable)

- ☐ March 10 report.
- ☐ June 10 report.
- ☐ September 10 report.
- ☐ January 31 report.
- ☐ Fifteenth day report preceding _____ (Primary, general, caucus, or convention) election on _____ (Date).
- ☐ Fifth day report preceding _____ (Primary, general, caucus, or convention) election on _____ (Date).
- ☐ Termination report.

VERIFICATION BY OATH OR AFFIRMATION

State of _____

ss.

County of _____

I, _____ (Full Name of Candidate), being duly sworn, depose (affirm) and say that this Report of Receipts and Expenditures is complete, true, and correct.

_____ (Signature of Candidate)

Subscribed and sworn to (affirmed) before me this ____ day of _____, A.D. 19____.

_____ (Notary Public)

[SEAL] My commission expires _____, 19____.

RETURN COMPLETED REPORT AND ATTACHMENTS TO:
Office of Federal Elections
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

COMP. GEN. ELECTION FORM 2

GENERAL INFORMATION

(In accordance with the provisions of the Federal Election Campaign Act of 1971, P.L. 92-225)

SEE APPROPRIATE SUPERVISORY OFFICER'S MANUAL FOR ADDITIONAL REGULATIONS AND INSTRUCTIONS

A. Each candidate for election to the office of the President or Vice President of the United States shall file with the Comptroller General of the United States periodic reports of receipts and expenditures on the tenth day of March, June and September and by the thirty-first day of January in each year, and shall file preelection reports on the fifteenth and fifth days next preceding the date on which the election is held. All of the periodic reports shall be complete as of the close of the next preceding month and the preelection reports shall be complete as of midnight of the seventh day next preceding the filing date. Any contribution of $5,000 or more (including a transfer of funds from a candidate or committee) which is received after the closing date prescribed for books for the last report prior to an election shall be separately reported within 48 hours after its receipt. Such contribution shall be reported to the Comptroller General by telegraph or hand delivered letter and shall be declared in the next report due under the Act. (Sec. 304.)

B. The Reports of Receipts and Expenditures shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the candidate shall file a statement to that effect. (Sec. 304.)

C. A copy of the Report of Receipts and Expenditures shall be preserved by the candidate filing under the Act for a period of four (4) years.

D. Any correction of information previously submitted in a Report of Receipts and Expenditures shall be reported to the Comptroller General within ten (10) days following discovery of the error. Such amendment to the Report of Receipts and Expenditures shall contain the date, identity of the candidate, and the corrections appropriately identified, and shall be verified by the oath or affirmation of the person filing such information, taken before any officer authorized to administer oaths.

DEFINITIONS FOR USE WITH THIS FORM

"*candidate*" means: an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

"*contribution*" means: (1) a gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office or as a presidential or vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States; (2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose; (3) a transfer of funds between political committees; (4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge for any such purpose; and (5) notwithstanding the foregoing meanings of "contribution", the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee;

"*election*" means: (1) a general, special, primary, or runoff election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President, and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

"*expenditure*" means: (1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or as a presidential or vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States; (2) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure, and (3) a transfer of funds between political committees;

"*Federal office*" means: the office of President or Vice President of the United States; or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

"*file*", "*filed*", and "*filing*" mean: delivery to the Comptroller General of the United States, Washington, D.C., by midnight of the prescribed filing date, or deposit as certified air mail, in an established U.S. Post Office, postage prepaid, no later than midnight of the second day next preceding the filing date. Certified mail receipt shall be retained as evidence of mailing. Documents deposited within 500 miles from Washington, D.C. need not be sent by air mail but shall be certified. In the event the mailing deadline falls on a day in which no mail is certified, the next preceding day on which mail is certified shall be deemed the mailing date;

"*person*" means: an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons;

"*political committee*" means: any committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

"*State*" means: each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States; and

"*supervisory officer*" means: the Secretary of the Senate with respect to candidates for Senator; the Clerk of the House of Representatives with respect to candidates for Representative in, or Delegate or Resident Commissioner to, the Congress of the United States; and the Comptroller General of the United States in any other case.

APPENDIX II

Name of Candidate _____

SUMMARY REPORT COVERING PERIOD FROM _____ THRU _____

	Column A—This period	Column B—Calendar year to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total individual contributions	$	$
Part 2. Sales and collections:		
Itemized (use schedule B*)	$	$
Part 3. Loans received:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total loans received	$	$
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total other receipts	$	$
Part 5. Transfers in:		
Itemize all (use schedule A*)	$	$
TOTAL RECEIPTS	$	$
SECTION B—EXPENDITURES:		
Part 6. Communications media expenditures:		
Itemize all (use schedule C*)	$	$
Part 7. Expenditures for personal services, salaries, and reimbursed expenses:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total expenditures for personal services, salaries, and reimbursed expenses	$	$
Part 8. Loans made:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total loans made	$	$
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	$	
b. Unitemized	$	
Total other expenditures	$	$
Part 10. Transfers out:		
Itemize all (use schedule D*)	$	$
TOTAL EXPENDITURES	$	$
SECTION C—CASH BALANCES:		
Cash on hand at beginning of reporting period	$	
Add total receipts (section A above)	$	
Subtotal	$	
Subtract total expenditures (section B above)	$	
Cash on hand at close of reporting period	$	

*Schedules are to be used only when itemization is required. (See each Schedule for instructions.) When itemization is unnecessary for a given Part, the total of any amounts for that Part is to be entered as a lump sum on the "*Unitemized*" line of the appropriate Part of the Summary Report. The word "None" should be entered on any line of the Summary Report when no amount is being reported.

