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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.

Presidential Documents

Title 3—The President

PROCLAMATION 4151

National Highway Week, 1972

By the President of the United States of America

A Proclamation

America's recent growth patterns have paralleled to a large degree the growth of our great national highway system. This is not a coincidence.

We have learned over the years that where a highway goes, people go.

And where people go, there is new economic activity. New jobs are created, new homes are built, new communities are served and new recreational opportunities are opened.

Highways have been and will continue to be the vital lifelines for thousands of communities across this Nation. Highways link them not only with each other, but with other means of transportation by air, rail or water.

As our Nation continues to grow and prosper, Americans will be traveling on our highways in increasing numbers. Although efforts at the Federal, State and local levels over the past three years succeeded in stabilizing the number of motor vehicle fatalities, we are faced this year with an upward trend in the highway death toll rate.

If the current trend continues, traffic accidents this year will have killed more people than ever before. And the bulk of those killed, maimed or disfigured will be young people with whom the future of our Nation rests.

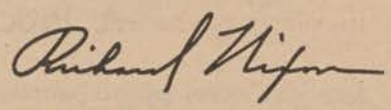
Given these facts and our studies which show that seven out of every ten crashes are driver-caused, I strongly urge every American to drive responsively and responsibly. I call upon all Americans to assume personal responsibility for reducing injury and death on our highways by using safety belts in their vehicles, by observing legal speed limits and by driving courteously, soberly and defensively at all times.

Only by balancing our expanded use of highways with an increased awareness of traffic safety can we hope to achieve real progress in cutting the accident and death toll on our Nation's roads and streets.

Responsible driving on our great highway system will bring us far towards our goal of a comprehensive, balanced transportation system—a system in which highways will continue to meet our principal needs for mobility, flexibility and convenience in moving people and goods.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, do hereby proclaim the week beginning September 24, 1972, as National Highway Week. I urge Federal, State, and local government officials, as well as highway industry and other organizations, to hold appropriate ceremonies during that week in recognition of what highway transportation means to our country.

IN WITNESS WHEREOF, I have hereunto set my hand this eighth day of September, in the year of our Lord nineteen hundred seventy-two, and of the Independence of the United States of America the one hundred ninety-seventh.



[FR Doc.72-15609 Filed 9-8-72;4:21 pm]

PROCLAMATION 4150

Fire Prevention Week, 1972

Correction

In F.R. Doc. 72–15442 appearing on page 18283 of the issue for Saturday, September 9, 1972, the third sentence of the sixth paragraph should read:

I call upon all citizens to participate in the fire prevention activities of the various governments and of the National Fire Protection Association.

Rules and Regulations

Title 6—ECONOMIC STABILIZATION

Chapter III—Price Commission

PART 301—RENT STABILIZATION

Base Rent for Decontrolled Housing

The purpose of this amendment to the rent stabilization regulations of the Price Commission is (1) to provide a method for determining the base rent for units of rent controlled housing decontrolled by action of the Rent Administrator, State of New York, and (2) to change the starting date of the period for the necessary transactions used in computing the base rent for units of rent controlled housing decontrolled as the result of vacancy, or by action of the Rent Administrator, State of New York.

Section 301.205 provides a method for determining the base rent for units of housing where the rent for those units is controlled by the city or State of New York and when such units become decontrolled by vacancy. The New York State law provides that controlled units may also be decontrolled on other grounds when ordered by the Rent Administrator after a request for such an order and a hearing thereon. Extension of the provisions of § 301.205 to units decontrolled by order of the Rent Administrator provides a method for determining the base rent for all units of controlled housing which become decontrolled through state law and regulation after July 1, 1971. This action will result in fairly and consistently priced base rents of such units at the market levels prevailing immediately before August 15, 1971, yet will not result in inflationary increases in rent for these units, many of which have rented below free market levels for years as a result of state and local rent control.

Section 301.205 presently provides that the base rent for a unit of housing decontrolled by vacancy shall be the average rent of substantially identical decontrolled units in the same building or complex (or in the nearest marketing area) in transactions occurring between July 16, 1971, and August 14, 1971. This 30-day period coincides with the first of three 30-day periods from which lessors determining base rents pursuant to § 301.206 are required to use transactions. The vacancy decontrol provision, however, first became effective on July 1, 1971. Thus, there were only 45 days between the effective date of the decontrol provisions and the imposition of Phase I of the Economic Stabilization Program within which transactions could have occurred. Many transactions took place with respect to such units on or shortly after July 1, 1971. Because the total number of transactions during the entire 45-day period is relatively small and because many of those occurred between July 1 and July 16, the number of transactions which lessors may use in determining base rents under the regulations presently in effect is necessarily limited causing undue difficulty to both the lessors and lessees in determining a proper base rent for any such unit.

Accordingly, beginning with the effective date of this amendment, the base rent of any unit covered by § 301.205 shall be the average rent provided in transactions of substantially identical decontrolled units in the same building or complex occurring between July 1, 1971, and August 16, 1971. Any unit covered by this section which had a base rent computed under the rent stabilization regulations in effect prior to the effective date of this amendment shall, when it becomes subject to a lease for the first time after the effective date of this amendment, have its base rent computed pursuant to this amendment.

Because the purpose of this amendment is to provide needed criteria and information as to the rent stabilization program, it is hereby found that further notice and public procedure thereon is impracticable and that good cause exists for making it effective less than 30 days after publication in the FEDERAL REGISTER.

(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, § 301.205 of Title 6 of the Code of Federal Regulations is amended as follows, effective September 12, 1972.

§ 301.205 Residences formerly subject to rent controls pursuant to § 301.105.

(a) The base rent for a unit of rent controlled housing which became decontrolled as the result of a vacancy occurring after August 14, 1971, or by action of the Rent Administrator, State of New York (the base rent of which unit, if computed under §§ 301.202 through 301.204, would be based in whole or in part upon a rent controlled by the laws and regulations of the city and State of New York under authorization provided by § 301.105), is the average rent provided in transactions occurring between July 1, 1971, and August 14, 1971, inclusive, of substantially identical decontrolled units in the same building or complex. If such a substantially identical unit was not rented during that period of time, the base rent shall be the average rent of substantially identical units decontrolled during that period located in the nearest marketing area containing such a substantially identical unit.

(b) This section applies to transactions entered into after August 14, 1971, but does not authorize the collection of any increased rent for any unit for any period before February 23, 1972, and does not invalidate, in whole or in part, any lease that was otherwise valid when entered into.

By direction of the Commission.

Issued in Washington, D.C., on September 8, 1972.

JAMES B. MINOR,
General Counsel, Price Commission.

[FR Doc.72-15587 Filed 9-8-72;4:07 pm]

Title 7—AGRICULTURE

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

PART 981—ALMONDS GROWN IN CALIFORNIA

Expenses of Almond Control Board and Rate of Assessment for 1972-73 Crop Year

Notice was published in the August 29, 1972, issue of the FEDERAL REGISTER (37 F.R. 17490) regarding proposed expenses of the Almond Control Board for the 1972-73 crop year and rate of assessment for that crop year, pursuant to §§ 981.80 and 981.81 of the marketing agreement, as amended, and Order No. 981, as amended (7 CFR Part 981; 37 F.R. 3983), regulating the handling of almonds grown in California. The amended marketing agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674).

The notice afforded interested persons an opportunity to submit written data, views, or arguments with respect to the proposal. None were received.

After consideration of all relevant matter presented, including that in the notice, the information and recommendations submitted by the Control Board, and other available information, it is found that the expenses of the Control Board and rate of assessment for the crop year beginning July 1, 1972, shall be as follows:

§ 981.322 Expenses of the Control Board and rate of assessment for the 1972-73 crop year.

(a) *Expenses.* Expenses in the amount of $2,075,000 are reasonable and likely to

be incurred by the Control Board during the crop year beginning July 1, 1972, for its maintenance and functioning and for such purposes as the Secretary may, pursuant to the provisions of this part, determine to be appropriate.

(b) *Rate of assessment.* The rate of assessment for said crop year, payable by each handler in accordance with § 981.81, less any amount credited pursuant to § 981.41 but not to exceed 1 cent per pound of almonds (kernel weight basis), is fixed at 1.160 cents per pound of almonds (kernel weight basis).

It is further found that good cause exists for not postponing the effective time of this action until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) in that: (1) The relevant provisions of said marketing agreement and this part require that the rate of assessment fixed for a particular crop year shall be applicable to all almonds received by handlers for their own accounts during such crop year; and (2) the current crop year began July 1, 1972, and the rate of assessment herein fixed will automatically apply to all such almonds beginning with that date.

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

Dated: September 7, 1972.

CHARLES R. BRADER,
Acting Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc.72-15499 Filed 9-11-72;8:54 am]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket No. 72-SO-88, Amdt. 39-1518]

PART 39—AIRWORTHINESS DIRECTIVES

Pitts Model S-2A Series Airplanes

There have been failures of the streamline aileron interconnect tubes on the Pitts Model S-2A Series Airplanes. Since this condition is likely to exist or develop in other airplanes of the same type design, an airworthiness directive is being issued to require replacement of the streamline aileron interconnect tubes with round aileron interconnect tubes on the Pitts Model S-2A Series Airplanes.

Since a situation exists that requires immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable and good cause exists for making this amendment effective in less than 30 days.

In consideration of the foregoing, and pursuant to the authority delegated me by the Administrator (31 F.R. 13697), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

PITTS AVIATION ENTERPRISES, INC. Applies to the Pitts Model S-2A Series Airplanes, S/N 2001 through 2025.

Compliance required within the next 10 hours' time in service after the effective date of this AD, unless already accomplished.

To prevent structural damage because of excessive in-flight vibration of the aileron interconnect tubes, accomplish the following:

(a) Remove streamline aileron interconnect tubes, P/N 2-5216-1.

NOTE: Make certain the length between the AN3 bolt centers for the upper and lower aileron attachments of the interconnect tube are not changed during removal.

(b) Install round aileron interconnect tubes, P/N 2-5216-11. When installing the replacement tubes, make certain to adjust the length of the lower threaded end to the same overall length between AN3 bolt centers as the tubes originally installed on your airplane. Make certain that the correct number of AN960-10 (1/16- or 1/32-inch thick) washers are installed so that the bearing inner races are clamped up snugly without bending the fork ends of the tubes.

Pitts Service Bulletin No. 5, including Supplement No. 1, pertains to this same subject.

This amendment becomes effective September 15, 1972.

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

P. M. SWATEK,
Director, Southern Region.

Issued in East Point, Ga., on September 1, 1972.

[FR Doc.72-15433 Filed 9-11-72;8:49 am]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket No. C-2267]

PART 13—PROHIBITED TRADE PRACTICES

Battle Creek Development Co., et al.

Subpart—Advertising falsely or misleadingly: § 13.45 *Content;* § 13.155 *Prices;* 13.155-100 Usual as reduced, special, etc. Subpart—Misrepresenting oneself and goods—Goods: § 13.1605 *Content;* § 13.1647 *Guarantees*—Prices: § 13.1785 Comparative; § 13.1805 *Exaggerated as regular and customary;* § 13.1825 *Usual as reduced or to be increased*—Services: § 13.1843 *Terms and conditions.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Battle Creek Development Co., et al., St. Paul, Minn., Docket No. C-2267, Aug. 3, 1972]

In the Matter of Battle Creek Development Co., a Corporation, and Cortland J. Silver, and James B. Seaton, Individually and as Officers of Said Corporation

Consent order requiring a St. Paul, Minn., company operating a number of retail jewelry stores to cease, among other things, using the words "Sale" or "* * * Surplus Stock Sale" unless the price of such merchandise being offered for sale constitutes a significant reduction in price; misrepresenting the usual or regular selling price of respondent's merchandise; misrepresenting the amount of savings available to purchasers; representing respondent's credit terms are lenient and that credit is available regardless of ability to pay or legal age status; representing that products contain or are made or composed, in whole or in part, of a gold quantity, weight, or fineness not actually used or contained therein; and representing that any article of merchandise is guaranteed, without disclosing the nature, conditions and extent of said guarantee.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents Battle Creek Development Co., a corporation, its successors and assigns, and its officers, and Cortland J. Silver and James B. Seaton, individually and as officers of said corporation, and respondents' officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, or oral sales presentation offering for sale, sale, or distribution of watches, jewelry, diamonds, radios, clocks, tape recorders, dinnerware, tableware, or other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "Sale", or "* * * Surplus Stock Sale," or any other word or words of similar import or meaning unless the price of such merchandise being offered for sale constitutes a reduction, in an amount not so insignificant as to be meaningless, from the actual bona fide price at which such merchandise was sold or offered for sale to the public on a regular basis by respondents for a reasonably substantial period of time in the recent, regular course of their business.

2. Using the words "Sale", or "* * * Surplus Stock Sale", or any other word or words of similar import or meaning, in advertising or other promotional material containing nonsale items, without clearly and conspicuously revealing in immediate conjunction with said representations which items are sale items.

3. Using the words "Was", "Regular", "Reg.", or any other words of similar import or meaning to refer to any price amount which is in excess of the price at which such merchandise has been sold or offered for sale in good faith by respondents for a reasonably substantial period of time in the recent, regular course of their business, or misrepresenting, in any manner, the usual or regular selling price of respondents' merchandise.

4. Using the term "Save 20 percent," "Save 25 percent," "From 20 percent to 32 percent off," or "one-third off," or any other word or words stating or implying

reductions in price unless such reductions apply to each article of the particular class of merchandise represented to be offered for sale at the advertised reductions.

5. (a) Representing, in any manner, that by purchasing any of said merchandise, customers are afforded savings amounting to the difference between respondents' stated price and respondents' former price unless such merchandise has been sold or offered for sale in good faith at the former price by respondents for a reasonably substantial period of time in the recent, regular course of their business.

(b) Representing, in any manner, that by purchasing any of said merchandise, customers are afforded savings amounting to the difference between respondents' stated price and a compared price for said merchandise in respondents' trade area unless a substantial number of principal retail outlets in the trade area regularly sell said merchandise at the compared price or some higher price.

(c) Representing, in any manner, that by purchasing any of said merchandise, customers are afforded savings amounting to the difference between respondents' stated price and a compared value price for comparable merchandise, unless substantial sales of merchandise of like grade and quality are being made in the trade area at the compared price or a higher price.

6. Misrepresenting, in any manner, the amount of savings available to purchasers or prospective purchasers of respondents' merchandise at retail.

7. Representing, directly or by implication, that respondents' credit terms are lenient and representing directly that credit is available regardless of the credit rating, financial ability to pay or legal age status of potential customers.

8. Representing, directly or indirectly, through the use of the word gold, the abbreviation YG or WG, or the term yellow gold or any other words or abbreviations of similar import that products contain or are made or composed in whole or in part of gold or of a gold quantity, weight, or fineness of alloy not actually used or contained therein.

9. Representing, directly or indirectly, through the use of the word "pearl" or any other word or words of similar import or meaning, that imitation pearls are genuine pearls; *Provided, however,* That the foregoing shall not be construed to prohibit the use of the word "pearl" to describe the appearance of said imitation pearls if, whenever used, the word "pearl" is immediately preceded, in equally conspicuous type, by the word "imitation" or the word "simulated", or other words of similar import or meaning, so as to clearly indicate that said imitation pearls are not genuine pearls but imitations thereof.

10. Representing, directly or indirectly, through the use of the word "birthstone" or any other words of similar import or meaning, that imitation or synthetic precious or semi-precious stones are genuine and descriptive of any product which is not in fact a natural stone of the type described.

11. Representing, directly or indirectly, that respondents' watches are waterproof.

12. Representing, directly or by implication, that any article of merchandise is guaranteed, without clearly and conspicuously disclosing the nature, conditions, and extent of the guarantee, the identity of the guarantor, and the manner in which the guarantor will perform thereunder; and unless respondents promptly and fully perform all their obligations and requirements, directly or impliedly represented under the terms of each such guarantee.

It is further ordered, That the respondents shall forthwith distribute a copy of this order to each of their respective operating divisions or departments and all jewelry store managers and sales personnel and secure from each a signed statement acknowledging receipt of said order.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed changes in the corporate respondent such as dissolution, assignment, or sale resulting in the emerging of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations arising out of this order.

It is further ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with this order.

Issued: August 3, 1972.

By the Commission.

[SEAL] VIRGINIA M. HARDING,
Acting Secretary.

[FR Doc.72-15419 Filed 9-11-72;8:48 am]

[Docket No. C-2270]

PART 13—PROHIBITED TRADE PRACTICES

Commander Carpet Mills, Inc., and Nasser Nikourkary

Subpart—Importing, selling, or transporting flammable wear: § 13.1060 *Importing, selling, or transporting flammable wear.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, 67 Stat. 111, as amended; 15 U.S.C. 45, 1191)

[Cease and desist order, Commander Carpet Mills, Inc., et al., Cartersville, Ga., Docket No. C-2270, August 14, 1972]

In the Matter of Commander Carpet Mills, Inc., a Corporation, and Nasser Nikourkary, Individually and as an Officer of Said Corporation

Consent order requiring, among other things, a Carterville, Ga., manufacturer and seller of carpets to cease manufacturing for sale, selling, importing, or distributing any product, fabric, or related material which fails to conform to an applicable standard of flammability or regulation issued or amended under the provisions of the Flammable Fabrics Act.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondent Commander Carpet Mills, Inc., a corporation, its successors and assigns, and its officers, and respondent Nasser Nikourkary, individually and as an officer of said corporation and respondents' agents, representatives, and employees directly or through any corporation, subsidiary, division, or other device, do forthwith cease and desist from manufacturing for sale, selling, offering for sale, in commerce, or importing into the United States, or introducing, delivering for introduction, transporting or causing to be transported in commerce or selling or delivering after sale or shipment in commerce, any product, fabric, or related material; or manufacturing for sale, selling, or offering for sale, any product made of fabric or related material which has been shipped or received in commerce, as "commerce," "product," "fabric," and "related material" are defined in the Flammable Fabrics Act, as amended, which product, fabric, or related material fails to conform to an applicable standard or regulation continued in effect, issued or amended under the provisions of the aforesaid Act.

It is further ordered, That respondents notify all of their customers who have purchased or to whom have been delivered the products which gave rise to this complaint, of the flammable nature of said products and effect the recall of said products from such customers.

It is further ordered, That the respondents herein either process the products which gave rise to the complaint so as to bring them into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or destroy said products.

It is further ordered, That respondents herein shall, within ten (10) days after service upon them of this order, file with the Commission a special report in writing setting forth the respondent's intentions as to compliance with this order. This special report shall also advise the Commission fully and specifically concerning (1) the identity of the products which gave rise to the complaint, (2) the identity of the purchasers of said products, (3) the amount of said products on hand and in the channels of commerce, (4) any action taken and any further actions proposed to be taken to notify customers of the flammability of said products and effect the recall of said products from customers, and the results thereof. (5) any disposition of said products since March 14, 1972, and (6) any action taken or proposed to be taken to bring said products into conformance with the applicable standard of flammability under the Flammable Fabrics Act, as amended, or to destroy said products, and the results of such action. Respondents will submit with their report,

a complete description of each style of carpet or rug currently in inventory or production. Upon request, respondents will forward to the Commission for testing a sample of any such carpet or rug.

It is further ordered, That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That the individual respondent named herein promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. Such notice shall include respondent's current business or employment in which he is engaged as well as a description of his duties and responsibilities.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Issued: August 14, 1972.

By the Commission.

[SEAL] VIRGINIA M. HARDING,
Acting Secretary.

[FR Doc.72-15420 Filed 9-11-72;8:48 am]

[Docket No. C-2269]

PART 13—PROHIBITED TRADE PRACTICES

Getto & Getto, Inc., et al.

Subpart—Invoicing products falsely: § 13.1108 *Invoicing products falsely;* 13.1108–45 Fur Products Labeling Act. Subpart—Misbranding or mislabeling: § 13.1185 *Composition:* 13.1185–50 Fur Products Labeling Act; § 13.1212 *Formal regulatory and statutory requirements:* 13.1212–30 Fur Products Labeling Act. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements:* 13.1852–35 Fur Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, sec. 8, 65 Stat. 179; 15 U.S.C. 45, 69f) [Cease and desist order, Getto & Getto, Inc., et al., New York, N.Y., Docket No. C-2269, Aug. 10, 1972]

In the Matter of Getto & Getto, Inc., a Corporation, and Harold Getto and Irving Getto, Individually and as Officers of Said Corporation

Consent order requiring, among other things, a New York City manufacturer of fur products to cease misbranding and deceptively invoicing its merchandise.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That Getto & Getto, Inc., a corporation, its successors and assigns, and its officers, and Harold Getto and Irving Getto, individually and as officers of said corporation, and respondents' representatives, agents, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation, or distribution in commerce, of

It is further ordered, That any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation, or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Representing directly, or by implication on a label, that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix a label to such fur product showing in words and in figures, plainly legible, all of the information required to be disclosed by each of the subsections of section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures, plainly legible, all the information required to be disclosed by each of the subsections of section 5(b)(1) of the Fur Products Labeling Act.

2. Representing directly or by implication on an invoice that the fur contained in such fur product is natural, when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That Getto & Getto, Inc., a corporation, its successors and assigns, and its officers, and Harold Getto and Irving Getto, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporation, subsidiary, division, or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

It is further ordered, That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment, or sale, resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist contained herein.

Issued: August 10, 1972.

By the Commission.

[SEAL] CHARLES A. TOBIN,
Secretary.

[FR Doc.72-15421 Filed 9-11-72;8:48 am]

[Docket No. C-2271]

PART 13—PROHIBITED TRADE PRACTICES

United System, Inc., et al.

Subpart—Advertising falsely or misleadingly: § 13.15 *Business status, advantages, or connections:* 13.15–30 Connections or arrangements with others; 13.15–195 Nature; 13.15–280 Unique or special status or advantages; § 13.135 *Nature of product or service;* § 13.155 *Prices:* 13.155–95 Terms and conditions. Subpart—Misrepresenting oneself and goods—Business Status, Advantages or Connections: § 13.1395 *Connections and arrangements with others;* § 13.1490 *Nature;* —Prices: § 13.1823 *Terms and conditions;* —Services: § 13.1843 *Terms and conditions.* Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1892 *Sales contract, right-to-cancel provision.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [United Systems, Inc., et al., Indianapolis, Ind., Docket No. C-2271, Aug. 18, 1972]

In the Matter of United Systems, Inc., Skyline Deliveries, Inc., Express Parcel Deliveries, Inc., Truck Line Distribution Systems, Inc., Sheridan Truck Lines, Inc., and Advance Systems, Inc., Corporations, and George L. Eyler, Individually and as an Officer of Said Corporations

Consent order requiring an Indianapolis, Ind., truckdriver correspondence school to cease, among other things, misrepresenting the nature of the business; representing offers of employment; misrepresenting respondent's connections or affiliations; misrepresenting the nature or purpose of any fees paid by enrollees; misrepresenting the terms and conditions under which payments can be made; and failing to notify purchasers of their right to a 3-day cooling-off period.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents United Systems, Inc., a corporation, Skyline Deliveries, Inc., a corporation, Express

Parcel Deliveries, Inc., a corporation, Truck Line Distribution Systems, Inc., a corporation, Sheridan Truck Lines, Inc., a corporation, and Advance Systems, Inc. a corporation, their successors and assigns, and officers, and George L. Eyler, individually and as an officer of said corporations, and respondents' officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, offering for sale, sale, or distribution of courses of study and instruction in truck driving or courses of study and instruction in any other subject, trade, or vocation, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, orally or in writing, that respondent United Systems, Inc., is a trucking company; misrepresenting, in any manner, the nature of respondents' business.