APPENDIX II

EXTRACTS FROM THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

SEC. 304. (a) Each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, shall file with the appropriate supervisory officer reports of receipts and expenditures on forms to be prescribed or approved by him. Such reports shall be filed on the tenth day of March, June, and September, in each year, and on the fifteenth and fifth days next preceding the date on which an election is held, and also by the thirty-first day of January. Such reports shall be complete as of such date as the supervisory officer may prescribe, which shall not be less than five days before the date of filing, except that any contribution of $5,000 or more received after the last report is filed prior to the election shall be reported within forty-eight hours after its receipt.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of $100, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or value in excess of $100, together with the full names and mailing addresses (occupations and the principal places of business, if any) of the lender and endorsers, if any, and the date and amount of such loans;

(6) the total amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising event; (B) mass collections made at such events; and (C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt in excess of $100 not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address (occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value in excess of $100, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the full name and mailing address (occupation and the principal place of business, if any) of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of $100 has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure;

(11) the total sum of expenditures made by such committee or candidate during the calendar year;

(12) the amount and nature of debts and obligations owed by or to the committee, in such form as the supervisory officer may prescribe and a continuous reporting of their debts and obligations after the election at such periods as the supervisory officer may require until such debts and obligations are extinguished; and

(13) such other information as shall be required by the supervisory officer.

(c) The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

SEC. 306. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

SEC. 309. (a) A copy of each statement required to be filed with a supervisory officer by this title shall be filed with the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) of the appropriate State. For purposes of this subsection, the term "appropriate State" means—

(1) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of President or Vice President of the United States, each State in which an expenditure is made by him or on his behalf, and

(2) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, the State in which he seeks election.

U.S. GOVERNMENT PRINTING OFFICE : 1972 O—461-031

COMPTROLLER GENERAL OF THE UNITED STATES

U.S. GENERAL ACCOUNTING OFFICE
Washington, D.C.

REPORT OF RECEIPTS AND EXPENDITURES FOR A COMMITTEE

SUPPORTING ANY CANDIDATE(S) FOR NOMINATION OR ELECTION TO THE OFFICE OF PRESIDENT OR VICE PRESIDENT OF THE UNITED STATES

_____
(Full Name of Committee)

Identification Number

_____
(Street)

_____
State (If Primary, Convention, or Caucus)

_____
(City, State, ZIP code)

TYPE OF REPORT

(Check Appropriate Box and Complete, if Applicable)

- ☐ March 10 report.
- ☐ June 10 report.
- ☐ September 10 report.
- ☐ January 31 report.
- ☐ Fifteenth day report preceding _____ election on _____.
  (Primary, general, caucus, or convention) (Date)
- ☐ Fifth day report preceding _____ election on _____.
  (Primary, general, caucus, or convention) (Date)
- ☐ Termination report.

VERIFICATION BY OATH OR AFFIRMATION

State of _____
ss.
County of _____

I, _____, being duly sworn, depose (affirm) and say
(Full Name of Treasurer of Committee)
that this Report of Receipts and Expenditures is complete, true, and correct.

_____
(Signature of Treasurer of Committee)

Subscribed and sworn to (affirmed) before me this ____ day of _____, A.D. 19____.

_____
(Notary Public)

[SEAL] My commission expires _____, 19____.

RETURN COMPLETED REPORT AND ATTACHMENTS TO:
Office of Federal Elections
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

COMP. GEN. ELECTION FORM 3

COMPTROLLER GENERAL OF THE UNITED STATES

U.S. GENERAL ACCOUNTING OFFICE
Washington, D.C.

REPORT OF RECEIPTS AND EXPENDITURES FOR A COMMITTEE

SUPPORTING ANY CANDIDATE(S) FOR NOMINATION OR ELECTION TO THE OFFICE OF PRESIDENT OR VICE PRESIDENT OF THE UNITED STATES

_____
(Full Name of Committee)

Identification Number

_____
(Street)

_____
State (If Primary, Convention, or Caucus)

_____
(City, State, ZIP code)

TYPE OF REPORT

(Check Appropriate Box and Complete, if Applicable)

- ☐ March 10 report.
- ☐ June 10 report.
- ☐ September 10 report.
- ☐ January 31 report.
- ☐ Fifteenth day report preceding _____ election on _____.
  (Primary, general, caucus, or convention) (Date)
- ☒ Fifth day report preceding _____ election on _____.
  (Primary, general, caucus, or convention) (Date)
- ☐ Termination report.

VERIFICATION BY OATH OR AFFIRMATION

State of _____
ss.
County of _____

I, _____, being duly sworn, depose (affirm) and say
(Full Name of Treasurer of Committee)
that this Report of Receipts and Expenditures is complete, true, and correct.

_____
(Signature of Treasurer of Committee)

Subscribed and sworn to (affirmed) before me this ____ day of _____, A.D. 19____.

_____
(Notary Public)

[SEAL] My commission expires _____, 19____.

RETURN COMPLETED REPORT AND ATTACHMENTS TO:
Office of Federal Elections
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

COMP. GEN. ELECTION FORM 3

Name of Committee _____

SUMMARY REPORT COVERING PERIOD FROM _____ THRU _____

	Column A—This period	Column B—Calendar year to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total individual contributions	$	$
Part 2. Sales and collections:		
Itemize (use schedule B*)	$	$
Part 3. Loans received:		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total loans received	$	$
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	$	
b. Unitemized	$	
Total other receipts	$	$
Part 5. Transfers in:		
Itemize all (use schedule A*)	$	$
TOTAL RECEIPTS	$	$
SECTION B—EXPENDITURES:		
Part 6. Communications media expenditures:		
Itemize all (use schedule C*)	$	$
Part 7. Expenditures for personal services, salaries, and reimbursed expenses:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total expenditures for personal services, salaries, and reimbursed expenses	$	$
Part 8. Loans made:		
a. Itemized (use schedule D*)	$	
b. Unitemized	$	
Total loans made	$	$
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	$	
b. Unitemized	$	
Total other expenditures	$	$
Part 10. Transfers out:		
Itemize all (use schedule D*)	$	$
TOTAL EXPENDITURES	$	$
SECTION C—CASH BALANCES:		
Cash on hand at beginning of reporting period	$	
Add total receipts (section A above)	$	
Subtotal	$	
Subtract total expenditures (section B above)	$	
Cash on hand at close of reporting period	$	
SECTION D—DEBTS AND OBLIGATIONS:		
Part 11. Debts and obligations owed *to* the committee (use schedule E*)	$	
Part 12. Debts and obligations owed *by* the committee (use schedule E*)	$	

*Schedules are to be used only when itemization is required. (See each Schedule for instructions.) When itemization is unnecessary for a given Part, the total of any amounts for that Part is to be entered as a lump sum on the "*Unitemized*" line of the appropriate Part of the Summary Report. The word "None" should be entered on any line of the Summary Report when no amount is being reported.

EXTRACTS FROM THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

SEC. 304. (a) Each treasurer of a political committee supporting a candidate or candidates for election to Federal office, and each candidate for election to such office, shall file with the appropriate supervisory officer reports of receipts and expenditures on forms to be prescribed or approved by him. Such reports shall be filed on the tenth day of March, June, and September, in each year, and on the fifteenth and fifth days next preceding the date on which an election is held, and also by the thirty-first day of January. Such reports shall be complete as of such date as the supervisory officer may prescribe, which shall not be less than five days before the date of filing, except that any contribution of $5,000 or more received after the last report is filed prior to the election shall be reported within forty-eight hours after its receipt.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of $100, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or value in excess of $100, together with the full names and mailing addresses (occupations and the principal places of business, if any) of the lender and endorsers, if any, and the date and amount of such loans;

(6) the total amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising event; (B) mass collections made at such events; and (C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt in excess of $100 not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address (occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value in excess of $100, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the full name and mailing address (occupation and the principal place of business, if any) of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of $100 has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure;

(11) the total sum of expenditures made by such committee or candidate during the calendar year;

(12) the amount and nature of debts and obligations owed by or to the committee, in such form as the supervisory officer may prescribe and a continuous reporting of their debts and obligations after the election at such periods as the supervisory officer may require until such debts and obligations are extinguished; and

(13) such other information as shall be required by the supervisory officer.

(c) The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

SEC. 306. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

SEC. 309. (a) A copy of each statement required to be filed with a supervisory officer by this title shall be filed with the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) of the appropriate State. For purposes of this subsection, the term "appropriate State" means—

(1) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of President or Vice President of the United States, each State in which an expenditure is made by him or on his behalf, and

(2) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, the State in which he seeks election.

U.S. GOVERNMENT PRINTING OFFICE : 1972 O—481-034

SCHEDULE A APPENDIX IV

ITEMIZED RECEIPTS—CONTRIBUTIONS, TICKET PURCHASES, LOANS, AND TRANSFERS

_____ Part No. _____
(Full Name of Candidate or Committee) (Use for itemizing Part 1, 2, 3, 4, or 5)

SEE REVERSE SIDE FOR INSTRUCTIONS

(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Aggregate Year-to-date (complete if applicable)	Amount of Receipt This Period
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	
		Aggregate Year-to-date $	

TOTAL THIS PERIOD _____
(Last page of this Part only)

Page ____

APPENDIX IV

INSTRUCTIONS FOR PREPARING SCHEDULE A

(See Appropriate Supervisory Officer's Manual for Additional Regulations and Instructions)

Use this form to itemize Receipts for Part 1, 3, 4, or 5 and in conjunction with Schedule B for Part 2. Do not itemize more than one Part on a page. This form may be duplicated or the information may be itemized on computer printouts or any 8½ x 11" paper providing only the information required in the same format.

This Schedule is to be used to ITEMIZE ONLY THE RECEIPTS AS SPECIFIED BELOW FOR EACH PART. The "Total This Period" amount for each itemized Part is to be carried forward to the corresponding Part of the Summary Report. When applicable, the total of all other receipts NOT REQUIRED TO BE ITEMIZED UNDER A GIVEN PART is to be entered as a lump sum on the "UNITEMIZED" line of the appropriate Part of the Summary Report.

Part 1(a). ITEMIZED CONTRIBUTIONS.—This is an itemized account giving the date, full name and mailing address (occupation and principal place of business, if any) of each person who has made one or more contributions to or for the reporting committee or candidate during the reporting period in an amount in excess of $100 or whose total contributions to date (aggregate) during the calendar year are in excess of $100. *Exclude from this part the purchase of tickets for events such as dinners, luncheons, rallies and similar fundraising events which are reported in Part 2.* The actual amount of the contribution(s) received during this reporting period will be entered in the "Amount of Receipt This Period" column.

When the sum of a person's contribution(s) in this calendar year exceeds $100, that total shall be entered in the "Aggregate Year-to-Date" box. When a subsequent contribution(s) is received in the calendar year from the same contributor, each such subsequent contribution shall be itemized as above and included in the total reported in the "Aggregate Year-to-Date" box. [Section 304(b)(2).]

Part 2. ITEMIZED TICKET PURCHASES FOR EVENTS SUCH AS DINNERS, LUNCHEONS, RALLIES AND SIMILAR FUNDRAISING EVENTS.—This is an itemized account giving the date, full name and mailing address (occupation and principal place of business, if any) of each person who has purchased one or more tickets for events such as dinners, luncheons, rallies and similar fundraising events during this reporting period in an amount in excess of $100 or whose total ticket purchases to date (aggregate) are in excess of $100. The actual amount of the ticket purchases during this period will be entered in the "Amount of Receipt This Period" column.

When the sum of a person's ticket purchase(s) in this calendar year exceeds $100, that total shall be entered in the "Aggregate Year-to-Date" box. When a subsequent ticket purchase(s) is received in the calendar year from the same contributor, each such subsequent ticket purchase shall be itemized as above and included in the total reported in the "Aggregate Year-to-Date" box. [Section 304(b)(2).]

This is an itemization only to support Schedule B. The "Total This Period" amount should not be carried forward to Schedule B or the Summary Report. Attach Part No. 2 of this Schedule to Schedule B.

Part 3(a). ITEMIZED LOANS RECEIVED.—This is an itemized account giving the date, full name and mailing address (occupation and principal place of business, if any) of each lender and endorser of a loan(s) which has been received this reporting period in excess of $100 or whose total loans to date (aggregate) are in excess of $100. The actual amount of the loan(s) received during this reporting period will be entered in the "Amount of Receipt This Period" column.