2. Failing to disclose, clearly and conspicuously, in advertisements seeking leads to prospective purchasers of respondents' courses, in catalogs, brochures and on letterheads that respondent United Systems, Inc.'s, business is solely and exclusively that of a private school, and not otherwise.

3. Representing, directly or by implication, orally or in writing, that employment is being offered when the real purpose of such offer is to obtain leads to prospective purchasers of respondents' courses.

4. Failing to specify, clearly and conspicuously, as a condition to the publication of classified advertisements seeking leads to prospective purchasers, that such advertisements be published only in education, instruction or similar columns of classified advertising.

5. Representing, directly or by implication, orally or in writing, that respondents have been requested to train drivers by any trucking company; misrepresenting, in any manner, respondents' connection or affiliation with the trucking industry or any member thereof.

6. (a) Representing, directly or by implication, orally or in writing, that persons completing respondents' course in truckdriver training will be any more proficient than basically trained drivers who may require further training or experience before becoming qualified for employment as local or over-the-road truckdrivers.

(b) Failing to disclose, in writing, clearly and conspicuously, to each prospective purchaser of respondents' courses of study and instruction before said prospective purchasers have paid any money or fee to respondents or executed any contract with respondents, that respondents are unable to guarantee or assure employment to graduates of their courses of study and instruction.

7. Representing, directly or by implication, orally or in writing, that enrollees in respondents' course in truckdriver training are required to post a bond or pay a bonding fee; misrepresenting, in any manner, the nature or purpose of any fee which must be paid by enrollees in respondents' courses.

8. (a) Failing to disclose, in writing, clearly and conspicuously, to any prospective purchaser of respondents' course of study and instruction, the full cost of such course including the fee for any home study lessons and for any residential training;

(b) Representing, directly or by implication, orally or in writing, that the balance of the cost of respondents' course remaining after the initial or registration fee has been paid can be deferred until after the student has completed the course and obtained employment as a truckdriver;

(c) Representing, directly or by implication, orally or in writing, that respondents will handle or secure the financing of any portion of the cost of respondents' course;

(d) Misrepresenting, in any manner, the terms or conditions under which payment is to be made for respondents' courses.

9. Representing, directly or by implication, orally or in writing, that respondents' placement service will guarantee or assure the placement of graduates in jobs for which respondents' courses are represented to train them, or will guarantee or assure the placement of graduates in such jobs in the geographical area of their choice; misrepresenting, in any manner, respondents' ability or facilities for assisting graduates of their courses in obtaining employment.

10. (a) Failing to notify, in writing, each purchaser of respondents' courses of study and instruction, before said purchaser makes any payment to respondents, or executes any contract with respondents, that said purchaser has a right to request a refund of all moneys paid at any time within not less than 72 hours after signing the contract for respondents' course of study and instruction.

(b) Failing to make any refund in accordance with the policy set forth in paragraph 10(a).

11. (a) Failing to disclose, in writing, clearly and conspicuously, the refund policy of respondents with respect to those students who have embarked upon the training program after the 72-hour period set forth in paragraph 10(a) above.

(b) Failing to make any refund in accordance with the refund policy disclosed to the students under paragraph 11(a) above.

It is further ordered, That respondents shall forthwith deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in selling respondents' courses of study and instruction and secure from each such salesmen or other persons a signed statement acknowledging receipt of said order.

It is further ordered, That each respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That respondents notify the Commission at least 30 days prior to any proposed change in the corporate respondents such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

It is further ordered, That the individual respondent named herein promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. Such notice shall include respondent's current business or employment in which he is engaged as well as a description of his duties and responsibilities.

Issued: August 18, 1972.

By the Commission.

[SEAL] VIRGINIA M. HARDING,
Acting Secretary.

[FR Doc.72-15422 Filed 9-11-72;8:48 am]

[Docket No. C-2268]

PART 13—PROHIBITED TRADE PRACTICES

Weil & Co., Inc., and Robert Weil

Subpart—Advertising falsely or misleadingly: § 13.73 *Formal regulatory and statutory requirements:* 13.73-92 Truth in Lending Act; § 13.155 *Prices:* 13.155-95 Terms and conditions; 13.155-95(a) Truth in Lending Act. Subpart—Misrepresenting oneself and goods—Goods: § 13.1623 *Formal regulatory and statutory requirements:* 13.1623-95 Truth in Lending Act;—Prices: § 13.1823 *Terms and conditions;* 13.1823-20 Truth in Lending Act. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements:* 13.1852-75 Truth in Lending Act; § 13.1905 *Terms and conditions;* 13.1905-60 Truth in Lending Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, 82 Stat. 146, 147; 15 U.S.C. 45, 1601-1605) [Cease and desist order, Weil & Co., Inc., et al., New York, N.Y., Docket No. C-2268, Aug. 9, 1972]

In the Matter of Weil & Co., Inc., a Corporation, and Robert Weil, Individually and as an Employee of Said Corporation

Consent order requiring, among other things, a New York City retailer of furniture, electrical appliances, and other merchandise, to cease violating the Truth in Lending Act by failing to disclose to customers the minimum periodic payment required for open end credit; the time period within which extended credit may be paid without finance charge; stating contradictory terms on initial

and periodic disclosure statements; and any other disclosures required by Regulation Z of the said Act.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondent Weil & Co., Inc., a corporation, its successors and assigns and respondent Robert Weil, individually and as an employee of said corporation, and respondents' officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with any extension of consumer credit or any advertisement to aid, promote or assist directly or indirectly any extension of consumer credit as "consumer credit" and "advertisement" are defined in regulation Z (12 CFR Part 226) of the Truth-in-Lending Act (P.L. 90-321, 15 U.S.C. 1601, et seq.), do forthwith cease and desist from:

1. Failing to disclose the minimum periodic payment required for their open end credit plan before the first transaction is made, as required by § 226.7(a)(8) of Regulation Z.

2. Failing to disclose, before the first transaction is made, the time period within which any credit extended may be paid without incurring a finance charge, as required by § 226.7(a)(1) of Regulation Z.

3. Stating contradictory terms on their initial and periodic disclosure statements concerning the time period within which any credit extended may be paid without incurring an additional finance charge, in violation of § 226.6(c) of Regulation Z.

4. Requiring their customers to execute a new note each time additional credit is extended for the purpose of consolidating the old and new credit balances which constitutes a consolidation of credit other than open end, as defined in § 226.8(j) of Regulation Z, and thereafter characterizing their credit plan as, and making disclosures consistent with, an open end credit plan, as "open end credit" is defined in Regulation Z.

5. Failing in any consumer credit transaction or advertisement, to make all disclosures determined in accordance with §§ 226.4 and 226.5 of Regulation Z, in the manner, form and amount required by §§ 226.6, 226.7, 226.8, 226.9, 226.10, and 226.11 of Regulation Z.

It is further ordered, That respondents deliver a copy of this order to cease and desist to all present and future personnel of respondents engaged in the consummation of any extension of consumer credit or in any aspect of preparation, creation, or placing of advertising, and that respondents secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That respondents notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent, such as dissolution, assignment, or sale, resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations arising out of this order.

It is further ordered, That respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist contained herein.

Issued: August 9, 1972.

By the Commission.

[SEAL] CHARLES A. TOBIN, *Secretary.*

[FR Doc.72-15423 Filed 9-11-72;8:48 am]

PART 118—MIRROR INDUSTRY

Trade Practice Rules

The Trade Practice Rules for the Mirror Industry, 16 CFR Part 118, have been amended as was proposed in the Commission's notice issued May 24, 1972.

1. The definitions of plate glass and float glass in § 118.0(c) have been replaced by a single new definition of plate glass as follows:

§ 118.0 Definitions.

* * * * *

(c) For the purposes of these rules the following definitions shall apply:

Plate glass: A transparent glass, the two surfaces of which are flat and parallel so that they give clear and undistorted vision and reflection, manufactured either by floating hot glass in ribbon form upon a heated liquid of greater density than that of glass or by grinding and polishing a ribbon of glass formed between two rolls.

Window glass: * * *

2. Section 118.2(a)(1)(i) and (2) have also been changed by eliminating provisions requiring that float glass be distinguished from plate glass as follows:

§ 118.2 Misrepresentation of kind or type of industry products.

* * * * *

(a) *Misrepresentation as to kind or type of glass.* (1)(i) It is an unfair trade practice to sell, offer for sale, or distribute any industry product containing "window glass" unless such product is marked, labeled, or stamped so as to reveal that the glass is "window glass."

* * * * *

(2) In the sale, offering for sale, or distribution of industry products, it is an unfair trade practice to represent that a product contains "crystal" or "crystale" glass, when, contrary to the representation, such product contains a different glass, e.g., "plate glass" or "window glass."

* * * * *

(Secs. 5, 6, 38 Stat. 719, as amended, 721; 15 U.S.C. 45, 46)

Effective: September 13, 1972.

By direction of the Commission.

[SEAL] CHARLES A. TOBIN, *Secretary.*

[FR Doc.72-15473 Filed 9-11-72;8:52 am]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 72-235]

PART 16—LIQUIDATION OF DUTIES

Denmark; List of Quarterly Rate Countries

No significant variances in the rate of exchange daily certified to the Secretary of the Treasury by the Federal Reserve Bank of New York pursuant to section 522(c), Tariff Act of 1930, as amended (31 U.S.C. 372(c)), have occurred during extensive periods for the Denmark krone.

Therefore, pursuant to section 522(c)(1)(B), Denmark is hereby designated as a country whose currency shall be subject to conversion for Customs purposes at the rate of exchange first certified by the Federal Reserve Bank of New York for a day within the quarter beginning October 1, 1972, and each calendar quarter thereafter.

The list of countries alphabetically set forth at the end of paragraph (d) of § 16.4 of the Customs regulations, is amended to include "Denmark."

(R.S. 251, as amended, secs. 522, 624, 46 Stat. 739, as amended, 759; 19 U.S.C. 66, 1624, 31 U.S.C. 372)

Because the instructions, primarily relating to action to be taken by Customs officers, produce generally beneficial results from the standpoint of the public, good cause exists under 5 U.S.C. 553(b), for dispensing with notice and public procedure.

Effective date. This amendment shall become effective on October 1, 1972.

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

Approved: August 31, 1972.

EUGENE T. ROSSIDES, *Assistant Secretary of the Treasury.*

[FR Doc.72-15440 Filed 9-11-72;8:50 am]

Title 21—FOOD AND DRUGS

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

SUBCHAPTER C—DRUGS

PART 135b—NEW ANIMAL DRUGS FOR IMPLANTATION OR INJECTION

Colloidal Ferric Oxide Injection, Veterinary

The Commissioner of Food and Drugs has evaluated a supplemental new animal drug application (11-644V) filed by American Cyanamid Co., Post Office Box 400, Princeton, NJ 08540, proposing revised labeling for the safe and effective use of colloidal ferric oxide injection,

veterinary, to prevent and treat anemia in baby pigs. The supplemental application is approved.

The regulations are amended as set forth below to add American Cyanamid Co. to the list of firm(s) holding approved new animal drug applications to market this drug for the prevention and treatment of anemia in baby pigs.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 512(i), 82 Stat. 347; 21 U.S.C. 360(b)(i)) and under authority delegated to the Commissioner (21 CFR 2.120), § 135b.61 is amended in paragraph (b) as follows to include American Cyanamid Co. as an additional sponsor of the product:

§ 135b.61 Colloidal ferric oxide injection, veterinary.

* * * * *

(b) *Sponsor.* See code Nos. 004 and 026 in § 135.501(c) of this chapter.

* * * * *

Effective date. This order shall be effective upon publication in the FEDERAL REGISTER (9–12–72).

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

Dated: September 5, 1972.

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

[FR Doc.72-15468 Filed 9-11-72;8:51 am]

Title 24—HOUSING AND URBAN DEVELOPMENT

Chapter X—Federal Insurance Administration, Department of Housing and Urban Development

SUBCHAPTER B—NATIONAL FLOOD INSURANCE PROGRAM

PART 1914—AREAS ELIGIBLE FOR THE SALE OF INSURANCE

Status of Participating Communities

Section 1914.4 of Part 1914 of Subchapter B of Chapter X of Title 24 of the Code of Federal Regulations is amended by adding in alphabetical sequence a new entry to the table. In this entry, a complete chronology of effective dates appears for each listed community. Each date appearing in the last column of the table is followed by a designation which indicates whether the date signifies the effective date of the authorization of the sale of flood insurance in the area under the emergency or the regular flood insurance program. The entry reads as follows:

§ 1914.4 Status of participating communities.

* * * * * * *

State	County	Location	Map No.	State map repository	Local map repository	Effective date of authorization of sale of flood insurance for area
* * *	* * *	* * *	* * *	* * *	* * *	* * *
Connecticut	Fairfield	Weston				Sept. 8, 1972. Emergency.
Florida	Broward	Dania				Do.
Do	Bay	Panama City				Do.
Kansas	Sumner	Overland Park				Do.
Minnesota	Carver	Carver	I 27 019 1090 01 I 27 019 1090 02	Division of Waters, Soils and Minerals, Department of Natural Resources, Centennial Office Bldg., St. Paul, MN 55101. Minnesota Division of Insurance, R-210 State Office Bldg., St. Paul, MN 55101.	Carver Village Hall, Main St., Carver, MN 55315.	Apr. 2, 1971. Emergency. Sept. 8, 1972. Regular.
Do	do	Chaska	I 27 019 1180 03 I 27 019 1180 04	do	Chaska City Hall, 205 East 4th St., Chaska, MN 55318.	Mar. 24, 1971. Emergency. Sept. 8, 1972. Regular.
Do	Hennepin	Bloomington	I 27 053 0675 03 through I 27 053 0675 06	do	Planning Department, City of Bloomington, 2215 W. Shakopee Rd., Bloomington, MN 55431.	Mar. 12, 1971 Emergency. Sept. 8, 1972. Regular.
Missouri	Texas	Cabool				Sept. 8, 1972. Emergency.
New Jersey	Essex	West Caldwell Borough.				Do.
Pennsylvania	Bucks	Durham Township.				Do.
Do	do	Perkasie Borough.				Do.
Do	Delaware	Darby Borough				Do.
Do	do	Ridley Township				Do.
Do	York	Fairview Township.				Do.
Texas	Bexar	Terrell Hills				Do.

(National Flood Insurance Act of 1968 (title XIII of the Housing and Urban Development Act of 1968), effective January 28, 1969 (33 F.R. 17804, Nov. 28, 1968), as amended (secs. 408–410, Public Law 91–152, Dec. 24, 1969), 42 U.S.C. 4001–4127; and Secretary's delegation of authority to Federal Insurance Administrator, 34 F.R. 2680, Feb. 27, 1969)

Issued: September 5, 1972.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.72-15344 Filed 9-11-72;8:45 am]

PART 1915—IDENTIFICATION OF SPECIAL HAZARD AREAS

List of Communities With Special Hazard Areas

Section 1915.3 is amended by adding in alphabetical sequence a new entry to the table, which entry reads as follows:

§ 1915.3 List of communities with special hazard areas.

• • • • • • •

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
• • •	• • •	• • •	• • •	• • •	• • •	• • •
Connecticut	Fairfield	Weston				Sept. 8, 1972.
Florida	Broward	Dania				Do.
Do	Bay	Panama City				Do.
Kansas	Sumner	Overland Park				Do.
Minnesota	Carver	Carver	H 27 019 1090 01 H 27 019 1090 02	Division of Waters, Soils and Minerals, Department of Natural Resources, Centennial Office Bldg., St. Paul, MN 55101. Minnesota Division of Insurance, R-210 State Office Bldg., St. Paul, MN 55101.	Carver Village Hall, Main St., Carver, MN 55315.	Apr. 2, 1971.
Do	do	Chaska	H 27 019 1180 03 H 27 019 1180 04	do	Chaska City Hall, 205 East 4th St., Chaska, MN 55318.	Mar. 24, 1971.
Do	Hennepin	Bloomington	H 27 053 0675 03 through H 27 053 0675 06	do	Planning Department, City of Bloomington, 2215 W. Shakopee Rd., Bloomington, MN 55431.	Mar. 12, 1971.
Missouri	Texas	Cabool				Sept. 8, 1972.
New Jersey	Essex	West Caldwell Borough.				Do.
Pennsylvania	Bucks	Durham Township.				Do.
Do	do	Perkasie Borough				Do.
Do	Delaware	Darby Borough				Do.
Do	do	Ridley Township				Do.
Do	York	Fairview Township.				Do.
Texas	Bexar	Terrell Hills				Do.

(National Flood Insurance Act of 1968 (title XIII of the Housing and Urban Development Act of 1968), effective January 28, 1969 (33 F.R. 17804, Nov. 28, 1968), as amended (secs. 408–410, Public Law 91–152, Dec. 24, 1969), 42 U.S.C. 4001–4127; and Secretary's delegation of authority to Federal Insurance Administrator, 34 F.R. 2680, Feb. 27, 1969)

Issued: September 5, 1972.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.72–15345 Filed 9–11–72;8:45 am]

Title 25—INDIANS

Chapter I—Bureau of Indian Affairs, Department of the Interior

SUBCHAPTER T—OPERATION AND MAINTENANCE

PART 221—OPERATION AND MAINTENANCE CHARGES

Water Charges on Ahtanum Indian Irrigation Project

These final regulations are issued under the authority delegated to the Commissioner of Indian Affairs by the Secretary of the Interior in section 15(a) of Secretarial Order 2508 (10 BIAM 2.1) and redelegated by the Commissioner to the Area Directors in 10 BIAM 3. The authority to issue regulations is vested in the Secretary of the Interior by sections 161, 463, and 465 of the Revised Statutes (5 U.S.C. 301; 25 U.S.C. 2 and 9).

Beginning on page 14314 of the FEDERAL REGISTER of July 19, 1972 (37 F.R. 139), there was published a notice of intention to modify § 221.1 of Part 221, Subchapter T, Chapter I, of Title 25 of the Code of Federal Regulations by changing the rate for annual operation and maintenance assessments on the Ahtanum Indian Irrigation Project for calendar year 1973 and subsequent years. This modification was proposed pursuant to the authority contained in the Acts of August 1, 1914 (38 Stat. 583), and March 7, 1928 (45 Stat. 210).

Interested persons were given 30 days in which to submit written comments, suggestions, or objections, regarding the proposed regulations.

During this period no comments, suggestions, or objections, were submitted. It has been determined that sufficient justification exists for modifying the rate for water charges for the Ahtanum Indian Irrigation Project as set forth below.

§ 221.1 Charges.

Pursuant to the provisions of the Acts of August 1, 1914, and March 7, 1928 (38 Stat. 583 and 45 Stat. 210; 25 U.S.C. 385, 387), the operation and maintenance charges on lands of the Ahtanum Indian Irrigation Project, Yakima Indian Reservation, Wash., for the calendar year 1973 and subsequent years until further notice, are hereby fixed at $3.50 per acre per annum for each irrigable acre of land to which water can be delivered from the project works.

DALE M. BALDWIN,
Area Director.

AUGUST 30, 1972.

[FR Doc.72–15426 Filed 9–11–72;8:48 am]

PART 221—OPERATION AND MAINTENANCE CHARGES

Water Charges on Toppenish-Simcoe Indian Irrigation Project

These final regulations are issued under the authority delegated to the Commissioner of Indian Affairs by the Secretary of the Interior in section 15(a) of Secretarial Order 2508 (10 BIAM 2.1) and redelegated by the Commissioner to the Area Directors in 10 BIAM 3. The authority to issue regulations is vested in the Secretary of the Interior by sections 161, 463, and 465 of the Revised Statutes (5 U.S.C. 301; 25 U.S.C. 2 and 9).

Beginning on page 14314 of the FEDERAL REGISTER of July 19, 1972 (37 F.R. 139), there was published a notice of intention to modify § 221.73 of Part 221, Subchapter T, Chapter I, of Title 25 of the Code of Federal Regulations by changing the basic rate for annual operation and maintenance assessments on the Toppenish-Simcoe Indian Irrigation Project for calendar year 1973 and subsequent years. This modification was proposed pursuant to the authority contained in the Acts of August 1, 1914 (38 Stat. 583), and March 7, 1928 (45 Stat. 210).

Interested persons were given 30 days in which to submit written comments,

suggestions, or objections, regarding the proposed regulations.

During this period no comments, suggestions, or objections were submitted. It has been determined that sufficient justification exists for modifying the rate for water charges for the Toppenish-Simcoe Indian Irrigation Project as set forth below.

§ 221.73 Charges.

Pursuant to the provisions of the Acts of August 1, 1914, and March 7, 1928 (38 Stat. 583 and 45 Stat. 210; 25 U.S.C. 385, 387), the operation and maintenance charges for the lands under the Toppenish-Simcoe Irrigation Project, Yakima Indian Reservation, Wash., for the calendar year 1973 and subsequent years until further notice, are hereby fixed as follows:

All lands for which application for water is made and approved by Project Engineer, per acre	$3.75

DALE M. BALDWIN,
Area Director.

AUGUST 30, 1972.

[FR Doc.72-15427 Filed 9-11-72;8:48 am]

PART 221—OPERATION AND MAINTENANCE CHARGES

Wapato Indian Irrigation Project

These final regulations are issued under the authority delegated to the Commissioner of Indian Affairs by the Secretary of the Interior in section 15(a) of Secretarial Order 2508 (10 BIAM 2.1) and redelegated by the Commissioner to the area directors in 10 BIAM 3. The authority to issue regulations is vested in the Secretary of the Interior by sections 161, 463, and 465 of the Revised Statutes (5 U.S.C. 301; 25 U.S.C. 2 and 9).

Beginning on page 14314 of the FEDERAL REGISTER of July 19, 1972 (37 F.R. 139), there was published a notice of intention to modify § 221.86 of Part 221, Subchapter T, Chapter I, of Title 25 of the Code of Federal Regulations by changing the basic rate for annual operation and maintenance assessments on the Wapato Indian irrigation project for calendar year 1973 and subsequent years. This modification was proposed pursuant to the authority contained in the Acts of August 1, 1914 (38 Stat. 583) and March 7, 1928 (45 Stat. 210).