When the sum of a person's loan(s) in this calendar year exceeds $100, that total shall be entered in the "Aggregate Year-to-Date" box. When a subsequent loan(s) is received in the calendar year from the same contributor, each such subsequent loan shall be itemized as above and included in the total reported in the "Aggregate Year-to-Date" box. [Section 304(b)(5).]

Part 4(a). ITEMIZED OTHER RECEIPTS.—This is an account of receipts in the form of a refund, return, rebate, interest, investment or other miscellaneous receipt **not otherwise reported in Part 1, 2, 3, or 5.** Give the date, full name and mailing address (occupation and principal place of business, if any) of each person from whom one or more such receipts have been received in this reporting period in an amount in excess of $100. The actual amount of the receipt(s) during this reporting period will be entered in the "Amount of Receipt This Period" column. Do not use the "Aggregate Year-to-Date" box. [Section 304(b)(7).]

Part 5. ITEMIZED TRANSFERS IN FROM POLITICAL COMMITTEES AND CANDIDATES.—This is an itemized account giving the date, full name and mailing address of each political committee or candidate from whom any transfer of funds has been received within this reporting period in any amount. The actual amount of the transfer(s) during this reporting period will be entered in the "Amount of Receipt This Period" column. Do not use the "Aggregate Year-to-Date" box. [Section 304(b)(4).]

U.S. GOVERNMENT PRINTING OFFICE : 1972 O—461-027

SCHEDULE B

ITEMIZED RECEIPTS—SALES AND COLLECTIONS

Use for Part No. 2 only

_____
(Full Name of Candidate or Committee)

SEE REVERSE SIDE FOR INSTRUCTIONS

Total Sum of Proceeds during the reporting period from:

1. Sale of tickets (List by event below)* ..... $_____
2. Mass collections (List by event below) ..... $_____
3. Sale of Items ..... $_____

Total (Carry forward to Part 2 of Summary) $_____

List of Sales and Collections by Event

Date of Event (month, day, year)	Type of Event	Amount From Sale of Tickets This Period*	Amount From Mass Collections This Period
	TOTALS THIS PERIOD (Last page of this Schedule only)		

*After completion of the above list by event, use a separate Schedule A to list the date, full name and mailing address (occupation and principal place of business, if any) of each person who has purchased one or more tickets for events such as dinners, luncheons, rallies, and similar fundraising events during this reporting period in an amount in excess of $100 or whose total ticket purchases to date for the calendar year (aggregate) are in excess of $100. Attach the separate Schedule A to this Schedule.

Page

APPENDIX IV

INSTRUCTIONS FOR PREPARING SCHEDULE B

(See Appropriate Supervisory Officer's Manual for Additional Regulations and Instructions)

Use this form to itemize Sales and Collections. This form may be duplicated or the information may be itemized on computer printouts or any 8½ x 11" paper providing only the information required in the same format.

Part 2. FUNDS RECEIVED FROM SALES AND COLLECTIONS.—This is an account of proceeds during this reporting period from (1) the sale of tickets to each dinner, luncheon, rally, or other fundraising event; and (2) mass collections made at each such event. The sale of items (3) such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature and similar materials during the reporting period shall be reported in the total amount. Ticket sales and mass collections must be listed by each event, giving the date and type of event and the amount of proceeds collected. Ticket sales to any individual in an amount *in excess of $100* during this reporting period or in an aggregate amount within the calendar year must be itemized using a separate Schedule A form which must be attached to support this Schedule B. (See Schedule A for instructions.) [Section 304(b)(6).]

U.S. GOVERNMENT PRINTING OFFICE : 1972 O—461-028

SCHEDULE C

ITEMIZED EXPENDITURES—COMMUNICATIONS AND NON-COMMUNICATIONS MEDIA

(Full Name of Candidate or Committee)

Part No. ___
(Use for itemizing Part 6 or 9)

SEE REVERSE SIDE FOR INSTRUCTIONS
(Use separate page(s) for each numbered Part)

DATE OF PAYMENT (month, day, year)	PAYEE (Recipient of Payment) Full Name, Mailing Address, (occupation and principal place of business, if any)	PURPOSE OF EXPENDITURE (For communications media expenditures, also specify date(s) of use)	CHECK (✓) EXPENDITURE BY ELECTION: Primary	General	Special	Runoff	Caucus or Convention	AMOUNT OF EXPENDITURE THIS PERIOD	ALLOCATE EXPENDITURES BY CANDIDATE (To be completed only by Committees supporting more than one candidate): Full Name, Congressional District (if applicable), State, and Party	Amount of Expenditure This Period

TOTAL THIS PERIOD_____
(Last page of this Part only)

Page ___

APPENDIX IV

INSTRUCTIONS FOR PREPARING SCHEDULE C

(See Appropriate Supervisory Officer's Manual for Additional Regulations and Instructions)

Use this form to itemize Expenditures for Part 6 or 9. This form may be duplicated or the information may be itemized on computer printouts or any 8½ x 11" paper providing only the information required in the same format.

This Schedule is to be used to ITEMIZE ONLY THE EXPENDITURES AS SPECIFIED BELOW FOR EACH PART. The "Total This Period" amount for each itemized Part is to be carried forward to the corresponding Part of the Summary Report. When applicable, the total of all other expenditures NOT REQUIRED TO BE ITEMIZED UNDER A GIVEN PART is to be entered as a lump sum on the "UNITEMIZED" line of the appropriate Part of the Summary Report.

Part 6. COMMUNICATIONS MEDIA EXPENDITURES.—This is an account of expenditures in any amount during this reporting period in the communications media, which are defined as television, radio, CATV, newspaper or magazine advertising, outdoor advertising, or expenditures for the costs of telephones, paid telephonists, and automatic telephone equipment used to communicate with potential voters. Itemize as to amount and date of expenditure and other data as indicated in the column headings. Expenditures include not only the direct charges of the media but also agents' commissions which should be separately stated if so billed. Date or dates of use or period of intended use are also required. If an expenditure is for two or more purposes, specify the amount of expenditure allocable to each.

If an expenditure was made before April 7, 1972, for use of communications media after that date, the use and amount must be reported and charged against the candidate's limitation applicable to the election in which used. Report the date or dates of use as well as the amount paid, the payee and other required information on a separate Schedule C appropriately labeled. Do not include the amounts paid in the total expenditures amount for the reporting period.

Only multicandidate committees (*i.e.*, those supporting financially more than one candidate) need allocate each expenditure on behalf of a candidate or candidates in the appropriate space. *Committees supporting a single candidate need state only once that all expenditures are on behalf of that candidate.*

Part 6 includes telephone canvass expenditures which are chargeable to the statutory limitation as communications media expenses, namely, for the costs of telephones, paid telephonists, and automatic telephone equipment obtained for the specific purpose of communicating with potential voters. It does not include normal telephone costs of a candidate, his staff and his authorized committees for campaign purposes, which are reported separately with other expenditures under Part 9. Nor does it include costs incurred by an individual volunteer for use of a telephone by him. [Section 304(b)(9).]

Part 9. NON-COMMUNICATIONS MEDIA EXPENDITURES.—This is an account of all other expenditures over $100 made during this reporting period and not included in Parts 7, 8, or 10, itemized as to amount and date of expenditure and other data as indicated in the column headings. If an expenditure is for two or more purposes, specify the amount of expenditure allocable to each.

In Part 9, the only other expenditures that need be allocated in the appropriate space are those of multicandidate committees (*i.e.*, those supporting financially more than one candidate) which are transfers of funds to a candidate or candidates or are specifically identifiable expenditures to or on behalf of a candidate or candidates. *Committees supporting a single candidate need state so only once.*

The schedule includes normal telephone costs of a candidate, his staff and his authorized committees for general campaign purposes; it does not include telephone canvass expenditures which are chargeable to limitation as communications media expenses, as described in the above instructions to Part 6. [Section 304(b)(9).]

U.S. GOVERNMENT PRINTING OFFICE : 1972 O—461-030

SCHEDULE D

ITEMIZED EXPENDITURES—PERSONAL SERVICES, LOANS, AND TRANSFERS

_____ (Full Name of Candidate or Committee)

Part No. _____ (Use for itemizing Part 7, 8, or 10)

SEE REVERSE SIDE FOR INSTRUCTIONS
(Use separate page(s) for each numbered Part)

Date (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Amount of Expenditure This Period

TOTAL THIS PERIOD (Last page of this Part only) _____

Page ____

INSTRUCTIONS FOR PREPARING SCHEDULE D

(See Appropriate Supervisory Officer's Manual for Additional Regulations and Instructions)

Use this form to itemize Expenditures for Part 7, 8 or 10. Do not itemize more than one Part on a page. This form may be duplicated or the information may be itemized on computer printouts or any 8½ x 11" paper providing only the information required in the same format.

This Schedule is to be used to ITEMIZE ONLY THE EXPENDITURES AS SPECIFIED BELOW FOR EACH PART. The "Total This Period" amount for each itemized Part is to be carried forward to the corresponding Part of the Summary Report. When applicable, the total of all other expenditures NOT REQUIRED TO BE ITEMIZED UNDER A GIVEN PART is to be entered as a lump sum on the "UNITEMIZED" line of the appropriate Part of the Summary Report.

Part 7. ITEMIZED EXPENDITURES FOR PERSONAL SERVICES, SALARIES, AND REIMBURSED EXPENSES.—This is an account of expenditures by the committee or candidate for personal services, salaries and reimbursed expenses over $100 during the reporting period. Give the date, full name and mailing address (occupation and the principal place of business, if any) of the recipient, and purpose of each such expenditure. List the amount of the expenditure in the "Amount of Expenditure This Period" column. [Section 304(b)(11).]

Part 8. ITEMIZED LOANS MADE.—This is an account of loans made by the committee or candidate during this reporting period in excess of $100. Give the date, full name and mailing address (occupation and principal place of business, if any) of each person or committee to whom a loan was made. List the amount of the loan in the "Amount of Expenditure This Period" column. [Section 304(b)(5).]

Part 10. ITEMIZED TRANSFERS OUT TO POLITICAL COMMITTEES AND CANDIDATES.—This is an itemized account giving the date, full name and mailing address of each political committee or candidate to whom any transfer of funds was made within this reporting period in any amount. List the amount of the transfer in the "Amount of Expenditure This Period" column. [Section 304(b)(4).]

U.S. GOVERNMENT PRINTING OFFICE : 1972 O—461-032

SCHEDULE E

DEBTS AND OBLIGATIONS

_____ (Full Name of Committee)

Part No. _____ (Use for itemizing Part 11 or 12)

SEE REVERSE SIDE FOR INSTRUCTIONS

(Use separate page(s) for each numbered Part)

Date Incurred (month, day, year)	Full Name, Mailing Address, and ZIP Code (occupation and principal place of business, if any)	Amount of Original Debt, Contract, Agreement, or Promise	Cumulative Payment To Date	Outstanding Balance at Close of This Period
	TOTALS THIS PERIOD (Last page of this Part only)			*

Page _____

*Carry outstanding balance only to appropriate part of summary.

APPENDIX IV

INSTRUCTIONS FOR PREPARING SCHEDULE E

(See Appropriate Supervisory Officer's Manual for Additional Regulations and Instructions)

Use this form to itemize Debts and Obligations Owed by or to the Committee for Part 11 or 12. Do not itemize more than one Part on a page. This form may be duplicated or the information may be itemized on computer printouts or any 8½ x 11" paper providing only the information required in the same format. Obligations as used in these instructions mean contracts, agreements, and promises.