Interested persons were given 30 days in which to submit written comments, suggestions, or objections regarding the proposed regulations.

During this period no comments, suggestions, or objections were submitted. It has been determined that sufficient justification exists for modifying the rate for basic and other water charges for the Wapato Indian irrigation project as set forth below.

The modified § 221.86 shall become effective 30 days after the date of publication in the FEDERAL REGISTER.

§ 221.86 Charges.

The operation and maintenance charges on assessable lands under the Wapato Indian irrigation project, Yakima Indian Reservation, Wash., are hereby fixed as follows:

(a) Pursuant to the provisions of the Acts of August 1, 1914, and March 7, 1928 (38 Stat. 583, 45 Stat. 210; 25 U.S.C. 385, 387), the basic operation and maintenance assessment rates for the calendar year 1973 and subsequent years until further notice are:

(1) Minimum charges for all tracts in noncontiguous single ownership	$10.30
(2) Flat rate upon all farm units or tracts for each assessable acre except additional works lands	10.30
(3) Storage operation and maintenance. For all lands with a storage water right, known as "B" lands, in addition to other charges per acre	0.50
(4) Flat rate upon all farm units or tracts for each assessable acre of additional works lands	10.75

(b) Pursuant to the provisions of the Act of September 26, 1961 (75 Stat. 680), there shall be assessed and collected from all lands except additional works lands, beginning with the calendar year 1967 and until further notice but not to exceed a period of 10 years, an annual per acre charge of $0.20 to defray the cost of replacing a wooden pipeline.

DALE M. BALDWIN,
Area Director.

AUGUST 30, 1972.

[FR Doc.72-15425 Filed 9-11-72;8:48 am]

Title 32—NATIONAL DEFENSE

Chapter XII—Defense Supply Agency

SUBCHAPTER A—DEFENSE SUPPLY PROCUREMENT REGULATION

MISCELLANEOUS AMENDMENTS TO SUBCHAPTER

Chapter XII of Title 32 of the Code of Federal Regulations is amended as follows:

PART 1201—GENERAL PROVISIONS

Subpart A—Introduction

1. Sections 1201.102 and 1201.109–2 are revised to read as follows:

§ 1201.102 Applicability of subchapter.

(a) This subchapter is applicable to the purchasing function at all DSA activities, but is not applicable to the performance of field contract administration assigned to Defense Contract Administration Services (DCAS). ASPR is the primary source to which procurement personnel should make reference. DSPR implements and does not in any way supersede ASPR. Material published in ASPR is not duplicated in DSPR.

(b) Whenever revisions to ASPR are published which make coverage in this subchapter obsolete or contradictory to that in ASPR, the provisions in ASPR shall apply.

(c) Whenever DSA regulations, containing policies and procedures relating to procurement conflict with ASPR or this subchapter, the policies and procedures in ASPR and this subchapter shall govern.

§ 1201.109–2 Deviations affecting one contract or transaction.

Deviations from ASPR, a Department of Defense directive, or the DSPR which affect only one contract or transaction, will be made only after prior approval by the Executive Director, Deputy Executive Director, Procurement and Production, DSA.

2. In § 1201.110–50, paragraphs (a), (c), and (e) are revised to read as follows:

§ 1201.110–50 Advance notification of proposed awards.

(a) Data on all proposed contract awards of $1 million or more will be submitted to the HQ DSA contact point by telephone at least 48 hours (2 full working days) prior to 1,100 hours of the date the Center proposes to make the contract award (excluding those contracts made with the Small Business Administration under authority of section 8(a) of the Small Business Act). Mandatory orders to be placed with the Federal Prison Industries and the Industries for the Blind are not included in this reporting requirement. However, nonmandatory orders to be placed with the Industries for the Blind are included. This report will be known as "contract announcement" and will carry Reports Control Symbol DD–DSA(AR)183(P).

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(c) The HQ DSA contact point is DSAH–PC, 274–6461.

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(e) The following data shall be provided (in this sequence) to the HQ DSA contact point:

(1) Name and address of purchasing activity;

(2) Proposed release date;

(3) Contract number;

(4) Amount;

(5) Name and location of proposed contractor (include street address, ZIP code and county and size of business, i.e., large or small);

(6) Item and quantity to be awarded;

(7) Name and location of facility to perform contract, indicating if a division or affiliate of contractor in subparagraph (5) of this paragraph (include street address, ZIP code, county, and labor surplus area designation);

(8) Type of contract;

(9) Amount previously obligated (if this announcement is a modification to an existing contract);

(10) Number of concerns solicited and number of concerns submitting bids/proposals;

(11) Using military service;

(12) Name of official in field activity familiar with award;

(13) Information as to any proposed local press release or any local congressional interest; and

(14) A statement of whether or not EEO clearance has been obtained.

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Subpart D—Procurement Responsibility and Authority

3. Section 1201.401–50 is revised to read as follows:

§ 1201.401–50 Delegation of authority.

Authority conferred upon the heads of procuring activities under any paragraph of DSPR may be delegated with power of redelegation to other officers or civilian officials of DSA, except when specifically limited by law or the provisions of the pertinent DSPR section.

4. In § 1201.402–51, paragraph (a) is revised to read as follows:

§ 1201.402–51 Procedure for closing contracts with inconsequential amounts undelivered.

(a) The Procuring Contracting Officer (PCO) is authorized on a case-by-case basis to consider a contract completed when an inconsequential amount not falling within the variation in quantity clause remains undelivered or, in the case of brand name subsistence or LCL perishable subsistence items, the undelivered amount is no longer required by the using activity, provided all of the following conditions exist:

(1) Payment is provided for on a unit price basis, and the contractor advises that no further deliveries will be made;

(2) Payment is made for the units actually received;

(3) The undelivered portion is inconsequential, or in the case of brand name subsistence or LCL perishable subsistence items, the undelivered amount is no longer required by the using activity, and the cost of executing a supplemental agreement (including, but not limited to taking termination action) is excessive in relation to the benefits to the Government from such action; and

(4) The PCO includes in the file a memorandum stating that no rights of the Government are being waived by this procedure and a termination for default is not warranted. The PCO shall execute and distribute a Standard Form 30 (or other unilateral instrument) as an administrative change to the contract to deobligate funds. The change shall indicate that the above criteria have been met and the contract is considered complete, and shall reference the contractor's communication which advised that no further deliveries will be made.

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5. Section 1201.405 is revised to read as follows:

§ 1201.405 Selection, appointment, and termination of appointment of contracting officers.

The authority in § 1.405 of this title has been delegated by the Executive Director, Procurement and Production, HQ DSA, (DSAH–P) to the commander of each of the following activities:

Defense Depot Memphis.
Defense Depot Ogden.
Defense Depot Tracy.
Defense Industrial Plan Equipment Center.
Defense Logistics Service Center.
Defense Supply Agency Administrative Support Center.

6. Section 1201.450 (d) and (e) are revised to read as follows:

§ 1201.450 Selection, appointment, and termination of appointment of contracting officers' representatives.

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(d) *Sample form of suggested letter for appointing COR's.*

Subject: Appointment as Contracting Officer's Representative.

To: (Address to individual, indicating rank or grade, branch, division, activity, and location.)

1. Under the authority vested in me by the ---------- January 1, 1969, subject: Delegation of Authority, you are hereby designated Contracting Officer's Representative with authority conferred by the Contracting Officer.

2. This order shall be in full force and effect until revoked by me or my successor in the same manner as it is hereby granted, or upon your being transferred from the (include branch, division, activity, and location).

/S/ CONTRACTING OFFICER.

(e) *Sample form of suggested letter for terminating appointment as Contracting Officer's Representative.*

Subject: Termination of appointment as Contracting Officer's Representative.

To: (Address to individual, indicating rank or grade, branch, division, activity, and location.)

Your appointment as Contracting Officer's Representative contained in letter appointment dated ---------- is hereby terminated effective ----------.

/S/ CONTRACTING OFFICER.

7. In § 1201.452–2, paragraph (a) and subparagraphs (1), (2), (5), (8) of paragraph (a) are revised; and paragraph (a)(11) is added to read as follows:

§ 1201.452–2 Actions requiring HQ DSA review and approval prior to award.

(a) The actions (the term actions as used herein includes both contracts and contract modifications effecting new procurement) listed below require the review and approval of the Executive Director or Deputy Executive Director, Procurement & Production, DSA, or other DSA official so delegated, ATTN: DSAH–PC, prior to award. For review purposes, the dollar amount of an action shall be the sum of the estimated or actual amount of obligation and the amount of any option included in the action.

(1) All actions other than firm fixed-price or fixed-price with escalation;

(2) All actions providing for special performance incentives;

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(5) All negotiated actions with a value of $100,000 or more where award is proposed to a sole offeror.

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(8) All negotiated actions (excluding actions resulting from balance of payments and small business restricted advertising and actions covering the set-aside portion of a procurement made by formal advertising) in an amount equal to or in excess of:

Defense Construction Supply Center	$750,000
Defense Electronics Supply Center:	
FSC 5960	500,000
All other supply classes	100,000
Defense Fuel Supply Center:	
(Supplies)	5,000,000
(Services)	100,000
Defense General Supply Center	750,000
Defense Industrial Supply Center	100,000
Defense Personnel Support Center:	
(Clothing & Textiles)	500,000
(Medical)	500,000
(Subsistence)	1,000,000
Defense Depot Memphis	50,000
Defense Depot Ogden	50,000
Defense Depot Tracy	50,000
Defense Industrial Plant Equipment Center	50,000
Defense Logistics Services Center	50,000
DSA Administrative Support Center	2,500

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(11) All actions incorporating the life cycle costing concept.

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8. Section 1201.452–3 is revised to read as follows:

§ 1201.452–3 Information to be furnished.

The complete contract file of those actions subject to HQ DSA review and approval shall be transmitted for review upon completion of negotiations but prior to award. DSA Form 677, "Request for Contract Review/Approval," signed by the contracting officer and by the commander, his deputy, or the principal officer responsible for procurement shall be used to request review and approval. A copy of the current specification covering the basic items or service shall be included in the file. The file shall be organized in accordance with ASPR Supplement No. 2 and individual documents numbered in accordance with DSA Form 678, "File Content List," which shall be attached to DSA Form 677. All documents shall be securely fastened in the file which shall be assembled so as to permit viewing of each document without disassembling the file. A carbon copy of the DSA Form 677 and 678, together with copies of the proposed contract, review comments of the Procuring Activity Review Office, Memorandum of Negotiations, Determinations and Findings, and Price/Cost Analysis (all assembled as above), shall be furnished for retention by HQ DSA. The purchasing office will be notified immediately by telephone when significant information is missing from the file or the available information is inadequate to permit review. Further review action will be withheld pending receipt of the required information. Where a solicitation results in two or more proposed awards, one or more of which requires approval, the quantities, prices, and names of proposed awardees shall be submitted with requests for approval and all awards will be withheld pending advice of required approval. Telephonic notification of approval, qualified approval, or disapproval will be furnished immediately with written approval evidenced on the original of DSA Form 677, "Request for

Contract Review/Approval," which shall be made part of the contract file.

9. Section 1201.452–8(a) is amended by revising subparagraph (2) to read as follows:

§ 1201.452–8 Cancellation requirements.

(a) * * *

(2) Reprocurement of an item within 90 days after cancellation under subparagraph (1) of this paragraph, where the cancellation was occasioned by a revision of requirements or by funding limitations, shall have the prior approval of the Executive Director or Deputy Executive Director, Procurement and Production, DSA. Requests for such approval should be submitted to the attention of DSAH–PP.

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10. In § 1201.452–9, introductory text of paragraph (a) and subparagraph (1) are revised to read as follows:

§ 1201.452–9 Letter contracts.

(a) Approval of the Executive Director, Procurement and Production (DSAH–P) is required prior to the award of all letter contracts. Requests for such authority are to be made by the Center Director, Procurement and Production and may be transmitted by TWX (ATTN: DSAH–PC) and shall include, as a minimum:

(1) The facts supporting the requirement for a letter contract (§ 3.408 (b) and (c) of this title).

* * * * *

11. Section 1201.452–10 is added to read as follows:

§ 1201.452–10 Requests for waiver of HQ DSA preaward review and approval.

(a) In the event extraordinary circumstances are present and immediate award of a procurement action is required, Directors or Deputy Directors of Procurement and Production may request the waiver of headquarters' preaward review and approval requirements (see § 1201.452–2). Requests for waivers from other than "procuring activities" (see § 1201.201–14) shall be made by the Chief of the Procurement Office. Requests are to be transmitted to the attention of the Chief, Contract Review Office, HQ DSA (DSAH–PC) and, when immediate action is required, request may be telephoned.

(b) The granting of a waiver by the Executive Director or Deputy Executive Director of Procurement and Production (DSAH–P), does not constitute approval of the award or any deviations from applicable laws and regulations. All actions for which preaward review and approval is waived, shall be forwarded to HQ DSA, ATTN: DSAH–PC, for postaward review within fourteen (14) days subsequent to award or such other mutually acceptable date.

(c) As a minimum, the following information shall be provided to support waiver requests:

(1) The extraordinary circumstances that require the immediate award of the procurement action (this should include a general chronology of events from receipt of the requirement to submission of the request);

(2) Description of the item (and quantity) being procured;

(3) The solicitation and contract number;

(4) The contractor's name;

(5) The total dollar value of the proposed award;

(6) The extent of competition. (If award is proposed to other than the low bidder/offeror, the rationale for not accepting the low offer); and

(7) A statement that the contractor is responsible, preaward survey has been performed or waived by appropriate authority, and that, if required, EEO clearance has been obtained.

12. Section 1201.453(c) is revised to read as follows:

§ 1201.453 Review and approval requirements at the procuring activity.

* * * * *

(c) In addition to the above requirements for review by the Contract Review Office, all procurements over $10,000, except national carlot procurements of perishable subsistence, are to be reviewed at a level higher than the contracting officer prior to award.

13. Section 1201.454(b) is revised to read as follows:

§ 1201.454 Review and approval requirements for a procurement office not designated as a "procuring activity" (see § 1.201–14 of this title).

* * * * *

(b) The dollar threshold under § 1201.452–2 (a)(3), (f) (4) and (5) is $25,000.

Subpart G—Small Business Concerns

14. Sections 1201.705–4(e) and 1201.705–50 are added to read as follows:

§ 1201.705–4 Certificates of competency.

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(e) Section 1–705.4(f)(3) of this title provides that in cases where the Contracting Officer requires the issuance of a CoC by SBA as a prerequisite to contract award, approval of such action will be obtained at a level above the Contracting Officer. For those cases where this situation exists, Contracting Officers will obtain approval from the Director, Procurement and Production prior to informing the SBA field office that a certificate must be issued.

§ 1201.705–50 Contracting with the Small Business Administration.

By agreement with SBA, the SBA will provide the DOD an order for business development expenses in advance of the placing of a prime contract with SBA. The amount to be covered by the order is determined in advance of contract award by a comparison of the total price negotiated with SBA and the subcontractor (in accordance with existing procedures in § 1.705.5 of this title) with the price at which the same or similar items might be purchased on the open market, as agreed with SBA. The prime contract price placed by DOD with that agency will include those expenses as a part of the cost of the items ordered and will not be separately identified in the contract. DOD funds, which will include the anticipated reimbursement from SBA, will be cited on the contract. Upon award of the contract, SBA will be billed against their reimbursable order under procedures set by the Comptroller, DSA.

Subpart I—Responsible Prospective Contractors

15. Subpart I is revised to read as follows:

§ 1201.905 Procedures for determining responsibility of prospective contractors.

§ 1201.905–1 General.

When the Contracting Officer makes a determination regarding the prospective contractor's responsibility that is contrary to that recommended in the preaward survey report, the reason for not following the preaward survey report recommendation shall be included in the contract file. In each instance wherein the preaward survey report recommendation is not followed, the case must be reviewed and concurred in at a level no lower than the Director of Procurement and Production. Procuring contracting officers shall advise the DCAS office performing the preaward survey as to the reason for not following the DCAS preaward survey recommendation.

§ 1201.905–4 Preaward surveys.

(a) Preaward surveys shall be accomplished in accordance with § 1.905–4 of this title, ASPR Appendix F 200.1524, ASPR Appendix K of this title, and DSAM 4100.2, section VIII.

(b) A preaward survey shall be requested only when an award is contemplated to a firm from which a bid or proposal has been received. Concurrent requests for preaward surveys on the same procurement will not be made except in emergency situations and/or when multiple awards are contemplated.

(c) Preaward surveys on sole source suppliers shall be limited to partial surveys. Factors requested for investigation shall be those that actually affect the contract, such as production backlog, financial, and quality.

(d) A preaward survey shall be made unless there is current quality, production and financial information available to waive the requirement. Even if the prospective contractor is currently producing or has successfully performed under a recent contract (within 1 year) and is being considered for an award of a similar undertaking, i.e., similar item and similar size contract, a partial survey may be required to determine current financial capability and capacity. However, if the same contractor is being considered for a much larger contract

or a contract involving a fundamentally different undertaking, a complete or partial survey, as indicated by the circumstances, shall be requested. If the prospective contractor is newly entering into the manufacture of the goods sought by the Government or has no recent history of performance of a similar undertaking, a complete survey shall be requested.

(e) A decision by a Contracting Officer not to request a preaward survey for a proposed award in excess of $100,000 (except for perishable and commodity market subsistence items and bulk fuel) shall be approved at the level of the Director of Procurement and Production. For subsistence Regional Headquarters and the Wood Products Office, approval shall be at the level of the Chief, Purchasing Division.

(f) Quality Assurance Division personnel will assist in the determination to request or waive preaward surveys, evaluate QA portions of preaward survey reports, and participate in preaward surveys when the contract will be for a complex item, the potential contractor has a poor quality history or when requested by HQ DSA.

§ 1201.950 Defense Supply Agency Contractor Experience List (DSACEL).

(a) Headquarters Defense Supply Agency maintains a Defense Supply Agency Contractor Experience List (DSACEL). The purpose of the DSACEL is to assist contracting officers in the selection of responsible contractors, in accordance with Part 1, Subpart I of this title, by identifying firms whose performance under DSA contracts has been less than satisfactory. The listing of a supplier on the DSACEL indicates only that the unsatisfactory condition existed at the time the supplier was placed on the list and does not constitute a basis for a determination of current nonresponsibility.

(b) The listing of a supplier on the DSACEL must not be interpreted to mean that (1) the listed supplier will not be given an opportunity to bid or quote on a proposed procurement, (2) negotiations cannot be carried on with that supplier, or (3) an award cannot be made to that supplier.

(c) The DSACEL has no relationship to the joint consolidated list of debarred, ineligible, and suspended contractors and the inclusion of any supplier on the DSACEL shall not, in any sense, be regarded as a determination of debarment or ineligibility.

(d) Defense supply centers shall perform a quarterly review of unsatisfactory suppliers to determine if any should be recommended for inclusion on the DSACEL. Recommendations for inclusion of suppliers on the DSACEL will be made to HQ DSA, ATTN: DSAH–PRS by the Defense supply centers in accordance with paragraphs (e), (f), (g), (h), (i), and (o) of this section or by cognizant DSA activities in accordance with DSAR 8335.1, Contractor Experience List for Contract Administration Services.

(e) Prior to recommending a supplier for inclusion on the DSACEL, DSC's shall advise the cognizant DCAS activity of contemplated action to preclude a duplication of effort by the DCAS activity and DSC. In addition, DSC's shall inform the supplier of the reasons for recommendation for placement on the DSACEL.

(f) Suppliers may be considered for inclusion on the DSACEL for the following reasons:

(1) Suppliers Who Have a Less Than Adequate Financial Capability for Contract Performance. Recommendations must be supported by current financial data evidencing lack of financial capability and that financial support is not available.

(2) Suppliers, Other Than Those Included on the Joint Consolidated List of Debarred, Ineligible, and Suspended Contractors, Who Have Had One or More Contracts Terminated for Default. The documentation in support of the recommendations will cite the contract number terminated for default, and date, supplies, or services covered, reasons for such termination, and results of any appeal action or other disposition of the default case (if available).

(3) Suppliers Who Have a Less Than Satisfactory Record of Delivery. A summary of the frequency and seriousness of late deliveries considered to be the fault of the supplier will be provided with the recommending letter.

(4) Suppliers Who Have a Less Than Satisfactory Record of Quality Assurance/Control. A current evaluation of the supplier's quality assurance plan or inspection system will be furnished with the recommending letter.

(5) Suppliers Whose Performance Is Considered Less Than Satisfactory or Whose Responsibility Is Questioned for Other Reasons. The recommendations must specify the particular area in which the inadequacy is considered to exist.

(g) To initiate a DSACEL recommendation, the Director of Procurement and Production will notify the supplier by letter of the proposed DSACEL recommendation. State the specific deficiencies in the contractor's performance, and request a reply within 15 days of the supplier wishes to offer comments why he should not be recommended for the DSACEL.

(h) If the supplier does not respond within the 15 days or if the response is unsatisfactory, submit the recommendation to HQ DSA, ATTN: DSAH–PRS. Recommendations shall be submitted in substantially the following form and signed by the Director of Procurement and Production:

(1) Name and address of supplier recommended for inclusion on the DSACEL.

(2) Total number of open contracts with this supplier during past 12 months (including only contracts awarded by recommending activity).

(3) Total dollar value of these contracts.

(4) Total number and dollar value of these contracts on which deficiencies and/or delinquencies occurred.

(5) Brief description of deficiencies and/or delinquencies by specific contract number including item description. Indicate reasons in accordance with paragraph (f) of this section. (Supplement by and refer to enclosures as appropriate.)

(6) Copy of supplier's comments and data submitted as a result of the notification of proposed recommendation for inclusion on the DSACEL.

(7) Previous Government action taken to assist the supplier in correcting the deficiencies and/or delinquencies reported herein, including final discussion in accordance with paragraph (e) of this section. (Supplement by and refer to enclosures as appropriate.)

(i) Recommendations for inclusion of suppliers on the DSACEL will be considered by a headquarters DSACEL panel. Recommendations received from DCAS activities will be referred to cognizant DSC's for comment prior to final consideration by the headquarters DSACEL panel. Final determination regarding inclusion and retention of suppliers on the DSACEL or deletion of suppliers from the DSACEL will be made by the Executive Director of Procurement and Production (DSAH–P), HQ DSA.

(j) The activity recommending that a supplier be placed on the DSACEL will have the primary responsibility for continuing review to ascertain the need for retention on the DSACEL. The recommending activity will initiate a report to HQ DSA, ATTN: DSAH–PRS indicating action taken along with appropriate recommendations concerning retention within 45 days after each quarterly publication of the DSACEL until such time as the supplier has been removed from the DSACEL. When a supplier has not performed on a DSA contract for a period of one year, he may be recommended for removal from the DSACEL. Recommendation for removal from the DSACEL must be made immediately when improved performance or conditions justify such action.