Part 11. DEBTS AND OBLIGATIONS OWED *TO* THE COMMITTEE.—This is an itemized account of debts and obligations owed to the reporting committee at the close of the reporting period. Give the full name and mailing address (occupation and the principal place of business, if any) of each *debtor*, together with the amount, date, nature of each transaction, cumulative payment(s) received to date, and the outstanding balance at the close of the reporting period. These debts and obligations shall continue to be reported on each subsequent report until extinguished. [Section 304(b) (12).]

Part 12. DEBTS AND OBLIGATIONS OWED *BY* THE COMMITTEE.—This is an itemized account of debts and obligations owed by the reporting committee at the close of the reported period. Give the full name and mailing address (occupation and the principal place of business, if any) of each *creditor*, together with the amount, date, nature of each such transaction, cumulative payment(s) made to date, and the outstanding balance at the close of the reporting period. These debts and obligations shall continue to be reported on each subsequent report until extinguished. [Section 304(b) (12).]

U.S. GOVERNMENT PRINTING OFFICE : 1972 O—461-053

APPENDIX V

FEDERAL ELECTION CAMPAIGN SPENDING LIMITATIONS

(Calendar Year 1972)

State/ Congressional District	Voting age population	Communication media limit (total)	Broadcasting media limit
United States	136,630,000	$14,250,509	$8,550,305
Alabama	2,259,000	235,614	141,368
Alaska	187,000	52,150	31,290
Arizona	1,189,000	124,013	74,408
Arkansas	1,296,000	135,173	81,104
California	13,586,000	1,417,020	850,212
Colorado	1,492,000	155,616	93,370
Connecticut	2,056,000	214,441	128,665
Delaware	360,000	52,150	31,290
District of Columbia	523,000	54,549	32,729
Florida	4,891,000	510,131	306,079
Georgia	3,020,000	314,986	188,992
Hawaii	512,000	53,402	32,041
Idaho	468,000	52,150	31,290
Illinois	7,413,000	773,176	463,906
Indiana	3,433,000	358,062	214,837
Iowa	1,884,000	196,501	117,901
Kansas	1,523,000	158,849	95,309
Kentucky	2,167,000	226,018	135,611
Louisiana	2,302,000	240,099	144,059
Maine	661,000	68,942	41,365
Maryland	2,610,000	272,223	163,334
Massachusetts	3,883,000	404,997	242,998
Michigan	5,750,000	599,725	359,835
Minnesota	2,493,000	260,020	156,012
Mississippi	1,397,000	145,707	87,424
Missouri	3,193,000	333,030	199,818
Montana	455,000	52,150	31,290
Nebraska	1,003,000	104,613	62,768
Nevada	332,000	52,150	31,290
New Hampshire	503,000	52,463	31,478
New Jersey	4,899,000	510,966	306,580
New Mexico	627,000	65,396	39,238
New York	12,563,000	1,310,321	786,193
North Carolina	3,397,000	354,307	212,584
North Dakota	401,000	52,150	31,290
Ohio	7,052,000	735,524	441,314
Oklahoma	1,770,000	184,611	110,767
Oregon	1,452,000	151,444	90,866
Pennsylvania	8,065,000	841,180	504,708
Rhode Island	660,000	68,838	41,303
South Carolina	1,682,000	175,433	105,260
South Dakota	432,000	52,150	31,290
Tennessee	2,668,000	278,272	166,963
Texas	7,434,000	775,366	465,220
Utah	668,000	69,672	41,803
Vermont	299,000	52,150	31,290
Virginia	3,126,000	326,042	195,625
Washington	2,294,000	239,264	143,558
West Virginia	1,186,000	123,700	74,220
Wisconsin	2,894,000	301,844	181,106
Wyoming	220,000	52,150	31,290
Puerto Rico	1,581,000	164,898	98,939

CONGRESSIONAL DISTRICTS

The Secretary of Commerce has certified to the Comptroller General that no congressional district (except the District of Columbia and Puerto Rico) has a voting age population which exceeds 500,000. As a result of this certification, each congressional district (except the District of Columbia and Puerto Rico) has a communication media expenditure limit of $52,150 for each election during calendar year 1972. Sixty percent of that amount ($31,290) may be spent for the use of broadcasting stations.

APPENDIX VI

PRESIDENTIAL PRIMARY ELECTIONS AND REPORT FILING DATES 1972

Primary election	State	Pre-election filing dates: 15-Day report	Pre-election filing dates: 5-Day report
Mar. 7	New Hampshire	Not required.	Not required.
Mar. 14	Florida	do	Do.
Mar. 21	Illinois	do	Do.
Apr. 4	Wisconsin	do	Do.
Apr. 25	Massachusetts	do	Apr. 20.
Do	Pennsylvania	do	Do.
May 2	Alabama [1]	Apr. 17	Apr. 27.
Do	District of Columbia.	do	Do.
Do	Indiana	do	Do.
Do	Ohio [1]	do	Do.
May 4	Tennessee	Apr. 19	Apr. 29.
May 6	North Carolina	Apr. 21	May 1.
May 9	Nebraska	Apr. 24	May 4.
Do	West Virginia	do	Do.
May 16	Maryland	May 1	May 11.
Do	Michigan	do	Do.
May 23	Oregon	May 8	May 18.
Do	Rhode Island	do	Do.
May 30	Arkansas [2]	May 15	May 25.
June 6	California	May 22	June 1.
Do	New Jersey	do	Do.
Do	New Mexico	do	Do.
Do	South Dakota [1]	do	Do.
June 20	New York [1]	June 5	June 15.

[1] Delegate selection primary only.
[2] Optional primary.

APPENDIX VII

U.S. GENERAL ACCOUNTING OFFICE FIELD OFFICES

NOTE: Copies of the Federal Election Campaign Act of 1971, related regulations, and reporting forms are available at these offices in addition to the Office of Federal Elections, Washington, D.C.

Regional Offices

ATLANTA REGIONAL OFFICE

U.S. General Accounting Office, Room 204, 161 Peachtree Street NE., Atlanta, GA 30303. Phone: Area Code 404—526-6872.