(k) The DSACEL is maintained by HQ DSA, DSAH–PRS and the basic data considered for the determination of placing a supplier on the DSACEL will be retained in that office.

(l) The DSACEL will be published on a quarterly basis during the months of March, June, September, and December by means of procurement letters. Copies will be furnished Navy and Air Force for distribution to their buying offices. Copies of Navy and Air Force contractor experience lists will be furnished with the DSACEL to the Defense supply centers. The DSACEL will include:

(1) Name and address of potential supplier;

(2) Reason for inclusion on the list;

(3) Recommending activity; and

(4) Date originally placed on the list.

(m) The DSACEL and all correspondence disclosing names included, or proposed to be included on the DSACEL, except the notifications to the supplier required by Paragraph (i) and (j) of this section, shall be marked "For Official

Use Only" or carry a higher security classification if required.

(n) Prior to award of any contract in excess of $2500 to a supplier listed on the current DSACEL, NCEL, or AFCEL the contracting officer shall determine the need for a preaward survey in accordance with § 1201.905–4.

(o) The following are formats for letters to supplier top management:

(1) Format for Initial Notice to Supplier

(Letterhead of Recommending Activity)

Mr. _____, President; _____, Supplier's Name; _____, and Address.

Dear Mr. _____: The Defense Supply Agency has established a list of contractors whose performance or financial condition has been less than satisfactory. This list is the Defense Supply Agency Contractor Experience List (DSACEL). Contractors included on this list are not barred from bidding on or submitting proposals for future contracts. The list does, however, identify to contracting officers those companies whose performance has been determined to be unsatisfactory. This is to notify you that the Defense Supply Agency considers your performance to be unsatisfactory.

(Indicate contract number(s) and discuss specific unsatisfactory condiitons.)

Action is in process to recommend your company for placement on the DSACEL. However, you are being afforded an opportunity to provide reasons why this action should not be taken and/or corrective actions you propose to take to solve the above cited deficiencies.

Please forward your response to this office within 15 days.

Sincerely,

(2) Format for Notice to Supplier of Recommendation to HQ DSA:

(Letterhead of Recommending Activity)

Mr. _____, President; _____, Supplier's Name; _____, and Address.

Dear Mr. _____: Your response of (date) has been carefully reviewed (or: No response has been received to letter of (date)) and the decision to recommend placing your company on the Defense Supply Agency Contractor Experience List (DSACEL) is considered appropriate. Therefore, it has been recommended that your firm be placed on the DSACEL. If this recommendation is approved by HQ DSA, your firm will be placed on the next DSACEL. A record of your performance on present and future contracts will be reviewed at least quarterly. Your early correction of unsatisfactory conditions will result in our prompt recommendation for removal of your firm from the DSACEL.

It is sincerely hoped that you will correct conditions which prompted this recommendation.

Sincerely,

Subpart L—Specifications, Plans, and Drawings

16. Section 1201.1203 is added to read as follows:

§ 1201.1203 Availability of specifications, standards, plans and drawings. The following modifications shall be made to the "Availability of Specifications and Standards" provision contained in § 1.1203–2(a) of this title:

(a) [Reserved]

(b) Offerors are advised that it requires a minimum of 1 week from receipt of a completed DD Form 1425, or other written request, before the requested documents can be placed in the return mail. Desired specifications or standards should therefore be requested sufficiently prior to the bid opening or proposal closing date so as to permit the timely submission of an offer. In exceptional cases, telephone requests may be made to the Customer Service Branch, U.S. Naval Publications and Forms Center, area code 215, telephone number 697–3321. Telephone requests, however, require a minimum of 2 days processing time prior to placement in the return mail.

PART 1202—PROCUREMENT BY FORMAL ADVERTISING

Subpart B—Solicitation of Bids

17. Section 1202.201–50 is deleted and § 1202.201–51 is renumbered § 1202.201–50 and § 1202.203–50 is added to read as follows:

§ 1202.201–50 Right to apply f.o.b. origin offer.

(a) *Section D, evaluation factor for award.* A provision substantially as below may be included in invitations for bids when appropriate. The intent of the provision is to permit the Government to award f.o.b. origin offers that otherwise could not be covered in a formally advertised procurement. Example—items 1 and 2 are for the same product, but different item numbers are used because of the different destinations. F.o.b. origin offers are permitted. Bidders A and B bid f.o.b. origin on item 1. No bids are received on item 2. Item 1 is awarded to Bidder A. Under present conditions, item 2 would have to be resolicited. With the below provision, and provided the bidder had not specified otherwise, the Bidder B offer could be applied against item 2. Assuming Bidder B's price was reasonable, item 2 could be awarded to Bidder B and the need for a resolicitation negated.

(b) *Right to apply FOB origin offer.* Unless otherwise specified by the bidder, the Government may apply an FOB origin offer against any FOB origin item or subitem for the same product or supplies.

§ 1202.203–50 Other distribution.

One information copy of each invitation for bids involving the production testing of items will be forwarded at time of issue to HQ DSA, ATTN: DSAH–PR and DSAH–SER in accordance with DSAR 4125.1.

Subpart C—Submission of Bids

18. Section 1202.303–5 is added to read as follows:

§ 1202.303–5 Hand-carried bids.

Suppliers shall be notified that it is the responsibility of the bidder to place his bid in the bid depository if a bid is hand-carried. Each DSA activity shall establish procedures to ensure that Government personnel do not handle, stamp, or mark the bid envelopes prior to placement of the bids in the depository by the supplier.

Subpart D—Opening of Bids and Award of Contract

19. Section 1202.407–1 is amended by revising the "Note to Administrative Contracting Officer" to read as follows:

§ 1202.407–1 General.

* * * * *

NOTE TO ADMINISTRATIVE CONTRACTING OFFICER

This award has been made on the basis of guaranteed maximum shipping weights or dimensions, and/or minimum size of shipments as specified. Take action in accordance with DSAM 8104.1, sec. 19–210, if it becomes evident that the guaranteed maximum shipping weights or dimensions will be exceeded, or if the contractor tenders delivery of less than the minimum size shipments specified, in order that action may be taken to adjust the contract price.

* * * * *

20. Section 1202.407–3 is revised to read as follows:

§ 1202.407–3 Discounts.

The clause in § 2.407–3(a) of this title shall be included in all invitations for bids, using the minimum periods of 20 calendar days where delivery and acceptance are at point of origin and 30 days where delivery and acceptance are at destination, except for subsistence items for which DPSC retains the payment function which, by industry practice, the discount period is 10 calendar days.

21. Section 1202.407–8 is deleted and § 1202.407–9 is renumbered as § 1202.407–8; § 1202.407–8 is amended by revising the introductory text of paragraph (b) and subparagraph (7) to read as follows:

§ 1202.407–8 Protest against award.

(a) [Reserved]

(b) *Protest before award.* Where it is known that a protest against the making of an award has been lodged with a higher headquarters or the Comptroller General, no award shall be made until the matter is resolved unless the determination required by § 2.407–8(b)(3) of this title has been made by the Contracting Officer and approved by the counsel, DSA. Protests submitted for final resolution to levels of authority higher than the head of a procuring activity shall be forwarded to the counsel, DSA. The file will include:

* * * * *

(7) A statement signed by the Contracting Officer setting forth his findings, actions, and recommendations in the matter together with any additional evidence or information deemed necessary in determining the validity of the protest. If the award was made pending resolution of the protest, the Contracting Officer's statement will include the determination prescribed in § 2.407–8(b)(3) of this title.

* * * * *

22. Section 1202.407–50 is added to read as follows:

§ 1202.407–50 Other factors to be considered in determining price reasonableness.

If in the opinion of the Contracting Officer the formal advertising procedure in itself does not insure competition sufficient for arriving at a fair and reasonable price, he will also consider valid criteria, such as, but not limited to:

(a) Prices paid by his or other Government purchasing activities on past procurements;

(b) Price trend information from the daily press, trade, or Government publications;

(c) Current market prices for comparable quantities;

(d) Extent of comparable pricing; and

(e) Cost analysis of similar procurements;

(f) Contractors' published commercial price lists.

In those instances, where this additional analysis is made, the contract file will be documented to reflect the actions taken to determine the reasonableness of bid prices.

PART 1203—PROCUREMENT BY NEGOTIATION

Subpart E—Solicitations of Proposals and Quotations

23. Section 1203.501 is amended by revising the first footnote to read as follows:

[1] If offerors desire to restrict the Government's use of data submitted with their proposals for evaluation purposes, the data must bear the legend prescribed by § 3.507–1(a) of this title. In the event an award is made to an offeror submitting such data, the Government will have unlimited rights to use such data, unless the data submitted bears the legend set forth in § 3.507–1(a) of this title.

§ 1203.501 Preparation of request for proposals and quotations.

* * * * *

Subpart F—Small Purchase and Other Simplified Purchase Procedures

24. Section 1203.604–50 is amended by revising paragraphs (a), (c)(1), and (d)(1) to read as follows:

§ 1203.604–50 Competition and price reasonableness in small purchases.

(a) *Purchases not in excess of $250.* Action to verify and document the reasonableness of the price of purchases not in excess of $250 need be taken only when the buyer or Contracting Officer suspects, or has information to indicate that the price may not be reasonable, e.g., comparison to previous price paid, personal knowledge of the item involved. When action is taken to verify reasonableness of price, DD Form 1784, "Small Purchase Pricing Memorandum" shall be used.

* * * * *

(c) *Pricing techniques in the absence of adequate price competition (over $250).* (1) The techniques of comparing catalog item offers the best assurance of fair and reasonable pricing in small purchases. In the majority of cases over $250 involving noncompetitive and noncataloged items, this method should be employed to determine price reasonableness. It is not necessary to locate an identical item or to compare every feature of the two items. Quantity, packaging, and other factors must be considered in arriving at an independent estimate of a reasonable price for the individual procurement. Abstracts of bids maintained by the purchasing office may be useful in this regard. Commercial catalogs and price lists should also be used.

* * * * *

(d) *Statistical sampling for price reasonableness*—(1) *General.* The sampling and reporting procedure set forth in subparagraph (2) of this paragraph will be utilized when a sample of purchase actions for a specified period is required to determine the incidence of unreasonably priced purchase actions. A further statistical sample for a 12-month period will be accomplished for each company found to have one or more unreasonably and indeterminably priced purchases in the annual sample. Indeterminably priced actions are those in which a fair and reasonable price cannot be determined pursuant to the criteria and guidance in § 3.604 of this title. Review will be accomplished by individuals who did not participate in the original procurement action. The purpose of the review will be to determine the incidence of unreasonably and indeterminably priced purchase actions in the sample. The incidence of unreasonably and indeterminably priced actions are those in which a fair and reasonable price cannot be determined pursuant to the criteria and guidance in § 3.604 of this title.

* * * * *

25. Section 1203.605–51(c) is revised and § 1203.606–50 is added to read as follows:

§ 1203.605–51 Quantity break provision for inclusion in small purchases.

* * * * *

(c) For the purpose of establishing that a quantity break does or does not exist, a provision substantially as follows should be included in small purchase solicitations, except (1) where the Contracting Officer decides that it is impractical and would serve no useful purpose, or (2) where the procurement will be effected by automation:

QUANTITY BREAK

The quoted price is effective for quantities from _____ to _____. Price for next higher quantity break would be _____.

* * * * *

§ 1203.606–50 Fast payment procedure.

All DSA purchasing activities awarding procurement authorizing "Fast Pay" the items to a similar competitive or shall specify inspection and acceptance at destination. If either inspection or acceptance at origin is required or authorized the use of "Fast Pay" is not authorized.

Subpart H—Price Negotiation Policies and Techniques

26. Sections 1203.805, 1203.807–3, and 1203.811 are added to read as follows:

§ 1203.805 Selection of offerors for negotiation and award.

§ 1203.805–1 General.

(a) A prenegotiation briefing shall be conducted for all negotiated procurements over $2,500 so that each will have had a prenegotiation objective review. The briefing level and content for negotiated procurements between $2,500 and $100,000 shall be set by the Director, Procurement and Production. For all negotiated procurements estimated to amount to $100,000 or more the briefing shall be for the Director/Deputy Director, Procurement and Production. As a minimum, the briefing for negotiated procurements estimated to amount to $100,000 or more shall cover:

(1) The procurement situation.

(2) Previous price history.

(3) Analytical methods utilized in establishing the price objective.

(4) For procurements requiring the submission of cost or pricing data, the major differences between the proposed negotiation objective and the contractor's proposed price, DCAS input and audit recommendation and the proposed negotiation objective with supporting rationale.

(5) For all other procurements, the major differences between the contractor's proposed price and the proposed negotiation objective, together with rationale supporting the negotiation objective.

(6) Negotiation plan, whether phone or face to face.

(7) Anticipated negotiation problems and proposed solutions.

(b) A memorandum summarizing the principal elements of the briefing, attendees and results shall be prepared for incorporation into the contract file.

§ 1203.807–3 Cost of pricing data.

(a) Since an option is priced at the time of award it is subject to the requirements of Public Law 87–653 at that time and the price of the option must be considered in determining whether the proposed contract is expected to exceed $100,000 in amount.

§ 1203.811 Record of price negotiation.

(a) The Price Negotiation Memorandum (PNM) must be written so as to permit reconstruction of all of the major considerations of the particular procurement. While excessive detail should be avoided, it is this PNM, standing alone, which must convince any and all reviewers of the procurement that the price is fair and reasonable and arrived at properly. Although the content will vary depending on the magnitude of the contract, the contract type, the cost or pricing data obtained, the extent of negotiations, etc., the format should be standard.

The PNM should have the following subdivisions: Subject: "Introductory Summary, Particulars, Procurement Situation, Negotiation Summary, and Miscellaneous." The detailed content of each of these subdivisions is spelled out in ASPM No. 1, pages 14–9 through 14–14.

PART 1206—FOREIGN PURCHASES

27. The table of contents to Part 1206—Foreign Purchases is revised to read as follows:

AUTHORITY: The provisions of this Part 1215 issued under R.S. 161, secs. 2202, 2301, 2314, 70A Stat. 120, 127, sec. 2, 72 Stat. 514, sec. 1, 76 Stat. 528; 5 U.S.C. 171a(c), 301, 10 U.S.C. 2202, 2301–2314; DOD Directive 5105.22, Nov. 6, 1961.

Subpart A—Buy American Act—Supply and Service Contracts

28. Section 1206.103–2(e) is revised and § 1203.103–5 is revised to read as follows:

§ 1206.103–2 Nonavailability in the United States.

* * * * *

(e) The term "principal staff officer" as used in § 6.103–2 of this title is construed to mean the Executive Director, Procurement and Production (DSAH–P) or his Deputy.

* * * * *

§ 1206.103–5 Canadian supplies.

The Director, Defense Supply Agency, has determined that the following supplies are of a military character or are involved in programs of mutual interest to the United States and Canada.

FSC group	Description	FSC Classes
22	Railway Equipment	2230.
24	Tractors	2410, 2420.
25	Vehicular Equipment Components.	2510, 2520, 2530, 2540, 2590.
26	Tires and Tubes	2610, 2630.
28	Engines, Turbines and Components.	2805, 2815, 2895.
29	Engine Accessories	2910, 2920, 2930. 2940.
30	Mechanical Power Transmission Equipment.	3020, 3030, 3040.
31	Bearings	3110, 3120, 3130.
34	Metalworking Machinery	3431.
36	Special Industry Machinery	3695.
38	Construction, Mining, Excavating.	3805, 3810, 3815, 3820, 3825, 3830, 3835, 3895.
39	Materials Handling Equipment.	All classes.
40	Chain and Wire Rope	4010.
41	Refrigeration and Air Conditioning Equipment.	4110, 4120, 4130.
42	Fire Fighting, Rescue and Safety Equipment.	4210.
43	Pumps and Compressors	4310, 4320, 4330.
45	Plumbing, Heating and Sanitation Equipment.	4520.
46	Water Purification and Sewage Treatment Equipment.	4610, 4620, 4630.
47	Pipe, Tubing, Hose and Fittings.	4710, 4720, 4730.
48	Valves	4810, 4820.
49	Maintenanceand Repair Shop Equipment.	4980.
50	Hardware and abrasives	All classes, except 5345 and 5350.
54	Prefabricated Structures and Scaffolding.	5410, 5420, 5430, 5450.
56	Construction and Building Materials.	5630, 5660.
59	Electrical and Electronic Equipment.	All classes.
61	Electric Wire and Power Distribution Equipment.	6105, 6110, 6115, 6120, 6145, 6150.
65	Dental Burs	6520.
66	Instruments and Laboratory Equipment.	6635, 6655, 6670, 6675, 6680.
68	Chemicals and Chemical Products.	6810, 6850.
76	Books, Maps, and Other Publications.	7610.
80	Paints, Sealers and Adhesives.	8010, 8030.
83	Textiles, Leather and Furs	8340 (to the extent restrictions of DoD Appropriation Act are not applicable).
84	Clothing and Individual Equipment.	8465 (snowshoes, trail, metal, and canteen, water, plastic only) (cup, water, canteen, steel).
93	Non-metallic Fabricated Materials.	9320, 9330, 9350.
95	Metal Bars, Sheets and Shapes.	All classes.

Parts for the above listed supplies are considered to be included in the list, even though not separately listed, when they are produced under a contract that also calls for listed supplies.

29. Section 1206.104–51 is renumbered as § 1206.103–50 and reprinted below; and new § 1206.104–51 is added to read as follows:

§ 1206.103–50 Shipping instructions to Canadian vendors.

Shipping instructions provided Canadian vendors furnishing DOD supplies shall designate a CONUS destination or Canadian port marked for a CONUS destination. No Canadian vendor is to be requested to make shipments of DOD supplies addressed to an overseas destination. On urgent requirements for shipment to overseas destinations, the shipping instructions shall be forwarded to the Defense Contract Administration Office, Gillin Building, 141 Laurier Avenue, Ottawa, 4, Canada, who will make necessary arrangements.

§ 1206.104–51 Contract clause.

The following clause may be used in formally advertised or negotiated procurements when it is anticipated that offers on items of foreign origin will be received:

EVALUATION OF OFFERS ON ITEMS OF FOREIGN ORIGIN (1970 DECEMBER)

a. Offerors offering other than domestic source end products, as defined in ASPR 7–104.3 Buy American Act, must include in the price offered all applicable import duty and, for evaluation purposes, furnish the following for each item:

Item No.	*Amount of Duty per unit*
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b. If this solicitation is formally advertised (an IFB), failure of an offeror to furnish the data required above will result in the rejection of his offer when such failure results in the Government's inability to evaluate the offer.

c. The Government reserves the right to award on a duty-free basis by reducing the unit price offered by the amount of the duty. If award on a duty-free basis is made, the clause set forth in § 7.104–31(a) of this title duty-free entry for certain specified items, is incorporated herein by reference and made a part hereof.

Subpart G—Military Assistance Program Procurements

30. Subpart G is added to read as follows:

§ 1206.750 Military Assistance Program Procurements (MAP) and Requirements for Vietnam, Laos, and Thailand.

§ 1206.750–50 Policy.

All procurements for Vietnam, Laos, and Thailand, whether for U.S. or foreign forces, are provided for under the Department of Defense appropriations and the authorities, terms, and restrictions of the Foreign Assistance Act do not apply to such procurements.

§ 1206.750–51 Other MAP Procurements.

All other MAP requirements will be procured in accordance with ASPR section VI, Part 7 and DOD Directive 2125.1, Military Assistance Program Offshore Procurement (MAP/OSP), dated June 18, 1970. DOD Directive 2125.1 sets forth policies and procedures for procurement of Defense articles and Defense services from suppliers delivering from sources located outside the United States, its possessions and Puerto Rico for the Military Assistance Program. The DOD directive requires that MAP procurements be restricted to domestic sources unless, for purchases of $10,000 or less, such action is clearly undesirable or, for MAP purchase in excess of $10,000, the cost of domestic source end products, or services of domestic concerns located in the United States, is estimated to be more than 50 percent in excess of the cost from foreign sources. Prior to the solicitation of MAP requirements, procuring contracting officers shall consider the criteria of section IV, paragraph B.4. In all cases where the preliminary judgment is that the procurements should not be restricted to domestic end sources, the proposed procurements shall be referred to the Executive Director, Procurement and Production, DSA (DSAH–P).

§ 1206.750–52 Exceptions.

(a) In any case where a procurement has been restricted to domestic source end products and a foreign offer is, nonetheless, received which meets the criteria in section IV, paragraph B.4. of DOD Directive 2125.1, the procurement will be referred to the Executive Director, Procurement and Production, DSA (DSAH–P).

(b) Notwithstanding paragraph (a) of this section, DPSC is referred to the restriction in section 606(c) of the Foreign Assistance Act of 1961, as amended, against the procurement of patented drugs from foreign sources when MAP funds are used.

PART 1213—GOVERNMENT PROPERTY

31. The table of contents of Part 1213—Government Property is revised to read as follows:

Subparts A and B [Reserved]

Subpart C—Providing Government Production and Research Property to Contractors

Sec.
1213.301 Providing facilities.

Subpart E—Competitive Advantage

1213.501 Policy.

Subpart F—Administration of Government Production and Research Property

1213.606–50 Phase-out plans for Government-owned property in possession of contractors.
1213.606–51 Policy.
1213.606–52 Exemptions to policy.
1213.606–53 Reassessment of lists.
1213.606–54 Advising the ASPPO.
1213.606–55 Procedures for developing phase-out plans.
1213.606–56 Reporting requirements.
1213.606–57 Sample letter to contractors.

AUTHORITY: The provisions of this Part 1215 issued under R.S. 161, secs. 2202, 2301, 2314, 70A Stat. 120, 127, sec. 2, 72 Stat. 514, sec. 1, 76 Stat. 528; 5 U.S.C. 171a(c), 301, 10 U.S.C. 2202, 2301–2314; DOD Directive 5105.22, Nov. 6, 1961.

Subpart C—Providing Government Production and Research Property to Contractors

32. Section 1213.301(a) is revised to read as follows:

§ 1213.301 Providing facilities.

(a) (1) Requests for new facilities will be forwarded to HQ DSA, ATTN: DSAH–P for approval by the Executive Director or Deputy Executive Director, Procurement and Production. Sufficient documentation will be provided with the request to show that the need for supplies or services cannot be met by any other practical means or that the furnishing of facilities will be in the public interest. Commanders of Defense Supply Centers, DIPEC, DDMT, DDOU and DDTC are authorized to provide existing facilities under the conditions set forth in § 13.301 of this title.

(2) A copy of the contractor's written statement, expressing his unwillingness or financial inability to acquire the necessary facilities with his resources, will be included as a part of requests for new facilities. A copy of the written statement obtained in connection with provision of existing facilities will be furnished DSAH–PR within 15 days after receipt from contractor.