BOSTON REGIONAL OFFICE

U.S. General Accounting Office, Room 1903, John F. Kennedy Federal Building, Government Center, Boston MA 02203. Phone: Area Code 617—223-6536.

CHICAGO REGIONAL OFFICE

U.S. General Accounting Office, Room 403, Custom House Building, 610 South Canal Street, Chicago, IL 60607. Phone: Area Code 312—353-6174.

ST. PAUL SUBOFFICE

U.S. General Accounting Office, Room 1407, U.S. Post Office and Custom House, St. Paul, MN 55101. Phone: Area Code 612-725-7844.

CINCINNATI REGIONAL OFFICE

U.S. General Accounting Office, 8112 Federal Office Building, Fifth and Main Streets, Cincinnati, Ohio 45202. Phone: Area Code 513—684-2107.

WRIGHT-PATTERSON AIR FORCE BASE SUBOFFICE

U.S. General Accounting Office (MCLAGA), Building 11, Room 238, Area B, Wright-Patterson Air Force Base, Ohio 45433. Phone: Area Code 513—255-4505.

INDIANAPOLIS SUBOFFICE

U.S. General Accounting Office, Fort Benjamin Harrison, Indianapolis, Ind. 46216, Phone: Area Code 317-542-2870.

DALLAS REGIONAL OFFICE

U.S. General Accounting Office, Room 500, 1512 Commerce Street, Dallas, TX. 75201, Phone: Area Code 214–749–3437.

NEW ORLEANS SUBOFFICE

U.S. General Accounting Office, Room T–8040, Federal Office Building, 701 Loyola Avenue, New Orleans, LA. 70113. Phone: Area Code 504–527–6115.

DENVER REGIONAL OFFICE

U.S. General Accounting Office, 7014 Federal Building, 1961 Stout Street, Denver, CO. 80202. Phone: Area Code 303–837–4621.

DENVER SUBOFFICE

U.S. General Accounting Office, 3800 York Street, Denver, CO. 80205. Phone: Area Code 303–825–6575.

DETROIT REGIONAL OFFICE

U.S. General Accounting Office, Room 2006, Washington Boulevard Building, 234 State Street, Detroit, MI. 48226. Phone: Area Code 313–226–6044.

CLEVELAND SUBOFFICE

U.S. General Accounting Office, Room 2933, New Federal Office Building, 1240 East Ninth Street, Cleveland, OH. 44199. Phone: Area Code 216–522–4892.

KANSAS CITY REGIONAL OFFICE

U.S. General Accounting Office, 1800 Federal Office Building, 911 Walnut Street, Kansas City, MO 64106. Phone: Area Code 816—374–5056.

ST. LOUIS SUBOFFICE

U.S. General Accounting Office, Room 1740, 1520 Market Street, St. Louis, MO 63103. Phone: Area Code 314—622–4121.

LOS ANGELES REGIONAL OFFICE

U.S. General Accounting Office, Room 7068, Federal Building, 300 North Los Angeles Street, Los Angeles, CA 90012. Phone: Area Code 213—688–3813.

NEW YORK REGIONAL OFFICE

U.S. General Accounting Office, 26 Federal Plaza, Room 4112, New York, NY 10007. Phone: Area Code 212—264–0730.

NORFOLK REGIONAL OFFICE

U.S. General Accounting Office, Room 226, 870 North Military Highway, Norfolk, VA 23502. Phone: Area Code 703—441–6298.

PHILADELPHIA REGIONAL OFFICE

U.S. General Accounting Office, 502 U.S. Customhouse, Second and Chestnut Streets, Philadelphia, Pa. 19106. Phone: Area Code 215—597–4333.

SAN FRANCISCO REGIONAL OFFICE

U.S. General Accounting Office, 143 Federal Office Building, 50 Fulton Street, San Francisco, CA 94102. Phone: Area Code 415—556–6200.

SEATTLE REGIONAL OFFICE

U.S. General Accounting Office, 3086 Federal Office Building, Seattle, Wash. 98104. Phone: Area Code 206—442–5356.

PORTLAND SUBOFFICE

U.S. General Accounting Office, Parker Building, Second Floor, 527 East Burnside, Portland, OR 97214. Phone: Area Code 503—221–2485.

WASHINGTON REGIONAL OFFICE

U.S. General Accounting Office, Penn Park Building, Fifth Floor, 803 West Broad Street, Falls Church, VA 22046. Phone: Area Code 703—557–2151.

Overseas Branch Offices

FAR EAST BRANCH

U.S. General Accounting Office, Room 619, 1833 Kalakaua Avenue, Honolulu, HI 96815. Phone: 808—955–0473.

EUROPEAN BRANCH

U.S. General Accounting Office, c/o American Consulate General, APO New York 09757.
or
Platenstrasse 7, 6 Frankfurt/Main, Germany. Phone: 770–731 Ext. 326 or 327.

APPENDIX VIII

LIST OF STATE OFFICERS RECEIVING STATEMENTS OF ORGANIZATION AND REPORTS OF RECEIPTS AND EXPENDITURES

Secretary of State, Alabama State Capitol, Montgomery, Ala. 36104.
Lieutenant Governor, Alaska State Capitol, Juneau, Alaska 99801.
Secretary of State, Arizona State Capitol, Phoenix, Ariz. 85007.
Secretary of State, Arkansas State Capitol, Little Rock, Ark. 72201.
Secretary of State, California Capitol, Sacramento, Calif. 95814.
Secretary of State, Colorado State Capitol, Denver, Colo. 80203.
Secretary of State, Connecticut State Capitol, Hartford, Conn. 06115.
Chairman, District of Columbia Board of Elections, District Building, 14th and E Streets NW., Washington, D.C. 20004.
Secretary of State, Delaware State Capitol, Dover, Del. 19901.
Secretary of State, Florida State Capitol, Tallahassee, Fla. 32304.
Secretary of State, Georgia State Capitol, Atlanta, Ga. 30334.
Lieutenant Governor, Hawaii State Capitol, Honolulu, Hawaii 96813.
Secretary of State, Idaho State Capitol, Boise, Idaho 83702.
Secretary of State, Illinois State Capitol, Springfield, Ill. 62706.
Secretary of State, Indiana State Capitol, Indianapolis, Ind. 46204
Secretary of State, Iowa State Capitol, Des Moines, Iowa 50319
Secretary of State, Kansas State Capitol, Topeka, Kans. 66612
Secretary of State, Kentucky State Capitol, Louisville, Ky. 40202
Secretary of State, Louisiana State Capitol, Baton Rouge, La. 70804
Secretary of State, Maine State Capitol, Augusta, Maine 04330
Secretary of State, Maryland State Capitol, Annapolis, Md. 21404
Secretary of State, Massachusetts State Capitol, Boston, Mass. 02133
Secretary of State, Michigan State Capitol, Lansing, Mich. 48933
Secretary of State, Minnesota State Capitol, St. Paul, Minn. 55101.
Secretary of State, Mississippi State Capitol, Jackson, Miss. 39201.
Secretary of State, Missouri State Capitol, Jefferson City, Mo. 65101.
Secretary of State, Montana State Capitol, Helena, Mont. 59601.
Secretary of State, Nebraska State Capitol, Lincoln, Nebr. 68509.
Secretary of State, Nevada State Capitol, Carson City, Nev. 89701.
Secretary of State, New Hampshire State Capitol, Concord, N.H. 03301.
Secretary of State, New Jersey State Capitol, Trenton, N.J. 08625.
Secretary of State, New Mexico State Capitol, Santa Fe, N. Mex. 87501.
Secretary of State, New York State Capitol, Albany, N.Y. 12224.
Secretary of State, North Carolina State Capitol, Raleigh, N.C. 27601.
Secretary of State, North Dakota State Capitol, Bismarck, N. Dak. 58501.
Secretary of State, Ohio State Capitol, Columbus, Ohio 43215.
Secretary of State, Oklahoma State Capitol, Oklahoma City, Okla. 73105.
Secretary of State, Oregon State Capitol, Salem, Oreg. 97301.
Secretary of State, Pennsylvania State Capitol, Harrisburg, Pa. 17101.
Secretary of State, Rhode Island State Capitol, Providence, R.I. 02903.
Chairman, State Election Commission, P.O. Box 5987, Columbia, S.C. 29205.
Secretary of State, South Dakota State Capitol, Pierre, S. Dak. 57501.
Secretary of State, Tennessee State Capitol, Nashville, Tenn. 37219.
Secretary of State, Texas State Capitol, Austin, Tex. 78701.
Secretary of State, Utah State Capitol, Salt Lake City, Utah. 84101.
Secretary of State, Vermont State Capitol, Montpelier, Vt. 05602.
Secretary of State, Virginia State Capitol, Richmond, Va. 23219.
Secretary of State, Washington State Capitol, Olympia, Wash. 98501.
Secretary of State, West Virginia State Capitol, Charleston, W. Va. 25305.
Secretary of State, Wisconsin State Capitol, Madison, Wis. 54301.
Secretary of State, Wyoming State Capitol, Cheyenne, Wyo. 82001.
Secretary of State, Puerto Rico State Capitol, San Juan, P.R. 00901.

[FR Doc.72–8937 Filed 6–14–72;8:45 am]

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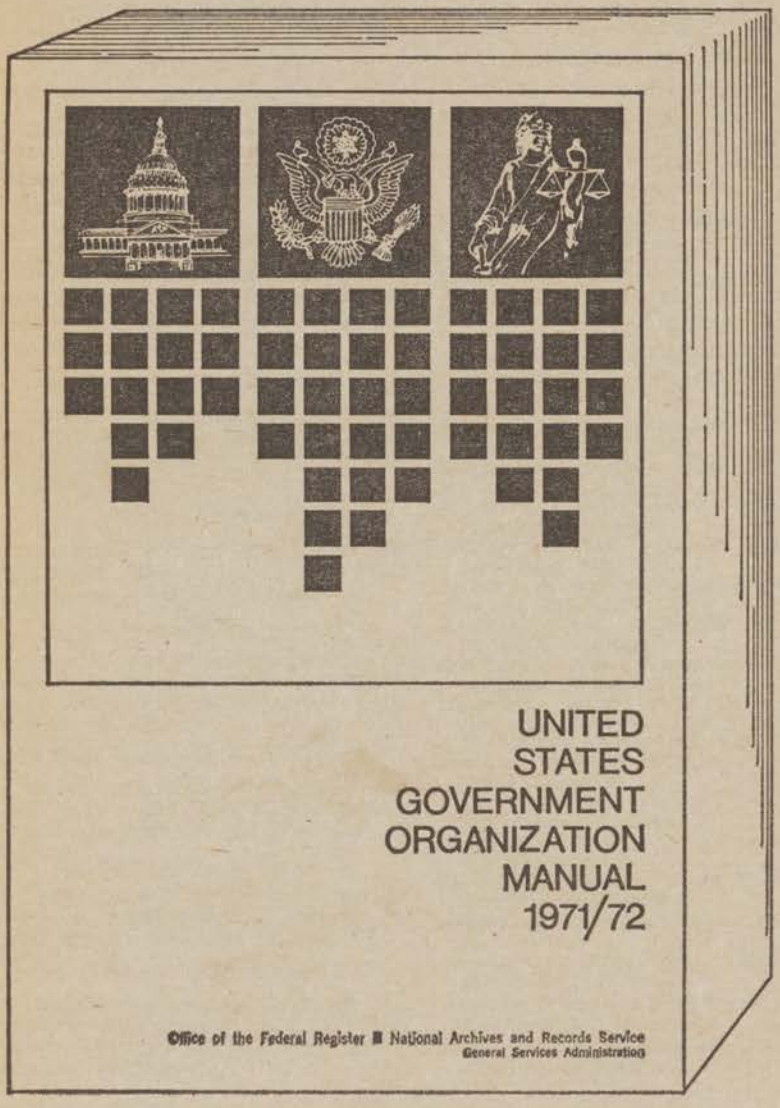

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