* * * * *

Subpart F—Administration of Government Production and Research Property

33. Subpart F is added to read as follows:

§ 1213.606–50 Phase-out plans for Government-owned property in possession of contractors.

§ 1213.606–51 Policy.

The Department of Defense policy towards the use of Government-owned property in fulfilling Government contracts is as follows:

(a) Rely, to the maximum extent possible on the use of privately owned production equipment for the performance of defense contracts.

(b) Minimize Government ownership of property, insofar as possible, in consonance with the need to assure support of essential defense production including that required for mobilization, maintenance, and research and development programs.

§ 1213.606–52 Exemptions to policy.

The authority to approve exemptions or exceptions to the basic policy formerly reserved to the Secretary of Defense is now delegated to the Director, Defense Supply Agency for DSA owned property. The Director is authorized to approve the following in connection with preparation of phase-out plans:

(a) To exempt Government owned contractor operated plants that produce no commercial products;

(b) To exempt contractors who have Government property in approved ASOD packages, standby lines or active base packages essential to support current or mobilization production;

(c) To defer phase-out plans for those contractors directly affected, where mobilization base requirements are in process of being developed, until the mobilization requirements have been determined;

(d) To defer, for further consideration, those special cases where imposition of the phase-out plan would be contrary to the interests of the Government or work an economic hardship on an individual company.

§ 1213.606–53 Reassessment of lists.

In view of the revised exception policy, the Defense Supply Centers should reassess their respective lists of Government owned property for determination for exemption or development of appropriate phase-out plans. The facilities included in the July 1970 and January 1971 reports as exempt from phase-out plans need not be resubmitted for exemption since they have already been approved by OSD. Proposed exceptions or deferments must be fully justified and forwarded to HQ DSA, ATTN: DSAH–PR for approval of the Director, DSA.

§ 1213.606–54 Advising the ASPPO.

It is imperative that the appropriate ASPPO be kept constantly advised in writing of the property which is exempt or deferred from phase-out plans and of each Center's plan regarding retention of equipment. This is essential in order to prevent DSA-owned property, meeting the criteria for retention, from being moved out of the plant.

§ 1213.606–55 Procedures for developing phase-out plans.

(a) For those plants for which phase-out plans will be developed, the following procedures will be utilized:

(1) In cases where contractors have Government property provided by more than one procuring department, the department having the greatest dollar value of property in the plant will serve as the "lead" or integrating department. The "lead" department shall, in coordination with the other pertinent procuring departments, be responsible for initiating, monitoring and securing approval of the plan by all concerned;

(2) Contractors with Government property in their possession as of December 31, 1970, have been selected from the "Financial Report of Government Property in the Possession of Contractors." Lists of such contractors which this report indicates are performing for Defense Supply Centers, Defense Personnel Support Center and DIPEC were enclosed with PROCLTR 71–9 and should be retained.

The only center involved with "lead" responsibilities is DESC. HQ DSA, ATTN: DSAH–PR will be informed at once of any errors or changes in the lists;

(3) The sample transmittal letter in § 1213.606–57 will be forwarded through the appropriate Contract Administration Office (CAO), and will indicate a requirement that the contractor prepared plan will be submitted to the DSC through the CAO. In those cases where DSA has "lead" responsibility, the CAO will be requested to furnish contact points within the military departments for other than DSA contracts;

(4) As stated in the sample letter, responses from contractors shall be required within 90 days, either in the form of a complete plan or a statement of the date when the plan will be provided. The CAO will establish a suspense system to assure timely receipt of plans. The plans will be reviewed for completeness and accuracy and forwarded, with appropriate recommendations, to DSC's; and

(5) Upon receipt of plans from the CAO, DSC's will review same and determine if they are acceptable insofar as DSA contracts are concerned. In those cases where plans cover contracts with other military departments and DSA has "lead" responsibility, the contractor's proposed plan will be coordinate with the contact points furnished by the CAO. Any plans which are unacceptable to addressees or to procuring activities of the military departments will be returned to the contractor through the applicable CAO, citing reason(s) for rejection and including recommendations for changes that will ensure acceptability and approval.

(b) DSC's should review the property on which phase-out plans have been completed, to see if they might qualify for an exemption under the new criteria, phase-out plans which are considered acceptable will be approved and returned to the contractor, through the CAO, for implementation and follow-on administration by CAO until completion. The centers will also furnish HQ, DSA, ATTN: DSAH–PR with a copy of all approved phaseout plans.

§ 1213.606–56 Reporting requirements.

(a) Semiannually as of June 30, and December 31, beginning June 30, 1971, a report will be forwarded to DSAH–PR within 15 days after close of the period indicating the progress being made to process and approve phase-out plans. As a minimum the reports will include:

(1) Total number of plans anticipated;
(2) Number completed and approved;
(3) Number not completed; and
(4) Estimated completion date.

(b) This reporting requirement which expires December 31, 1972, has been assigned Reports Control Symbol DD–I&L(SA)1003.

§ 1213.606–57 Sample letter to contractors.

GENTLEMEN: It is the policy of the Department of Defense that contractors will furnish all the facilities required for the performance of Government contracts. Recent correspondence signed by the Assistant Secretary of Defense (I&L), further emphasized this basic policy to place maximum reliance on the use of privately owned facilities in the performance of Government contracts. In pursuit of this policy, the Department of Defense now requires each contractor to submit a plan to phase out the use of in-place Government-owned facilities. The objective of such plans will be the orderly phaseout of contractor use of such facilities over a period generally not to exceed 5 years, unless otherwise negotiated.

(Add the following paragraph when more than one procuring department or defense agency is involved.)

Because you possess facilities provided by more than one procuring military department or Defense agency, the undersigned has been designated as the "lead" or coordinating agent for the purpose of implementing this policy.

It is hereby requested that you develop a time-phased plan for the orderly disposition, within a 5-year period, of the Government-owned facilities in your possession under the following contracts:

Phase-out plans may involve the retention of (1) single purpose or special purpose equipment which has no commercial application and which is required for production of specialized defense items for which insufficient industrial capacity exists, when it either case the removal to another location would be impractical because of size or too costly in relation to the value of the facilities. You are requested to respond within 90 calendar days, either with a completed plan or an anticipated date that the completed plan will be furnished. As a minimum the plan must include:

a. Identification of each item.

b. Contract number under which accountability is maintained.

c. Production contract(s) for which the item is furnised or authorized.

d. Statement whether the item is to be replaced with a contractor financed item or not.

e. Date(s) the Government-owned (s) will be reported to the Government for disposition.

Your phase-out plan shall not assume that Government-owned facilities will be sold to your organization. However, your interest in the purchase of any or all of the facilities may be expressed. Upon the receipt and acceptance of your plan, you will be formally notified to proceed with its implementation. Your authority to use the facilities listed in the approved plan on any Government contract will automatically expire on the dates specified therein. Facilities or supply contract(s) containing the items included in your phase-out plan will be amended as soon as practicable after approval of the plan by the Government.

This reporting requirement has been assigned Bureau of the Budget No. 22–RO–287, which expires March 1974.

PART 1214—PROCUREMENT QUALITY ASSURANCE

34. The table of contents to Part 1214 Procurement Quality Assurance is revised to read as follows:

AUTHORITY: The provisions of this Part 1215 issued under R.S. 161, secs. 2202, 2301, 2314, 70A Stat. 120, 127, sec. 2, 72 Stat. 514, sec. 1, 76 Stat. 528; 5 U.S.C. 171a(c), 301, 10 U.S.C. 2202, 2301–2314; DOD Directive 5105.22, Nov. 6, 1961.

35. Subpart D is added to read as follows:

Subpart D—Performance of Government Procurement Quality Assurance Actions by Contract Administration Offices

§ 1214.406–50 Nonconforming supplies and services.

(a) Section 14.406 of this title states that it is Government policy that supplies which do not conform in all respects to the contract requirements should be rejected, but provides for exceptions when acceptance of such nonconforming supplies is in the interests of the Government (e.g., for reasons of economy or urgency). This ASPR guidance provides the basis for the contractor practice of requesting waiver of nonconformances in supplies that have been tendered to and rejected by a Government quality assurance representative.

(b) It is DSA policy that the granting of waivers shall be emphatically discouraged in all cases where the contractor is at fault in producing the nonconforming supplies.

(c) For supplies having minor nonconformances, as defined below, contractor requests for waiver shall be rejected except in those few cases where it is clearly advantageous to the Government to accept the nonconforming supplies and they are suitable "as is" for the intended use or the nonconformance results in a superior product.

(d) For supplies having major nonconformances, as defined below, the final determination as to their suitability for use is the responsibility of the activity responsible for technical requirements. The concurrence of such technical activity shall be obtained before waiver of a major nonconformance is granted.

§ 1214.406–51 Definitions.

(a) *Nonconforming supplies.* Those supplies which contain one or more departures from contractual requirements. Nonconformances are categorized as follows:

(1) *Major nonconformance.* The failure to conform adversely affects one or more of the following major areas:

(i) Performance;

(ii) Durability;

(iii) Reliability, interchangeability, or maintainability of the item or its repair parts;

(iv) Effective use or operation;

(v) Weight or appearance (where a factor); or

(vi) Health or safety.

(2) *Minor nonconformance.* The failure to conform does not adversely affect any of the major areas listed above. However, when several minor nonconformances exist on a single item, a determination will be made as to whether the cumulative effect is, in reality, a major nonconformance.

(b) *Request for waiver.* A request for acceptance of nonconforming supplies or services which is prepared by a contractor on his own form or letterhead, unless a specific form is designated by contract.

(c) *Waiver.* A written authorization to accept an item which during production or upon being offered to the Government for inspection and acceptance is found to depart from specified requirements, but nevertheless is considered suitable for use "as is."

§ 1214.406–52 Processing of requests for waiver.

The Contracting Officer shall:

(a) Process requests for waiver expeditiously to avoid production delays and possible claims against the Government, and to assure full utilization of the technical information obtained as a result of waivers.

(b) Ascertain whether the contractor's request for waiver was forwarded through the Administrative Contracting Officer (ACO) and includes the ACO's recommendations for approval or disapproval. The Contracting Officer must have the ACO's comments and recommendations in order to properly evaluate a request for waiver. Conversely, the ACO must be fully apprised of the request for waiver in order to assure that the contractor has taken action to correct and prevent recurrence of the conditions causing the nonconformance. Therefore, requests for waiver submitted directly to the PCO shall be returned to the contractor for resubmission through the ACO, except in those situations where time is an essential element. In such cases, the ACO's recommendations will be obtained by the most expeditious means available.

(c) Ascertain the supply position of the item and the effect that rejecting the request for waiver will have on the delivery schedule.

(d) Refer the request for waiver to the quality element of the DSC for evaluation and recommendations. The quality element shall serve as the technical support focal point for waiver actions at the DSC's.

(e) Make a determination, based on the above, as to whether the request for waiver should be accepted (if a minor nonconformance), rejected or referred to the appropriate technical activity for concurrence.

(f) Modify those contracts under which nonconforming supplies are accepted to provide for an equitable price reduction or other consideration. In the case of minor nonconformances, the contract shall not be modified except when it appears that the price reduction or other consideration accruing to the Government will exceed the administrative cost to the Government of processing a contract modification (normally $50), or the best interests of the Government otherwise require that the contract be modified.

(g) Consider repetitive requests for waiver as a factor when making determination of a contractor's responsibility.

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36. Part 1215 is added to read as follows:

PART 1215—CONTRACT COST PRINCIPLES AND PROCEDURES

Subpart A—Applicability

Sec.

1215.107–50 Advance understanding on particular cost items.

Subpart B—Principles and Procedures for Use in Cost-Reimbursement Type Supply and Research Contracts With Commercial Organizations

1215.201 Basic considerations.

1215.205–3 Bidding costs.

1215.205–35 Research and development costs.

AUTHORITY: The provisions of this Part 1215 issued under R.S. 161, secs. 2202, 2301, 2314, 70A Stat. 120, 127, sec. 2, 72 Stat. 514, sec. 1, 76 Stat. 528; 5 U.S.C. 171a(c), 301, 10 U.S.C. 2202, 2301–2314; DOD Directive 5105.22, Nov. 6, 1961.

Subpart A—Applicability

§ 1215.107–50 Advance understanding on particular cost items.

(a) The ASPR Committee will cause a master list to be published annually which will contain the names of commercial contractors, nonprofit institutions, and educational organizations, operating under negotiated overhead rates (§ 3–700 of this title) for cost reimbursement type contracts and contractors selected for Tri-Service departmental negotiation of advance agreements for independent research and development and bid and proposal costs (§§ 15.107, 15.205–35, and 15.205–3 of this title). Interim changes will be published as required and will show only the specific additions, deletions, or changes that have occurred.

(b) HQ DSA receives and will retain copies of reports/amendments of negotiated overhead rates and advance agreements for independent research and development, and bid and proposal costs for the entities on this master list. HQ DSA (DSAH–PPP) will provided copies to DSC's upon request.

Subpart B—Principles and Procedures for Use in Cost-Reimbursement Type Supply and Research Contracts With Commercial Organizations

§ 1215.201 Basic considerations.

§ 1215.205–3 Bidding costs.

See § 15–107.50 of this title.

§ 1215.205–35 Research and development costs.

See § 15.107–50 of this title.

PART 1216—PROCUREMENT FORMS

37. Section 1216.850–4 is revised to read as follows:

§ 1216.850–4 General instructions for preparing the special quality assurance instruction form.

Instructions for block entries are as follows (entries should be typed):

Block No.	*Title and/or Instruction*
8	*Contract Quality/Inspection Requirements*—Identify the contract quality/inspection requirements using § 14–301 of this title as a guide.
9	*Certificate of Conformance*—Indicate "Required" when the contract states that COC may be used as the sole basis for acceptance. Indicate "Optional" when the contract states that COC may be used as an element incident to acceptance by the CAO.
10	*Item Use*—Use when applicable.
11	*Authority for Acceptance of Nonconforming Supplies and Services is Withheld in Accordance with § 14–406(b)(ii) of this title*—In accordance with § 14.406(b)(ii) of this title use only when PCO retains authority.
13 and 13a	To inform the QAR when and for what purpose DSC technical representatives will participate in the contractor test program.
14 and 14a	To provide verification test requirements and laboratory address.
15	Product Quality History—To provide OAR with pertinent details of product that would alert him to possible trouble areas.
16	Contractor Quality History—Provide the QAR with a pertinent, general summary of the contractor's past performance, where the performance may affect the quality of the supplies or services being procured. Statements which because of their sensitive nature, would have to be classified as "For Official Government Use Only" will be avoided. If sensitive data must be provided the QAR, a statement to the following effect will be included: "The QAR should contact the individual shown in Block 18 for specific details relating to the quality history of the contractor."
18	DSC Contract for Quality Assurance—Enter name, address, and phone number, of DSC specialist in Technical Operations assigned to the commodity.

38. Sections 1216.851, 1216.851–1, 1216.851–2 are added to read as follows:

§ 1216.851 Request for contract review/approval (DSA Form 677).

§ 1216.851–1 General.

DSA Form 677 shall be used as prescribed in 1–452.3. Requests for contract review/approval shall be addressed to the attention of DSAH–PC.

§ 1216.851–2 General instructions for preparation of DSA Form 677.

Instructions for block entries are as follows:

Block No.	*Instructions*
1/1a	Insert the subparagraph number of § 1201.452–2(a) of this subchapter that is applicable to the type of action for which approval is being requested. Place an "X" in the appropriate block to signify that the proposed action is either a new contract or a modification of an existing contract and, if the latter, the basis for the modification.
2/2a	Insert the date of expiration of the bid or proposal, or the date by which existing contract terms require exercise of the option. If the date entered allows less than 9 days from date of dispatch of the request (as entered in Block 16a), the request is to be considered a request for expedited review, and the block provided (2a) is to be checked. The reason for requiring expedited review is to be given in Block 14, e.g., explain why an extension of the bid or proposal cannot be obtained, or should not be requested. If the date entered allows 9 days or more, but an expedited review is desired, the same procedure should be followed.
3	Describe the type of contract briefly to identify the terms governing quantity, price, and delivery, e.g., Firm Fixed Price (FFP), Requirements—Fixed Price, with escalation (Rqmts—FP w/ esc.).
4/4a/4b/4c	If more than one CLIN is applicable because of different destinations (f.o.b. destination), site total quantity and give the unit price range. If both f.o.b. origin and f.o.b. destination prices are applicable, give the total quantity applicable to each, with the applicable prices/price ranges. When services are described, include the location of performance and the period during which services will be performed.
5/5a/5b	Check the applicable block to indicate whether the authority for purchase is a center generated purchase request (PR) or a service generated military interdepartmental purchase request (MIPR). IOM's requesting establishment of requirement contracts are to be considered as PR's. Requests for procurement action by a military service on other than the prescribed MIPR form are to be considered as MIPR's. The receipt dates desired in 5a and 5b are: (a) For PRs the date of receipt in Procurement; (b) for MIPR's the date of receipt in the center.
6a/6b	Solicitation number(s) and amendment number(s) are to be listed, with issue and opening/closing dates applicable.
7/7a/8	Self-explanatory.
9/9a/9b	If the action proposed is on a definite quantity, firm fixed price basis, check "actual." For all other types, check "estimate." The total dollar value to be entered is that shown on the face of the proposed contract as the total amount, or total estimated amount, actual or estimated, of the modification is to be entered. Under 9b give the fixed dollar amount to be obligated by contract execution for which funds have been committed.
9c/9d	If Government facilities are to be provided under the contract, check the GFP block. If facilities are being furnished rent free, insert "Rent Free" in lieu of dollar value. If facilities are being furnished on a rental basis, give the anticipated dollar amount of rental based on the proposed contract delivery schedule. If material is to be furnished, check the GFM block. If the material is being furnished by the bailment method, give the total estimated value of the material included in the total contract price. If GFM is not being provided by the bailment method, insert "N/A" in block 9d.
10	For small business restricted advertising, check negotiated, insert the applicable authority and add "SBRA."
11	If option is to a service contract to be extended without change in quantity of work covered, insert N/A after maximum percent.
12a/12b	Note that 12b requires the number of responsive bids/proposals.
13a/13b	Self-explanatory.
13c/13d	The price analysis, whether prepared by the C&P element or by the contracting element, will be inserted under Tab 15 of the contract file and will include (i) the quantities, unit prices, f.o.b. points of preceding procurements (at least two); (ii) the basis for determining price reasonableness on the preceding procurements listed; and (iii) the increase/decrease in prices of the proposed contract as compared to the preceding procurements. The percentage relationship of the proposed price to the immediately preceding procurement will be shown in Block 13d. If the procurement is the first by DSA and information on prior procurements is not obtainable, a brief description of the efforts made to obtain prior procurement information will be included in Remarks (Block 14) and any back-up documentation included under Tab 15.
14–16	Self-explanatory.
17	Enclosure blocks to the DSA 677 have been prechecked. The contract file forwarded will contain all documents/papers which comprise the official contract file up to the date of the request. HQ DSA will review on the basis that there are no other applicable documents to be added to the official contract folder, unless the DSA 677 (Remarks Block 14) indicates that additional documentation is being obtained. The HQ DSA file copy to be provided is to contain the following: (A complete duplicate file *will not be provided*). (a) A carbon copy of the DSA 677 request to include the names of signatories to the request, and the dates of signatures. (b) A copy of the DSA Form 678 which is *identical* to that in the contract file. (c) A complete copy of the proposed contract, modification. When the request covers a proposed contract modification to a contract (or modification) which has been previously reviewed and approved by this headquarters, the basic contract, or previously approved modification need not be provided; however, any modifications made subsequent to the last HQ DSA review will be included. (d) When applicable, a copy of the determination and findings authorizing negotiation. (e) A copy of the price analysis/contracting officer's determination of price reasonableness and, where applicable, a copy of the record of pre-negotiation review and the price negotiation memorandum. Should any of these documents refer to other documents in the official contract file for detail information, or depend on such documentation as the source of information a copy of those documents will also be included (this includes DCAS/DCAA reports, and preaward survey reports if applicable). *General.* 1. Should the space allotted on the DSA Form 677 be insufficient, the additional information is to be included on a plain sheet of paper identified as Sheet Nr. 2, etc., to

Block No.	*Instructions*
	DSA 677, Contract Nr. (as shown under Block Nr. 8). The total number of pages will be shown in the space provided at the bottom of DSA Form 677.
	2. The reverse of DSA Form 677 will be used both for replies to requests for preaward approvals (section I) and to return contract files submitted as requested for postaward review (section II). When a postaward review has been made, remarks previously furnished by separate letter will be included in the "Remarks" space on the DSA Form 677 reverse.

PART 1220—ADMINISTRATIVE MATTERS

39. The table of contents to Part 1220—Administrative Matters is revised to read as follows:

Subpart A [Reserved]

Subpart B—Uniform Procurement Instrument Identification Numbering System

Sec.

1220.203	Basic procurement instrument identification number.
1220.203–1	Elements of number.

Subparts C–F [Reserved]

Subpart G—Assignment of Contract Administration

1220.703	Retention of contract administration by the purchasing office.
1220.703–50	Support administration.
1220.706	Designation of the disbursing office.

AUTHORITY: The provisions of this Part 1220 issued under R.S. 161, secs. 2202, 2301, 2314, 70A Stat. 120, 127, sec. 2, 72 Stat. 514, sec. 1, 76 Stat. 528; 5 U.S.C. 171a(c), 301, 10 U.S.C. 2202, 2301–2314; DOD Directive 5105.22, Nov. 6, 1961.

40. Subpart B is added and Subpart G is revised to read as follows:

Subpart B—Uniform Procurement Instrument Identification Numbering System

§ 1220.203 Basic procurement instrument identification number.

§ 1220.203–1 Elements of number.

The letter Y in the ninth position of the basic PII number is reserved to identify imprest fund orders posted to the Standard Automated Materiel Management System (SAMMS) or other DSA automated systems.

Subpart G—Assignment of Contract Administration

§ 122.703 Retention of Contract Administration by the Purchasing Office.

§ 1220.703–50 Support administration.

If the PCO retains administration of a contract or order and a need subsequently arises to delegate supporting contract administration to a CAO, the contract or order shall be assigned for performance of all contract administration functions.

§ 1220.706 Designation of the Disbursing Office.

All contracts assigned to a Service Plant Cognizance Representative for administration shall designate the disbursing office supporting the purchasing office as disbursing office for the contract except for contracts resulting from MIPR's, which will cite the disbursing office in accordance with DSAR, 411bH, paragraph VIAIH.

PART 1221—PROCUREMENT MANAGEMENT REPORTING SYSTEM

41. The heading for Subpart A is revised to read as follows:

Subpart A—DD Form 350, Individual Procurement Action Report (RCS DD–I&L(M)1014)

42. Section 1221.103 is revised to read as follows:

§ 1221.103 Due date and distribution.

The DSA Form 556 must be submitted so as to reach this headquarters within 3 workdays following the end of each month. To meet this due date, the cutoff for the DSA Form 556 shall be the 25th calendar day of the month being reported on. RCS DD–I&L(M)1014 applies to this report.

§ 1221.127 [Deleted]

43. Section 1221.127 is deleted; §§ 1221.130 and 1221.131 are revised to read as follows:

§ 1221.130 Item 22. Date of this action.

Enter this following alphabetical code for the month:

A—January	G—July
B—February	H—August
C—March	I—September
D—April	J—October
E—May	K—November
F—June	L—December

For example: Date of this action: 72/G/5 for July 5, 1972.

§ 1221.131 Item 23. Estimated completion date.

Same as § 1221.130.

For example: Estimated completion date: 72B for February 1972.

44. The heading for Subpart B is revised to read as follows:

Subpart B—Monthly Procurement Summary of Actions Under $10,000 by Purchasing Office (DD Form 1057) RCS DD–I&L(M)1015

45. Section 1221.201 is added to read as follows:

§ 1221.201 Applicability and coverage.

Defense Personnel Support Center subsistence purchasing offices shall submit separate DD Forms 1057 for perishable and nonperishable subsistence activity.

PART 1225—PRODUCTION MANAGEMENT

46. Section 1225.202 is revised to read as follows:

§ 1225.202 Recurring production progress reports by contractors.

The requirement for Production Progress Reports (DD Form 375) will be limited to the following and then only when circumstances make such reporting appropriate:

(a) Items required to satisfy requisitions bearing UMMIPS priority 01 through 06.

(b) Items that have been designated by the DSC Commanders as being in a critical supply position.

(c) Items on the DOD, Military Service, or DSA critical list.

(d) Items in direct support of the DOD MUL categories.

(e) Items reported to HQ DSA under DOD Instruction 4200.14, Production Acceptances covering selected major items of munitions and equipment.

(f) Items which require Material Readiness Studies under DSAR 4140.3.

(g) Contractors on the Military Services of DSA Contractor Experience List.

(h) When requested by the DOD Project Manager.

PART 1250—SUPPLEMENTAL PROCEDURES

47. Section 1250.101(a) is revised to read as follows:

§ 1250.101 Sale, loan or gift of certain property (10 U.S.C. 4506).

(a) The heads of procuring activities and their authorized designees are authorized to sell, give, or lend drawings, manufacturing, and other information, and samples of supplies and equipment to be manufactured or furnished, to contractors and private firms which are or may likely be manufacturers or furnishers of supplies and equipment for use under approved production plans, whenever they determine that such action is necessary in the interest of national defense: *Provided, however,* That no sale or gift of such items shall be made if the item is to be the subject of recurring procurement, and would be suitable for the purpose for which purchased by the Government, and not obsolete, after serving as a sample, pattern, or guide to a manufacturer or supplier.

* * * * *

48. The heading for Subpart B is revised to read as follows:

Subpart B—Foreign Procurement Programs

49. Subpart B is revised to read as follows:

§ 1250.200 Scope of subpart.

This subpart includes policies and procedures for (a) procurement services for nonstandard military items to be provided by the Defense Supply Agency to the Government of the Federal Republic of Germany (FRG); (b) requirements

for Vietnam, Laos, and Thailand; (c) competitive procurement from Norwegian sources; (d) competitive procurement from Australian sources; and (e) furnishing price and availability and source data to Latin American Countries on Foreign Military Sales (FMS) cases.

§ 1250.201 Procurement services for the Federal Republic of Germany.

§ 1250.201–1 Cooperative U.S.-FRG Logistics Systems.

Based on principles expressed in Mutual Defense Assistance Agreements between the United States of America and the Federal Republic of Germany of October 8, 1956, and November 24, 1961, TIAS 4903, the U.S. Government has agreed to provide procurement services to the FRG. These services involve the purchase of certain articles and services which are not standard military items but are directly related to or essential for the operational capability of the Armed Forces of FRG.

§ 1250.201–2 Definitions.

(a) *Nonstandard item.* The Military Services will make the determination of whether an item is nonstandard. However, in cases where the determination has not been made and where the item has not previously been purchased as a standard item, the determination of whether the item is standard or nonstandard will be made by Plans and Operations Branch, Procurement Division, Executive Directorate, Procurement and Production, HQ DSA.

(b) *Procurement services.* The purchase, inspection, processing, financing, and delivery of nonstandard items to the FRG.

§ 1250.201–3 Policies.

The furnishing of procurement services for nonstandard military items will be provided the FRG by DSA Supply Centers according to the following policies:

(a) Contract clauses and procedures will be in accordance with the Armed Services Procurement Regulation (ASPR) (Part 7 of this title). In no event will contracts be awarded at other than prices which are determined to be reasonable.

(b) Items not covered by U.S. Government specifications will be procured according to manufacturers' specifications and warranties, unless the FRG requests other specifications, qualifications, and warranties. If the specifications and warranties of the manufacturer are considered inadequate for procurement purposes, such specifications and warranties may be adequately supplemented by the U.S. Government after consultation with FRG.

§ 1250.201–4 Responsibilities.

(a) The DSC's will render prompt procurement services to the FRG for nonstandard items essential for the operational capability of the Armed Forces of the FRG.

(b) The questions or problems that cannot be resolved will be referred to HQ DSA, ATTN: DSAH–PPP.

§ 1250.203 Competitive procurement from Norwegian sources.

§ 1250.203–1 Policy.

(a) The United States and Norway concluded a Memorandum of Understanding Relating to the Procurement of Defense Articles and Services on February 27, 1968. As a result, the Department of Defense agreed to search out and select items of defense equipment and supplies that appear to be competitively obtainable from Norwegian sources and to invite competitive bids for proposals from Norwegian sources for such selected items. Resultant competitive bids and proposals will be evaluated without imposing any differential under the Buy American Act (BAA) or the Department of Defense Balance of Payments Program (BOPP) so that Norewgian firms may compete for such items on a basis of equality with United States firms or other foreign firms which might be eligible for contract awards. The Memorandum of Understanding (MOU) provides that procurement of Norwegian items will be subject to two basic conditions: (1) That the items fully satisfy DOD requirements for performance, quality and delivery; and (2) that the items cost DOD no more than would comparable U.S. items or other foreign items eligible for award. However, "across-the-board" exceptions from the BAA and BOPP restrictions on non-U.S. procurements are not intended. Rather, case-by-case exceptions will be authorized so that procurements of Norwegian items will be in consonance with the terms of the MOU.

(b) In order to implement the provisions of the MOU, each DSC will establish a program for:

(1) Identifying items having an apparent potential for Norwegian competition;

(2) Transmitting lists of such items to DSAH–PPP for verification of possible Norwegian contractor interest and designation of likely Norwegian sources;

(3) Upon receipt of such verification and designation, soliciting bids or proproposals from such Norwegian sources (along with other sources normally solicited); and

(4) If the low acceptable resulting bid or proposal (exclusive of any U.S. import duties) is from a Norwegian source, requesting an exception from the BAA or BOPP as appropriate.

(c) To insure that this program is effective, each DSC will designate a contact point for Competitive Procurement from Norwegian/Sources, who shall be responsible for monitoring the program. These contact points must be conversant with the policy of selective competitive procurement from Norwegian sources in the event that they are contacted by Norwegian officials or prospective Norwegian contractors. In addition, each contact point shall keep DSAH–PPP advised of the current status of the program and shall furnish reports as required. Timeliness in this respect is extremely important. For the purpose of rendering such reports, RCS: DD–ISA(Q) 1092 is established.

§ 1250.203–2 Identification of appropriate items.

(a) Each DSC shall prepare a List of Items for Competitive Procurement from Norwegian sources. The list will include all items of defense equipment and supplies (including requirements for modification or overhaul of equipment) to be procured as to which there is reason to believe that Norwegian sources may be able to compete with U.S. sources and other foreign sources eligible for award in respect to price, quality, performance, and delivery; except that items need not be included if their estimated procurement obligations in the next 12 months do not exceed $500,000. (This lower limit applicable to the United States search for requirements potentially procurable from Norwegian sources does not preclude consideration and acceptance of Norwegian proposals of items of lower value.) No U.S. sole source item which could become a Norway sole source should be included. Each DSC will have a contact point for Competitive Procurement from Norwegian sources, which shall be responsible for assembling and maintaining its list. Each list will be updated by July 1, and quarterly thereafter. Inputs to the lists will be made as soon as possible after definite requirements which will be centrally procured are identified. Lists should be supplemented without waiting for quarterly updating whenever such action will materially augment the potential for competitive procurement from Norwegian sources.

(b) Recommendations to DSAH–PPP for inclusion of items on each list shall include the following information to the extent that it is known or readily available:

(1) Description of each item in sufficient detail to permit a Norwegian tentative judgment as to the capability of Norwegian sources to compete for the procurement;

(2) Estimated quantity and probable dollar value of procurement obligations for each item during the next 12 months;

(3) Estimated solicitation date or dates;

(4) Reasons for believing Norwegian sources may be able to compete, including identification of likely Norwegian sources;

(5) The security classification of the procurement.

(c) Each contract point will assure that recommended items are screened to eliminate items that cannot be disclosed under the National Disclosure Policy and items whose procurement from foreign sources is prohibited by law (e.g., food, clothing, cotton, and wool, within the proscription of ASPR section VI, Part 3).

(d) Upon completion of each initial list, and thereafter upon each updating and supplement, DSAH–PPP will, after review and consultation with the Office of the Deputy Assistant Secretary (ILN), transmit its list to the Norwegian Government for review and elimination of any items in which there is insufficient Norwegian interest or capability. DSAH–PPP will then advise the appropriate

DSC that they should solicit Norwegian sources for items remaining on the list.

§ 1250.203–3 Procurement procedures.

(a) Except as provided below, for items on each list, procurements will be conducted in accordance with ASPR and normal procurement procedures. Norwegian sources will be treated in the same way as U.S. sources in respect to requests for technical information, inviting demonstration, consulting in regard to technical specifications, § 2.205–1 of this title requirements for inclusion on bidders' lists, etc. The normal criteria for making small business and labor surplus area set-asides are to be utilized without regard to the fact that the item to be procured is on the Norwegian list.

(b) For classified procurements, solicitations for Norwegian sources will be transmitted by the contracting officer or his designee directly to DSAH–PPP. DSAH–PPP will see to it that the solicitation is promptly reviewed for security and releasability under the National Disclosure Policy and, if cleared, will forward it through United States/Norwegian Government channels to the Norwegian sources. The Norwegian Government will return any resulting bids or proposals directly to the contracting officer.

(c) Each solicitation for an item on a list shall prominently include the following notice:

NOTICE OF POTENTIAL NORWEGIAN SOURCE COMPETITION

Bids or proposals for this procurement are being solicited from sources in Norway. If a bid or proposal would be acceptable from the standpoint of price and other factors, but for the contract clause entitled "Buy American Act," if that bid or proposal offers end products manufactured in Norway or the United States, and if the cost of the components thereof which are mined, produced, or manufactured in Norway, the United States, or Canada exceeds fifty percent (50%) of the cost of all the components thereof, then determination as to whether it would be in the public interest to except the end product from the restrictions of the Buy American Act shall be made.

In the case of procurements for use outside the United States which are subject to ASPR VI, Part 8, the foregoing notice will be appropriately modified.

(d) Each contract for an item on a list shall include the following clause, unless it is clear that no Norwegian end product will be imported into the United States in connection with the performance of the contract:

DUTY-FREE ENTRY—NORWEGIAN END PRODUCTS (APR 72)

(a) For the purpose of this clause, "Norwegian end products" means an unmanufactured end product mined or produced in Norway, or an end product manufactured in Norway if the cost of its components which are mined, produced, or manufactured in Norway, the United States, or Canada exceeds 50 percent (50%) of the cost of all its components.

(b) Except as otherwise approved by the Contracting Officer, no amount is or will be included in the contract price on account of duty with respect to all end items which constitute "Norwegian end products" to be delivered under this contract, except items imported into the United States prior to the date of this contract.

(c) The Contractor warrants that all such Norwegian end products, for which such duty-free entry is to be claimed, are intended to be delivered to the Government under this contract, and that duty shall be paid by the Contractor to the extent that such items or any portion thereof (if not scrap or salvage) are diverted to nongovernmental use other than as a result of a competitive sale made, directed or authorized by the Contracting Officer.

(d) The Government agrees to execute duty-free entry certificates and to afford such assistance as appropriate in order to obtain the duty-free entry of Norwegian end products as to which the shipping documents bear the notation specified in paragraph e below, except as the Contractor may otherwise agree.

(e) All shipping documents submitted to Customs, covering such Norwegian end products for which duty-free entry is to be claimed, shall bear the following information:

(1) Government prime contract number;

(2) Identification of carrier;

(3) The notation: "United States Department of Defense—Duty-Free Entry To Be Claimed pursuant to Schedule 8, Part 3, Item No. 832.00, Tariff Schedules of the United States. Upon arrival of shipment at port of entry, District Director of Customs, kindly release shipment under section 8.59CR and notify the appropriate DCASR for execution of Customs Forms 7501 and 7501A and the Duty-Free Entry Certificate";

(4) Gross weight in pounds (if freight is based on space tonnage, state cubic feet in addition to gross shipping weight); and

(5) Estimated value in U.S. dollars.

(f) The Contractor agrees to prepare or have prepared a sufficient number of copies of the bill of lading (or other shipping document) so that at least two of the copies accompanying the shipment will be available for use by the District Director of Customs at the port of entry and to forward or have forwarded at the time of shipment, a memorandum copy of the bill of lading (or other shipping document) to the designated Government representative.

(e) As soon as it is determined that a bid or proposal involving Norwegian end products or components would be accepted but for the Buy American or Balance of Payments Program restrictions, as contemplated in the notice in paragraph (c) of this section, the Contracting Officer shall prepare a statement of the facts of the matter in sufficient detail to permit judgment as to whether an exception from the Buy American or Balance of Payments restrictions should be authorized. The approval level on proposed awards not in excess of $10,000 is the Procuring Contracting Officer. On proposed awards over $10,000 and not in excess of $100,000 the Head of the Procuring Activity is the approval level. All proposed awards over $100,000 shall be referred to HQ DSA, ATTN: DSAH–P, for approval or further processing to the Secretary of Defense level.

§ 1250.203–4 Reports (RCS: DD–ISA(Q) 1092).

Each contact point will submit a quarterly report to DSAH–PPP within 20 days after the close of the quarter. This report will include:

(a) The items and value of potential Norwegian procurement for which solicitations are about to be released;

(b) The items and value of potential Norwegian procurement for which solicitations have been released;

(c) The items and value of procurement for which Buy American or Balance of Payments Program waivers have been requested and approved;

(d) The items and value of each contract placed with Norwegian sources;

(e) The estimated schedule by quarter of dollar payments to be made against such contracts; and

(f) The cumulative value of Norwegian contracts placed under this program.

§ 1250.204 Competitive procurement from Australian sources.

§ 1250.204–1 Policy.

The Department of Defense has agreed to work closely with the Australian Government for the purpose of identifying opportunities for Australian suppliers to participate more effectively in competition for U.S. Defense procurement. This is to help offset Australian procurements of military material from the United States. Below is a statement of understanding which delineates the purpose and objectives of the above liaison arrangement.

UNITED STATES/AUSTRALIA LIAISON ARRANGEMENTS ON DEFENSE PROCUREMENT

During an August 28, 1968, meeting with Minister for Defense Allen Fairhall, Defense Secretary Clark Clifford agreed to the establishment of a system of liaison between the Australian Department of Defence and the U.S. Department of Defense for the periodic discussion of matters pertaining to U.S. defense procurements in Australia. The formalization of this agreement was implemented by a series of semiannual conferences, the first of which occurred in October 1968. The purpose of these conferences is to explore ways and means to increase opportunities for Australia to participate competitively in U.S. Department of Defense procurements. During an April 1969 visit with Secretary Laird, Prime Minister John Gorton reaffirmed his government's wish that the liaison arrangement continue as the logical mechanism for strengthening Australia's technological base and defense production capability as well as for developing more procurement reciprocity on the part of the United States in view of Australia's large volume of military orders in the United States. The U.S. Department of Defense recognizes the desire of the government of Australia to increase its participation in U.S. defense procurement. It is agreed that such undertakings are to be considered on a case-by-case basis with the initiative to be taken by Australia. Where appropriate, the U.S. Department of Defense will endeavor to facilitate such transactions, on a commercial basis, including possible transactions between Australian and United States firms. To assist Australia in these undertakings, the U.S. Department of Defense will continue its efforts:

(a) To seek selected areas in which Australian suppliers are capable of competing for DOD orders;

(b) To endorse U.S. prime contractors solicitation of competitive bids from Australian industry; and

(c) To remove procedural difficulties in Australian competition for U.S. defense procurement.

Additionally, it is in the interest of both countries to continue to explore U.S. procurement opportunities and logistical support activities—particularly in Southeast Asia—which may offer expanded opportuni-

ties for Australian firms to participate in programs of mutual interest and benefit to both countries. It is agreed that our efforts will be devoted toward accomplishing the foregoing objectives.

GLENN V. GIBSON,
Deputy Assistant Secretary (Installations and Logistics), U.S. Department of Defense, Date: August 3, 1970.

ROY W. DAVIES,
First Assistant Secretary (Planning and Procurement), Australian Department of Supply, Date: August 3, 1970.

The DOD objective in this matter, as expressed in the above statement of understanding, indicates that selective waivers will be made of the Buy American Act restrictions where Australian suppliers submit the low bid. Section 6.103-3 of this title provides authority for the miltary services and DSA to determine that the restrictions of the Buy American Act do not apply where the acquisition of a domestic source end product would be inconsistent with the public interest. The statement of understanding is sufficient pronouncement of DOD policy for HQ DSA to exercise the authority in § 6.103-3 of this title. Therefore, referral of potential contract awards to a low competitive Australian source for determination by the Secretary of Defense under the Buy American Act and its implementing provisions is not required and will in the future be processed by HQ DSA. Request for waivers should be address to the attention of DSAH-PPR. Pursuant to the above, where Australian suppliers are being solicited the solicitation document should provide a notice to the effect that foreign sources are being solicited, and it may be determined by the Defense Supply Agency to waive the Buy American Act restrictions.

§ 1250.204-2 Procedures for competitive procurement from Australian sources.

(a) Two bid/offer packages of each applicable solicitation, containing the necessary specifications and/or drawings, should be sent to:

Chief, U.S. DOD Procurement Information Office, c/o Department of Supply, Constitution Avenue, Canberra, Australia 2600.

By Letter, DSAH-PPP, April 17, 1969, subject: United States/DOD procurement from Australia, a brochure, entitled "Selected Australian Companies With the Capability To Supply Certain U.S. Defense Procurement Needs," was sent to each center. This brochure should assist in the selection of solicitations appropriate for Australian competition. In order to reduce administrative costs, solicitations with an estimated value of $50,000, or less, need not be forwarded to Australia. However, the centers should use judgment in applying this limitation. For example, if a firm, such as Nylex, Ltd., has requested to be placed on a bidders' mailing list, it could be sent all solicitations for $10,000 or over. A minimum of 30 days bidding/offering time and telegraphic replies should be permitted. Care should be exercised not to forward solicitations upon which Australians cannot properly compete, e.g., items protected by the Berry amendment to the DOD Appropriations Act. In all cases of a solicitation being sent to an Australian firm, a copy should be sent to the Procurement Information Office (PIO). Our objective is, on a highly selective basis, to choose a limited number of solicitations where there is a reasonable expectation that Australia can be competitive.

(b) Copies of all Long-Range Procurement Forecasts should be sent to the PIO in Australia as soon as they are issued. Additionally, one copy should be sent to:

Embassy of Australia, ATTN: Commercial Counsellor, 1601 Massachusetts Avenue NW., Washington, DC 20036.

(c) The PIO will assist the centers if, in the event of contract award to an Australian firm, additional information or services are required. Information concerning qualified products has been sent to the PIO and they will assist any Australian firm in getting its product on the Qualified Products List.

§ 1250.204-3 Reports (RCS: DSA(FO) 1593(P)).

(a) As a result of the liaison agreement between Australia and the United States, there have been a series of meetings, generally occurring in May and October, to discuss the progress and any problems which have occurred. To prepare for these meetings, request that each center supply the following information concerning solicitations sent to Australian firms:

(1) The number of solicitations sent to Australia (including U.S. representatives or dealers);

(2) The item and estimated dollar value;

(3) The date of issue, the date of actual mailing, and the opening/closing date;

(4) Contract awards (item, date, amount, and company);

(5) The firms which requested to be placed on bidders' mailing lists and the item;

(6) Whether the bid was sent to a contractor or the PIO;

(7) The number of days each solicitation was extended due to its being sent to Australia.

(b) The above information should be submitted twice a year, by April 30 and October 10, with cut off dates of March 31 and September 15. The following reports control symbol has been established for this report: RCS: DSA(FO) 1593(P).

§ 1250.205 Furnishing price and availability and source data to Latin American countries on foreign military sales (FMS) cases.

§ 1250.205-1 Policy.

The Directorate for Procurement and Production in each center will furnish whatever assistance it can reasonably give in identifying known or potential U.S. commercial suppliers for particular items being sought by Latin American government authorities, whether the inquiry is received from a military department or from a foreign government authority.

By order of the Director, Defense Supply Agency.

BRUCE W. KELLER,
Captain, SC USN,
Staff Director, Administration.

[FR Doc.72-15322 Filed 9-11-72;8:45 am]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of Transportation

[CGD 72-111R]

PART 82—BOUNDARY LINES OF INLAND WATERS

Pollock Rip Entrance and Great Round Shoal Entrance, Mass.

The purpose of this amendment to the regulations is to redefine the lines of demarcation for inland waters at Pollock Rip Entrance and Great Round Shoal Entrance, Mass., to bring them into conformance with recent changes in aids to navigation in the affected location. The amendment is based on a notice of proposed rulemaking (CGD 72-111) issued on July 11, 1972 (37 F.R. 13557) which described the changes and solicited comments from interested persons. No comments were received.

The amendment is adopted without change as set forth below.

In consideration of the foregoing, Part 82 of Title 33 of the Code of Federal Regulations is amended by revising § 82.15 to read as follows:

§ 82.15 Nantucket Sound, Vineyard Sound, Buzzards Bay, Narragansett Bay, Block Island Sound, and easterly entrance to Long Island Sound.

(a) A line drawn from Chatham Light to Pollock Rip Lighted Horn Buoy "PR"; thence to Great Round Shoal Channel Entrance Lighted Whistle Buoy "GRS"; thence to Sankaty Head Light.

(b) A line drawn from the westernmost extremity of Smith Point, Nantucket Island, to No Mans Land Lighted Whistle Buoy 2; thence to Gay Head Light; thence to Block Island Southeast Light; thence to Montauk Point Light on the easterly end of Long Island, N.Y.

(Sec. 2, 28 Stat. 672, as amended, sec. 6(b)(1), 80 Stat. 938; 33 U.S.C. 151, 49 U.S.C. 1655(b), 49 CFR 1.46(b))

Effective date: October 16, 1972.

Dated: August 31, 1972.

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

[FR Doc.72-15476 Filed 9-11-72;8:53 am]

Title 39—POSTAL SERVICE

Chapter I—U.S. Postal Service

PART 144—POSTAGE METERS AND METER STAMPS

Use of Fluorescent Ink in Postage Meters

Correction

In F.R. Doc. 72-14949 appearing at page 17830 of the issue for Friday, September 1, 1972, in the last line of § 144.4(c) "0.025" thick" should read ".25" thick".

Title 46—SHIPPING

Chapter II—Maritime Administration, Department of Commerce

SUBCHAPTER C—REGULATIONS AFFECTING SUBSIDIZED VESSELS AND OPERATORS

[General Order 27, Rev. 2]

PART 281—INFORMATION AND PROCEDURE REQUIRED UNDER OPERATING-DIFFERENTIAL SUBSIDY AGREEMENTS

Procedural Compatibility

In F.R. Doc. 71-18130 appearing in the FEDERAL REGISTER issue of December 9, 1971 (36 F.R. 23395), notice was given regarding a contemplated revision of General Order 27, Rev., the intent of which was to provide compatibility with operating-differential subsidy procedures.

Comments concerning the proposed revision were received and considered by the Assistant Secretary of Commerce for Maritime Affairs and the Maritime Subsidy Board. As a result thereof, a final form of General Order 27, 2d Revision, has been adopted.

Therefore, notice is hereby given that §§ 281.2–281.6 to Title 46, Chapter II, Code of Federal Regulations are revised to read as follows:

§ 281.2 Definitions.

As used in §§ 281.2–281.6 of these regulations, except as otherwise indicated by the context;

(a) The word "operator" means an operator receiving operating-differential subsidy under title VI of the Merchant Marine Act, 1936, as amended (Act), for a voyage on an essential service as described in section 211(a) of the Act;

(b) The term "Assistant Secretary" means Assistant Secretary of Commerce for Maritime Affairs;

(c) The term "Region Director" means the Region Director of the Maritime Administration having jurisdiction over the port or ports involved;

(d) The term "idle status" means any period in port between or during voyages for which the vessel's normal crew complement is reduced by 10 percent or more and "division of wages" is not paid for the missing men. The idle status period shall continue up to, but not including, the day that the vessel is remanned to the extent that the vessel's normal crew complement is restored to more than 90 percent or "division of wages" is paid for the missing men, or the vessel is temporarily or permanently withdrawn from subsidized service;

(e) "Normal crew complement" means the basic crew complement which has been approved for operating-differential subsidy under the provisions of section 603 of the Act, or as established by collective bargaining or other agreement for the voyage involved, whichever is less.

§ 281.3 Method of commencing and terminating voyages and of determining idle status.

(a) *Voyage commencements.* Voyages shall commence as of 12:01 a.m. of the day that loading of cargo, stores, or fuel begins, or as of 12:01 a.m. of the day following the termination of the prior voyage or, in the event that an idle status period follows a voyage termination, as of 12:01 a.m. of the day following the day on which such idle status period ends.

(b) *Voyage termination.* Voyages shall terminate at a U.S. port of call at midnight of the day of completion of paying off the crew from foreign articles, or the completion of final discharge of cargo or ballast at the last U.S. port of discharge, or the completion of voyage repairs, whichever event occurs last: *Provided, however,* That if a vessel sails outward on a new voyage prior to midnight of the same day, the inward voyage shall terminate as of midnight of that day, and the outward voyage shall commence as of 12:01 a.m. of the succeeding day; and that where a portion of any particular voyage overlaps a portion of the next succeeding voyage and the quantity of inward cargo remaining aboard at the port at which major cargo activities for the outward voyage are begun does not, in the opinion of the operator, justify extension of the inward voyage beyond that port, the operator shall immediately request the Region Director for permission to treat the inward voyage as having terminated at midnight of the day specified in such request and shall advise the Region Director what cargo has been and is still to be discharged and loaded at each port of the inward voyage; and that where, in the opinion of the operator, voyages as a general practice should terminate at the home or terminal port rather than at the last port of discharge, or a voyage should terminate on the day prior to commencement of an idle status period, or on the day that the voyage would have terminated had strikes not interfered with normal operations, application for such terminations may be made to the Region Director, and in such cases the voyage termination date shall be as approved by the Region Director. The Region Director shall promptly advise the operator of his determination approving or disapproving any request filed under this paragraph (b), and the Region Director's decision as to such termination shall prevail, provided that all terminations shall be as of midnight of the day specified.

(c) *Idle status periods.* Idle status periods shall be identified separately, whether occurring during or between voyages, and, if occurring during a voyage shall be identified with the applicable voyage number. A separate accounting period shall be created to cover each idle status period, and all such periods shall be reported to the Region Director.

(d) *Excessive delays.* Whenever a vessel is delayed in port for a period of 10 days or more in excess of its normal period of operations in said port, the operator immediately shall report said circumstances, together with all pertinent facts, to the Region Director. The Region Director shall determine whether or not said delay was justified and if operating costs for said period were reduced to a minimum in accordance with sound commercial practice.

§ 281.4 Treatment of subsidy during idle status and off-hire period.

During an idle status period, subsidy shall be payable only for such subsidizable items of expenses as are determined by the Assistant Secretary, after presentation by the operator of the facts relating to such idle status period, to be necessary for the maintenance, preservation, repair, or husbanding of the vessel during and under the circumstances involved; however, the Maritime Subsidy Board reserves the right to suspend at any time the payment of subsidy on idle vessels when, after consideration of the facts and circumstances regarding such period, it determines that an unreasonable period has elapsed or such idle period was not warranted: *Provided,* That as to a chartered ship operated under a "Use Agreement", operating-differential subsidy shall cease to accrue to the ship simultaneously with the time it goes "off hire" and subsidy shall not again accrue to said ship until it is reemployed in the subsidized service as determined in accordance with § 281.3. Nothing herein shall limit any other rights of the United States with respect to the payment or nonpayment of subsidy.

§ 281.5 Right of Assistant Secretary to recover subsidy for any period of idleness.

The Assistant Secretary may, prior to payment of subsidy for any voucher period which includes a period of idleness, require the operator to establish to the satisfaction of the Assistant Secretary that such period of idleness could not have been prevented in whole or in part through efficient and economical operation. The Assistant Secretary may recover any payment of subsidy for any item of expense allocable to such period of idleness which in the opinion of the Assistant Secretary could have been avoided by efficient and economical operation.

§ 281.6 Interpretation.

All questions of interpretation arising under the sections of this part shall be

submitted to the Assistant Secretary for determination, whose decision thereon shall be final.

To conform with the foregoing revision, the section headings index is amended to read as follows:

Sec.
281.2 Definitions.
281.3 Method of commencing and terminating voyages and of determining idle status.
281.4 Treatment of subsidy during idle status and off-hire period.
281.5 Right of Assistant Secretary to recover subsidy for any period of idleness.
281.6 Interpretation.

Effective date. This revision concerns the operating subsidy program which is exempt from the requirements of 5 U.S.C. 553. Therefore, this revision shall become effective upon the date of publication in the FEDERAL REGISTER (9–12–72).

By order of the Assistant Secretary of Commerce for Maritime Affairs and the Maritime Subsidy Board.

Dated: September 7, 1972.

JAMES S. DAWSON, Jr.,
Secretary.

[FR Doc.72–15500 Filed 9–11–72;8:54 am]

Title 49—TRANSPORTATION

Chapter X—Interstate Commerce Commission

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

[S.O. 1110]

PART 1033—CAR SERVICE

Penn Central Transportation Co. et al.

Penn Central Transportation Co., George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees, required to restore service at the Buttonwood (Wilkes-Barre), Pa., gateway and to reroute traffic originally routed via that gateway.

At a session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 31st day of August 1972.

It appearing, that, as a result of a severe storm and flooding, the connection between Penn Central Transportation Co., George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees (Penn Central) and Delaware and Hudson Railway Co. (D & H) at Buttonwood (Wilkes-Barre), Pa., was rendered inoperable primarily because of damage to Penn Central's Buttonwood yard and adjacent facilities; that traffic f rmerly interchange(between the said two railroads at Buttonwood yard is now being diverted away from the Penn Central and D & H lines leading to and from Wilkes-Barre, and is being redirected over routes which bypass the Wilkes-Barre area; and that the rerouting is under authority of an emergency rerouting order of this Commission;

It further appearing, that the D&H-Penn Central interchange at Buttonwood (Wilkes-Barre) involved a substantial amount of traffic and revenue; that the storm-devastated Wilkes-Barre area requires immediate restoration of the said interchange service; that the service of D&H (and its connections) to and from the Wilkes-Barre area and other points on the D&H system is required in the interest of the public, especially in consideration of the extraordinary needs of the disaster area in northeastern Pennsylvania; and that Penn Central has begun legal steps toward permanent abandonment of its line into Wilkes-Barre;

It further appearing, that, under the Penn Central merger conditions, 327 I.C.C. 475, in Appendix I at pages 564–565, Penn Central is required, among other things, to:

Maintain and keep open all routes and channels of trade via existing junctions and gateways unless and until otherwise authorized by the Commission;

Continue, insofar as within its control, the then present traffic and operating relationships existing between Pennsylvania Railroad and lines connecting with its tracks; and

Shall not do anything to restrain or curtail the right of industries then located on Pennsylvania Railroad or New York Central Railroad to route traffic over any or all existing routes and gateways.

It further appearing, that D&H has offered to repair the Penn Central facilities at Buttonwood yard or, in the alternative, to provide funds and certain equipment by which Penn Central can make the repairs, so that the Wilkes-Barre interchange operations between the two railroads can be safely and quickly resumed; and that, for restoration of safe operations, adequate repairs (if diligently pursued) can be accomplished in 2 weeks or less;

And it further appearing, that restoration of the Wilkes-Barre interchange service on the basis indicated in the preceding paragraph would make available needed service in the emergency situation confronting the public in the Wilkes-Barre area, but would not impose an undue burden on either of the two railroads or preclude due consideration of Penn Central's abandonment proposal (if and when presented on an appropriate record);

It is ordered, That:

§ 1033.1110 Service Order No. 1110.

(a) *Penn Central Transportation Co., George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees, required to restore service at the Buttonwood (Wilkes-Barre), Pa., gateway and to reroute traffic originally routed via that gateway.* The Penn Central Transportation Co., George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees (Penn Central) be, and it is hereby, ordered to restore service via its Buttonwood (Wilkes-Barre), Pa., gateway on or before September 21, 1972.

(b) *It is further ordered,* That traffic originally routed via Penn Central-Buttonwood (Wilkes-Barre)-Delaware and Hudson or via Delaware and Hudson-Buttonwood (Wilkes-Barre)-Penn Central shall be rerouted for interchange with Erie Lackawanna at Northumberland, Pa., for movement to or from Delaware and Hudson at Plymouth Junction, Pa.

(c) *Rates applicable.* Inasmuch as the authorized diversion or rerouting of traffic is deemed to be due to carriers' disability, the rates applicable to traffic diverted or rerouted as ordered herein shall be the rates which were applicable at the time of shipment on the shipments as originally routed.

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

(e) *It is further ordered,* That this order shall become effective at 11:59 p.m., September 1, 1972, and, as to paragraph (b) of this section, shall expire at 11:59 p.m., September 21, 1972, unless sooner vacated by order of this Commission upon restoration of service through the Buttonwood (Wilkes-Barre) gateway.

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

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

By the Commission, Railroad Service Board.

[SEAL] JOSEPH M. HARRINGTON,
Acting Secretary.

[FR Doc.72–15479 Filed 9–11–72;8:53 am]

[S.O. 1110, Admt. 1]

PART 1033—CAR SERVICE

Penn Central Transportation Co. et al.

Penn Central Transportation Co., George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees, required to restore service at the Buttonwood (Wilkes-Barre), Pa., Gateway and to reroute traffic originally routed via that gateway.

At a session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 1st day of September 1972.

Upon further consideration of Service Order No. 1110, and good cause appearing therefor:

It is ordered, That: Section 1033.1110, Service Order No. 1110 (Penn Central Transportation Co., George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees, required to restore service at the Buttonwood (Wilkes-Barre), Pa., Gateway and to

reroute traffic originally routed via that gateway), be, and it is hereby, amended by substituting the following paragraph (b) for paragraph (b) thereof:

(b) *It is further ordered,* That effective at 12:01 a.m., September 11, 1972, traffic originally routed via Penn Central-Buttonwood (Wilkes-Barre) - Delaware and Hudson or via Delaware and Hudson-Buttonwood (Wilkes-Barre) - Penn Central shall be rerouted for interchange with Erie Lackawanna at Northumberland, Pa., for movement to or from Delaware and Hudson at Plymouth Junction, Pa.

Effective date. This amendment shall become effective at 11:59 p.m., September 1, 1972.

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

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

By the Commission, Railroad Service Board.

[SEAL] JOSEPH M. HARRINGTON,
Acting Secretary.

[FR Doc.72–15480 Filed 9–11–72;8:53 am]

Proposed Rule Making

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

[7 CFR Part 271]

FOOD STAMP PROGRAM

Notice of Proposed Rule Making

Notice is hereby given that the Food and Nutrition Service, Department of Agriculture, proposes to amend the regulations governing the operation of the Food Stamp Program for the purpose of integrating program verification of nonpublic assistance household Social Security benefits into the Social Security Administration—Social and Rehabilitation Service operated Beneficiary Data Exchange automatic data processing system.

Interested persons may submit written comments, suggestions, or objections, regarding the proposed amendment to James H. Kocher, Director, Food Stamp Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C. 20250, so as to be received not later than the 30th day following the date of publication of this notice in the FEDERAL REGISTER. Comments, suggestions, or objections will be open to public inspection pursuant to 7 CFR 1.27(b) at the Office of the Director, during regular business hours (8:30 a.m.–5:00 p.m.). Communiations should identify the regulation section and paragraph on which comments are offered. All comments, suggestions, or objections will be considered before the regulations are issued.

The proposed revisions are:

1. Section 271.1(s)(1) is amended by the addition of a new subdivision (viii) to read as follows:

§ 271.1 **General terms and conditions for State Agencies.**

* * * * *

(s) *Implementation.* (1) Each State agency shall:

* * * * *

(viii) If it possesses the automatic data processing capability to do so, put into effect the provision of § 271.4(a)(2)(iii) pertaining to verification of Social Security benefits through the Beneficiary Data Exchange system, within 1 calendar year following the effective date of the amendment incorporating such provision into these regulations.

* * * * *

2. Section 271.4(a)(2) is amended by adding two sentences to subdivision (iii). As amended, subdivision (iii) reads as follows:

§ 271.4 **Certification of households.**

(a) *Household certification.* * * *

(2) *Certification of other households.* * * *

(iii) Verification of income upon initial certification and, if the amount of household income has changed substantially or if the source of the income has changed, upon recertification. Verification is required for other factors of eligibility only to the extent that the information furnished by the applicant is unclear, incomplete, or inconsistent or otherwise raises doubt concerning any factor affecting eligibility or the basis of coupon issuance. In any case where a household indicates that it has income so low that there is a likelihood that a change must occur in order for the household to continue to subsist as an economic unit, verification of factors necessary to substantiate the facts of eligibility is required unless expenditures and income are so stable as to indicate that the household could maintain this level of existence for an extended period of time. At least one collateral contact is mandatory in cases of this type. Certification may be made for 30 days without verification of eligibility factors with respect only to households which report an income so low that they have no purchase requirement and which appear, on the basis of other information furnished, to be eligible for participation. With respect only to households which report receipt of Social Security benefits, all State agencies which have the automatic data processing capability to do so shall, through the use of the Beneficiary Data Exchange (BENDEX) system jointly administered by the Social Security Administration and the Social and Rehabilitation Service, U.S. Department of Health, Education, and Welfare, obtain verification of the Social Security benefits reported. Pending receipt by the local certifying agency of the BENDEX verification, the amount of Social Security benefits reported by such households shall be used for certification purposes, provided all other household income is verified in accordance with this section.

* * * * *

(78 Stat. 703, as amended: 7 U.S.C. 2011–2025)

RICHARD LYNG,
Assistant Secretary.

SEPTEMBER 6, 1972.

[FR Doc.72-15439 Filed 9-11-72;8:49 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Parts 141, 141a, 146a, 149k]

PHENETHICILLIN MONOGRAPHS

Proposed Recodification and Technical Revisions

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120), it is proposed that Parts 141, 141a, and 146a be revised and Part 149k be established to provide for the recodification and technical revisions of the phenethicillin monographs.

PART 141—TESTS AND METHODS OF ASSAY OF ANTIBIOTIC AND ANTIBIOTIC-CONTAINING DRUGS

§ 141.110 [Amended]

1. In Part 141, § 141.110(b) is amended in the table by changing the entry in the Antibiotic column for "phenethicillin" to "L-phenethecillin."

PART 141a—PENICILLIN AND PENICILLIN-CONTAINING DRUGS; TESTS AND METHODS OF ASSAY

§§ 141a.100, 141a.101, 141a.102, 141a.126 [Revoked]

2. Sections 141a.100, 141a.101, 141a.102, and 141a.126 are revoked.

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

§§ 146a.16, 146a.17, 146a.18, and 146a.122 [Revoked]

3. Sections 146a.16, 146a.17, 146a.18, and 146a.122 are revoked.

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4. The following new Part 149k is added to this chapter:

PART 149k—PHENETHICILLIN

Sec.
149k.1 Phenethicillin potassium.
149k.2—149k.10 [Reserved]
149k.11 Phenethicillin potassium tablets.
149k.12 Phenethicillin potassium for oral solution.

§ 149k.1 **Phenethicillin potassium.**

(a) *Requirements for certification*—(1) *Standards of identity, strength, quality, and purity.* Phenethicillin potassium is the DL-α-phenoxyethyl penicillin potassium salt. It is so purified and dried that:

(i) Its potency is not less than 1,328 units per milligram.

(ii) It passes the safety test.

(iii) Its loss on drying is not more than 1.5 percent.

(iv) Its pH in an aqueous solution of 5,000 units to 10,000 units per milliliter is not less than 4.0 and not more than 7.5.

(v) Its phenethicillin content is not less than 81.5 percent.

(vi) It contains not less than 55 percent and not more than 75 percent of L-Phenethicillin potassium.

(vii) It is crystalline.

(viii) It passes the identity test.

(2) *Labeling.* In addition to the labeling requirements prescribed by § 148.3(b) of this chapter, each package shall bear on its outside wrapper or container and the immediate container the following statement "For use in the manufacture of nonparenteral drugs only."

(3) *Requests for certification; samples.* In addition to complying with the requirements of § 146.2 of this chapter, each such request shall contain:

(i) Results of tests and assays on the batch for potency, safety, loss on drying, pH, phenethicillin content, L-phenethicillin potassium content, crystallinity, and identity.

(ii) Samples required: 10 packages, each containing approximately 300 milligrams.

(b) *Tests and methods of assay*—(1) *Total potency.* Assay for total potency by either of the following methods; however, the results obtained from the iodometric assay shall be conclusive.

(i) *Iodometric assay.* Proceed as directed in § 141.506 of this chapter.

(ii) *Hydroxylamine colorimetric assay.* Proceed as directed in § 141.507 of this chapter.

(2) *Safety.* Proceed as directed in § 141.5 of this chapter.

(3) *Loss on drying.* Proceed as directed in § 141.501(b) of this chapter.

(4) *pH.* Proceed as directed in § 141.503 of this chapter, using an aqueous solution containing 5,000 units to 10,000 units per milliliter.

(5) *Phenethicillin content.* Accurately weigh approximately 50 milligrams each of the sample and L-phenethicillin working standard into separate 100-milliliter volumetric flasks. Dissolve and dilute to volume with distilled water. Using a suitable spectrophotometer equipped with 1-centimeter quartz cells and distilled water as the blank, set the instrument to 100 percent transmission and then determine the absorbance of each solution at the absorbance peak at 268 nanometers. Calculate the percent phenethicillin as follows:

$$\text{Percent phenethicillin} = \frac{\text{Absorbance of sample} \times \text{weight of standard in milligrams} \times \text{percent L-phenethicillin content of standard}}{\text{Absorbance of standard} \times \text{weight of sample in milligrams}}$$

(6) *L-phenethicillin potassium content*—(i) *Microbial assay of L-phenethicillin potassium equivalent (microbiological agar diffusion assay).* Using the L-phenethicillin working standard, proceed as directed in § 141.110 of this chapter, preparing the sample for assay as follows: Dissolve an accurately weighed sample in sufficient sterile distilled water to give a stock solution of convenient concentration. Further dilute an aliquot of the stock solution with sufficient 0.1*M* potassium phosphate buffer, pH 8.0 (solution 3), to obtain an activity estimated to be equivalent to 0.1 unit of L-phenethicillin per milliliter.

(ii) *L-phenethicillin equivalent of the D-phenethicillin working standard.* Using the L-phenethicillin working standard as the standard of comparison, proceed as directed in § 141.110 of this chapter, preparing the sample (D-phenethicillin working standard) for assay as follows: Dissolve an accurately weighed portion of D-phenethicillin working standard in sufficient sterile distilled water to give a stock solution of convenient concentration. Further dilute an aliquot of the stock solution with sufficient 0.1*M* potassium phosphate buffer, pH 8.0 (solution 3), to obtain an activity estimated to be equivalent to 0.1 unit of L-phenethicillin per milliliter.

(iii) *Calculation.* Calculate the L-phenethicillin potassium content of the sample as follows:

$$\text{Percent L-phenethicillin potassium content} = \frac{(R-r)}{(1-r)} \times 100$$

where:

$$R = \frac{\text{Units of L-phenethicillin potassium equivalent (found per milligram of sample in microbial assay)}}{\text{Units per milligram found in chemical assay of sample (total potency)}};$$

$$r = \frac{\text{L-phenethicillin potassium equivalent in units per milligram (of D-phenethicillin potassium standard)}}{\text{Potency in units per milligram of L-phenethicillin standard.}}$$

(7) *Crystallinity.* Proceed as directed in § 141.504(a) of this chapter.

(8) *Identity.* Add 0.5 milliliter of a methyl alcohol solution containing 2.0 milligrams per milliliter to a test tube, and dry under a current of air. Add one drop of an aqueous chromotropic acid solution containing 10 milligrams per milliliter. Add 2 milliliters of sulfuric acid and heat in a glycerol bath at 150° C. for 3 to 4 minutes. An olive-green color is produced. (Phenoxymethyl penicillin or its salts give a blue or purple color.)

§ 149k.11 Phenethicillin potassium tablets.

(a) *Requirements for certification*—(1) *Standards of identity, strength, quality, and purity.* Phenethicillin potassium tablets are composed of phenethicillin potassium, with or without one or more suitable and harmless buffer substances, diluent, binders, lubricants, colorings, and flavorings. Each tablet contains potassium phenethicillin equivalent to 400,000 units of phenethicillin (equivalent to 250 milligrams of phenethicillin). Its potency is satisfactory if it is not less than 90 percent and not more than 120 percent of the number of units or milligrams of phenethicillin that it is represented to contain. Its moisture content is not more than 2 percent. It shall disintegrate within 1 hour. The phenethicillin potassium used conforms to the standards prescribed by § 149k.1(a)(1).

(2) *Labeling.* It shall be labeled in accordance with the requirements of § 148.3 of this chapter. In addition, if the batch contains buffer substances, each package shall bear on the outside wrapper or container and the immediate container the name of each such substance used in making the batch.

(3) *Requests for certification; samples.* In addition to complying with the requirements of § 146.2 of this chapter, each such request shall contain:

(i) Results of tests and assays on:

(*a*) The phenethicillin potassium used in making the batch for potency, safety, loss on drying, pH, phenethicillin content, L-phenethicillin potassium content, crystallinity, and identity.

(*b*) The batch for potency, moisture, and disintegration time.

(ii) Samples required:

(*a*) The phenethicillin potassium used in making the batch: 10 packages, each containing approximately 300 milligrams.

(*b*) The batch: A minimum of 36 tablets.

(b) *Tests and methods of assay*—(1) *Potency.* Proceed as directed in § 141.506 of this chapter, preparing the sample as follows: Place a representative number of tablets into a high-speed glass blender jar containing sufficient 1 percent potassium phosphate buffer, pH 6.0 (solution 1), to give a stock solution of convenient concentration. Blend for 3 to 5 minutes. If necessary, further dilute an aliquot of the stock solution with solution 1 to obtain an assay solution containing 2,000 units per milliliter (estimated).

(2) *Moisture.* Proceed as directed in § 141.502 of this chapter.

(3) *Disintegration time.* Proceed as directed in § 141.540 of this chapter.

§ 149k.12 Phenethicillin potassium for oral solution.

(a) *Requirements for certification*—(1) *Standards of identity, strength, quality, and purity.* Phenethicillin potassium for oral solution is composed of phenethicillin potassium, with or without one or more suitable and harmless colorings, flavorings, buffer substances, and preservatives. Each milliliter contains phenethicillin potassium equivalent to 40,000 units of phenethicillin (equivalent to 25 milligrams of phenethicillin). Its potency is satisfactory if it contains not less than 90 percent and not more than 125 percent of the number of units or milligrams of phenethicillin that it is represented to contain. Its moisture content is not more than 1 percent. The phenethicillin potassium used conforms to the standards prescribed by § 149k.1(a)(1).

(2) *Labeling.* It shall be labeled in accordance with the requirements § 148.3 of this chapter. In addition, if the batch contains buffer substances, each package shall bear on the outside wrapper or container and the immediate container the

name of each such substance used in making the batch.

(3) *Requests for certification; samples.* In addition to complying with the requirements of § 146.2 of this chapter, each such request shall contain:

(i) Results of tests and assays on:

(*a*) The phenethicillin potassium used in making the batch for potency, safety, loss on drying, pH, phenethicillin content, L-phenethicillin potassium content, crystallinity, and identity.

(*b*) The batch for potency and moisture.

(ii) Samples required:

(*a*) The phenethicillin potassium used in making the batch: 10 packages, each containing approximately 300 milligrams.

(*b*) The batch: A minimum of 5 immediate containers.

(b) *Tests and methods of assay*—(1) *Potency.* Proceed as directed in § 141.506 of this chapter, preparing the sample as follows: Reconstitute as directed in the labeling. Dilute an accurately measured representative aliquot with 1 percent potassium phosphate buffer, pH 6.0 (solution 1), to the prescribed concentration.

(2) *Moisture.* Proceed as directed in § 141.502 of this chapter.

Interested persons may, within 60 days after publication hereof in the FEDERAL REGISTER, file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 6–88, 5600 Fishers Lane, Rockville, Md. 20852, written comments (preferably in quintuplicate) regarding this proposal. Comments may be accompanied by a memorandum or brief in support thereof. Received comments may be seen in the above office during working hours, Monday through Friday.

Dated: September 6, 1972.

MARY A. MCENIRY,
Assistant to the Director for Regulatory Affairs, Bureau of Drugs.

[FR Doc. 72–15470 Filed 9–11–72; 8:52 am]

[21 CFR Part 165]

HABIT-FORMING DRUGS

Proposed Revocation of Exemption of Morphine, Codeine, Dihydrocodeine, and Ethylmorphine Preparations From Prescription Requirement

Preparations containing not more than 16.2 milligrams morphine, 64.8 milligrams codeine, 32.4 milligrams dihydrocodeine, or 16.2 milligrams of ethylmorphine per fluid ounce, and containing one or more nonnarcotic active ingredients are exempt from the prescription dispensing requirements of section 503(b)(1)(A) of the Federal Food, Drug, and Cosmetic Act under § 165.5(a) (2), (3), (4), and (5) respectively.

The abuse potential of these products has been well established. The Bureau of Narcotics and Dangerous Drugs conducted a survey in May and June 1969, that demonstrated a pattern of widespread abuse of exempt narcotic containing cough preparations. In October 1969, the Bureau of Narcotics and Dangerous Drugs issued new and more stringent regulations governing the availability of these products to the consumer. Follow up compliance investigations and surveys were made to determine the effectiveness of the regulations. It was demonstrated that exempt narcotic cough preparations continue to be a problem. Summaries of these investigations and surveys have been placed on file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 6–88, 5600 Fishers Lane, Rockville, Md. 20852, for public view.

There is evidence that these preparations are subject to nonmedical use which can be termed abuse. These narcotic drugs produce physical dependence of the morphine type. Because of this abuse potential and the evidence of abuse, the Bureau of Narcotics and Dangerous Drugs, Department of Justice, has requested that FDA consider the limitation of these preparations to prescription sale. In view of the above information, the Commissioner of Food and Drugs concludes that it is in the public interest for these preparations to be restricted to prescription sale and therefore to be labeled with the statement, "Caution: Federal law prohibits dispensing without prescription," as required by section 503(b)(4) of the Act.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (secs. 502 (a) and (f), 503(b), 701(a); 52 Stat. 1050–52 as amended, 1055; 21 U.S.C. 352 (a) and (f), 353(b), 371(a) and under authority delegated to him (21 CFR 2.120), the Commissioner proposes to amend § 165.5 by revising paragraph (a) to read as follows:

§ 165.5 Exemption of certain habit-forming drugs from prescription requirements.

* * * * *

(a) Pharmaceutical preparations containing not more than 100 milligrams of opium per 100 milliliters or per 100 grams. *Provided*, That the preparations described in this paragraph contain one or more nonnarcotic active medicinal ingredients in sufficient proportion to confer upon the preparation valuable medicinal qualities other than those possessed by the narcotic drug alone.

* * * * *

Interested persons may, within 60 days after publication hereof in the FEDERAL REGISTER, file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 6–88, 5600 Fishers Lane, Rockville, Md. 20852, written comments (preferably in quintuplicate) regarding this proposal. Comments may be accompanied by a memorandum or brief in support thereof. Received comments may be seen in the above office during working hours, Monday through Friday.

Dated: September 5, 1972.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.72–15469 Filed 9–11–72;8:52 am]

Social Security Administration

[20 CFR Part 404]

[Regs. No. 4]

FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

Good Cause for Failure To File Reports Timely

Notice is hereby given, pursuant to the Administrative Procedure Act (5 U.S.C. 552 et seq.) that the amendments to the regulations set forth in tentative form are proposed by the Commissioner of Social Security, with the approval of the Secretary of Health, Education, and Welfare. The proposed amendments to the regulations provide that prior to imposing a penalty deduction against an individual for (1) failure to report timely certain deduction events (engaging in noncovered remunerative activity outside the United States or not having care of a child), or (2) failure, under certain conditions, to make a timely report of his earnings for a taxable year, the individual must be afforded an opportunity to establish good cause for such failure and a finding as to good cause must be made.

Prior to the final adoption of the proposed amendments to the regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in triplicate to the Commissioner of Social Security, Department of Health, Education, and Welfare Building, Fourth and Independence Avenue SW., Washington, D.C. 20201, within a period of 30 days from the date of publication of this notice in the FEDERAL REGISTER.

Copies of all comments received in response to this notice will be available for public inspection during regular business hours at the Washington Inquiries Section, Office of Public Affairs, Social Security Administration, Department of Health, Education, and Welfare, North Building, Room 3193, 330 Independence Avenue SW., Washington, D.C. 20201.

The proposed amendments are to be issued under the authority contained in sections 205 and 1102, 53 Stat. 1368, as amended, 49 Stat. 647, as amended; section 5, Reorganization Plan No. 1 of 1953, 67 Stat. 18, 631; 42 U.S.C. 405 and 1302.

Dated: August 21, 1972.

ROBERT M. BALL,
Commissioner of Social Security.

Approved: September 7, 1972.

STEPHEN KURZMAN,
Acting Secretary of Health, Education, and Welfare.

Subpart E of Regulations No. 4 is amended as set forth below.

1. Section 404.451 is amended by revising paragraph (a) to read as follows:

§ 404.451 Penalty deductions for failure to report within prescribed time limit noncovered remunerative activity outside the United States or not having care of a child.

(a) *Penalty for failure to report.* If an individual (or the person receiving benefits on his behalf) fails to comply with

the reporting obligations of § 404.450 within the time specified in § 404.450 and it is found that good cause for such failure does not exist (see § 404.454), a penalty deduction is made from the individual's benefits in addition to the deduction described in § 404.417 (relating to noncovered remunerative activity outside the United States) or § 404.421 (relating to failure to have care of a child).

* * * * *

2. Section 404.453 is amended by revising paragraph (a) to read as follows:

§ 404.453 Penalty deductions for failure to report earnings timely.

(a) *Penalty for failure to report earnings; general.* Penalty deductions are imposed against an individual's benefits, in addition to the deductions required because of his excess earnings (see § 404.415), if:

(1) He fails to make a timely report of his earnings as specified in § 404.452 for a taxable year beginning after 1954;

(2) It is found that good cause for failure to report earnings timely (see § 404.454) does not exist;

(3) A deduction is imposed because of his earnings (see § 404.415) for that year; and

(4) He received and accepted any payment of benefits for that year.

* * * * *

3. Section 404.454 is revised to read as follows:

§ 404.454 Good cause for failure to make required reports.

(a) *General.* The failure of an individual to make a timely report under the provisions described in §§ 404.450 and 404.452 will not result in a penalty deduction if the individual establishes to the satisfaction of the Administration that his failure to file a timely report was due to good cause. Before making any penalty determination as described in §§ 404.451 and 404.453, the individual shall be advised of the penalty and good cause provisions and afforded an opportunity to establish good cause for failure to report timely. The failure of the individual to submit evidence to establish good cause within a specified time may be considered a sufficient basis for a finding that good cause does not exist (see § 404.701(c)). In determining whether good cause for failure to report timely has been established by the individual, consideration is given to whether the failure to report within the proper time limit was the result of untoward circumstances, misleading action of the Administration, or confusion as to the requirements of the Act resulting from amendments to the Act or other legislation. For example, "good cause" may be found where failure to file a timely report was caused by:

(1) Serious illness of the individual, or death or serious illness in his immediate family;

(2) Inability of the individual to obtain, within the time required to file the report, earnings information from his employer because of death or serious illness of the employer or one in the employer's immediate family; or unavoidable absence of his employer; or destruction by fire or other damage of the employer's business records;

(3) Destruction by fire, or other damage, of the individual's business records;

(4) Transmittal of the required report within the time required to file the report, in good faith to another Government agency even though the report does not reach the Administration until after the period for reporting has expired;

(5) Unawareness of the statutory provision that an annual report of earnings is required for the taxable year in which the individual attained age 72 provided his earnings for such year exceeded the applicable amount, e.g., $1,680 for a 12-month taxable year ending after December 1967 (see § 404.431);

(6) Failure on the part of the Administration to furnish forms in sufficient time for an individual to complete and file the report on or before the date it was due, provided the individual made a timely request to the Administration for the forms;

(7) Belief that an extension of time for filing income tax returns granted by the Internal Revenue Service was also applicable to the annual report to be made to the Social Security Administration; or

(8) Reliance upon a written report to the Social Security Administration made by, or on behalf of, the beneficiary before the close of the taxable year, if such report contained sufficient information about the beneficiary's earnings or work, to require suspension of his benefits (see § 404.456) and the report was not subsequently refuted or rescinded.

(b) *Notice of determination.* In every case in which it is determined that a penalty deduction should be imposed, the individual shall be advised of the penalty determination and of his reconsideration rights. If it is found that good cause for failure to file a timely report does not exist, the notice will include an explanation of the basis for this finding; the notice will also explain the right to partial adjustment of the overpayment, in accordance with the provision of § 404.502(c).

(c) *Good cause for subsequent failure.* Where circumstances are similar and an individual fails on more than one occasion to make a timely report, good cause normally will not be found for the second or subsequent violation.

[FR Doc.72-15489 Filed 9-11-72;8:54 am]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 72-PC-3]

CONTROL ZONE

Proposed Alteration

The Federal Aviation Administration is considering an amendment to Part 71 of the Federal Aviation Regulations that would increase the Guam (NAS Agana) Control Zone extension.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Chief, Air Traffic Division, Federal Aviation Administration, Post Office Box 4009, Honolulu, HI 96813. 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. The proposal contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons in the Office of the Regional Counsel, 1833 Kalakaua Avenue, Honolulu, HI.

The proposed alteration of the control zone extension is necessary to meet arrival criteria for IFR aircraft.

The airspace action proposed in this docket would amend the description in Part 71 of the Guam (NAS Agana) Control Zone xtension to read as follows:

Within a 5-mile radius of NAS Agana (latitude 13°29'00" N., longitude 144°47'00" E.); within 4 miles each side of Agana VORTAC 244° R. (245° T.), extending from the 5-mile radius zone to 8 miles southwest of the VORTAC, and within 1.5 miles each side of the Guam RBN 046° T. bearing, extending from the 5-mile radius zone to 2 miles northeast of the RBN.

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

Issued in Honolulu, Hawaii, on August 31, 1972.

JOHN H. HILTON,
Acting Director,
Pacific-Asia Region.

[FR Doc.72-15434 Filed 9-11-72;8:49 am]

[14 CFR Part 71]

[Airspace Docket No. 72-RM-23]

CONTROL ZONE

Proposed Designation

The Federal Aviation Administration is considering an amendment to Part 71 of the Federal Aviation Regulations which would designate a control zone for Arapahoe County Airport, Greenwood Village, Colo.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Division, Federal Aviation Administration, Park Hill Station, Post Office Box 7213, Denver, CO 80207. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed

amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

A public docket will be available for examination by interested persons in the office of the Regional Counsel, Federal Aviation Administration, 10455 East 25th Avenue, Aurora, CO 80010.

The FAA proposes to establish an Air Traffic Control Tower at the Arapahoe County Airport. The proposed hours of operation are for 16 hours per day. The weather reporting, communications, and air traffic service requirements to establish a control zone will be available while the tower is in operation. The proposed control zone will provide controlled airspace below 700 feet above the surface for aircraft executing instrument approach procedures. Instrument flight rule procedures above 700 feet will be protected by the currently designated Denver, Colo., transition area.

In consideration of the foregoing, the FAA proposes the following airspace action:

In § 71.171 (37 F.R. 2056) the following control zone is added:

GREENWOOD VILLAGE, COLO.

That airspace within a 5-mile radius of the Arapahoe County Airport (latitude 39°34'28" N., longitude 104°51'02" W.), and within 2.5 miles each side of the 335° bearing from the Englewood RBN extending from the 5-mile radius zone to 5 miles northwest of the RBN, excluding that airspace within the Denver, Colo. control zone. This control zone is effecitve during the specific dates and times established in advance by a Notice to Airmen. The effective dates and times will thereafter be continuously published in the Airmen's Information Manual.

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

Issued in Aurora, Colo., on August 31, 1972.

I. H. HOOVER,
Acting Director,
Rocky Mountain Region.

[FR Doc.72-15435 Filed 9-11-72;8:49 am]

FEDERAL HOME LOAN BANK BOARD

[12 CFR Parts 541, 545]

[Docket No. 72-893]

FEDERAL SAVINGS AND LOAN SYSTEM

Proposed Amendments Relating to Variable Interest Rate Mortgage Loans

Correction

In F.R. Doc. 72-12654 appearing on page 16201 of the issue for Friday, August 11, 1972, in § 545.6-11(b)(2)(v) the reference to "weighed average cost" in the second line, should refer to "weighted average cost".

[12 CFR Part 584]

[No. 72-1021]

SAVINGS AND LOAN HOLDING COMPANIES

Service Corporations of Subsidiary Insured Institutions

AUGUST 29, 1972.

Several provisions of section 408 of the National Housing Act, as amended (12 U.S.C. 1730a; the Savings and Loan Holding Company Amendments of 1967), contain restrictions affecting the operations of service corporation subsidiaries of subsidiary insured institutions of savings and loan holding companies. Recently, the Board, as operating head of the Federal Savings & Loan Insurance Corp., has received suggestions that, while the restrictions may be appropriate for other affiliates of insured subsidiaries, they may not be for service corporations. Upon review of these suggestions, the Board has determined that it should propose amendments to the Savings and Loan Holding Company Regulations which would provide a basis for comment and discussion by interested persons on various holding company-service corporation problems under section 408 of the Act.

The first matter for which amendment is proposed concerns the permissible activities of service corporations in multiple holding companies. Section 408(c)(2) of the Act limits the activities of multiple holding companies and their noninsured subsidiaries (including service corporation subsidiaries) to specified activities plus such other activities "as the corporation may approve or may prescribe by regulation as being a proper incident to the operations of insured institutions and not detrimental to the interests of savings account holders therein." The activities which are specified in section 408(c)(2) are narrower in scope than the various activities which the Board has approved for service corporations in which Federal savings and loan associations may invest pursuant to § 545.9-1 of the Federal Regulations (12 CFR 545.9-1). This difference in the permissible scope of activities seems unnecessary for effectuation of the purposes of section 408 of the Act. Consequently, the Board proposes to prescribe by regulation that multiple holding company service corporations may engage in the activities set forth in § 545.9-1(a)(4) and may make application to engage in additional activities on the same basis as Federal association service corporations.

The second matter arises from provisions of sections 408(d)(1) and 408(d)(4)(A) of the Act. Section 408(d)(1) excepts from the prohibition against investment by an insured subsidiary in any affiliate investment in service corporations, while section 408(d)(4)(A) prohibits an insured institution from making loans to its "affiliates." Although a service corporation subsidiary is an affiliate, the Board has determined that section 408(d)(4)(A) was not intended to nullify the execption from the prohibitions of section 408(d)(1) for investment in service corporations. Accordingly, the Board proposes to amend the regulation implementing section 408(d)(4)(A) of the Act (12 CFR 584.3(a)(4)(i)) in order to make it clear that insured subsidiaries may lend to their service corporations. In conformity with the recent Board Ruling in § 589.3 (12 CFR 589.3) as to the meaning of the term "service corporation," the authority to lend to service corporations in this proposal would be subject to the same investment limitations as are applicable to Federal associations for their service corporations (12 CFR 545.9-1(c)).

The third matter for which the Board proposes amendment concerns limitations on debt which may be incurred by service corporation subsidiaries of nondiversified holding companies. Under present statutory and regulatory provisions, if a nondiversified holding company has consolidated debt of 15 percent of consolidated net worth, then its service corporation subsidiary may not borrow from any source, including its insured institution parent, without permission from the Board. This creates the possibility of a situation in which the holding company has reached the 15 percent benchmark, but the service corporation has not reached the debt limitations which the Board has prescribed for service corporations in which Federal associations may invest (12 CFR 545.9-1(b)(3)). The Board proposes to amend the regulations so that, in such a situation, the service corporation may incur debt up to the limits prescribed for service corporations of Federal associations without application to the Board.

In order to carry out these proposals, the Board would amend Part 584 of the Regulations for Savings and Loan Holding Companies (12 CFR Part 584) substantially as follows:

1. It is proposed to amend § 584.2 by redesignating paragraph (c) as paragraph (d) and by adding a new paragraph (c) thereto, to read as follows:

§ 584.2 Prohibited holding company activities.

* * * * *

(c) *Interim approval by the corporation.* Until further notice by order or regulation, the corporation, pursuant to subparagraph (6) of paragraph (b) of this section, hereby approves without application the furnishing or performing of such services or engaging in such activities as are specified in § 545.9-1(a)(4) of this chapter, as now or hereafter in effect, if such service or activity is conducted by a service corporation subsidiary of a subsidiary insured institution of a savings and loan holding company.

* * * * *

2. It is proposed to amend § 584.3 by revising subparagraph (4) of paragraph (a) thereof, to read as follows:

§ 584.3 Transactions with affiliates.

(a) *Prohibited transactions.* No subsidiary insured institution of a savings and loan holding company shall:

* * * * *

(4) Make any loan, discount, or extension of credit to (i) any affiliate (other than a service corporation subsidiary of such insured institution to the extent permitted a Federal savings and loan association by § 545.9–1(c) of this chapter), except in a transaction authorized by subdivision (i) of subparagraph (6) of this paragraph, or (ii) any third party on the security of any property acquired from any affiliate, or with knowledge that the proceeds of any such loan, discount, or extension of credit, or any part thereof, are to be paid over to or utilized for the benefit of any affiliate; except that, with the prior written approval of the Corporation, a subsidiary insured institution may make a loan, discount, or extension of credit, to a third party on the security of property acquired from a wholly owned service corporation of such institution. The Corporation shall grant approval of any application for approval under subdivision (ii) of this subparagraph if, in the opinion of the Corporation, such a loan, discount, or extension of credit would not be detrimental to the interests of savings account holders in the insured institution, or to the insurance risk of the Corporation with respect to such institution, and would not be a means of facilitating the sale of (*a*) property purchased from any savings and loan holding company or any affiliate thereof other than such service corporation, or (*b*) property heretofore owned, legally, or beneficially, by any other savings and loan holding company or affiliate thereof;

* * * * *

3. It is proposed to amend paragraph (b) of § 584.6 by deleting the word "and" at the end of subparagraph (5) thereof, by substituting a semicolon for the period at the end of subparagraph (6) thereof and adding the word "and" immediately thereafter, and by adding a new subparagraph (7), immediately after subparagraph (6) thereof, to read as follows:

§ 584.6 Holding company indebtedness.

* * * * *

(b) *Interim approval by the Corporation.* Until further notice by order or regulation, the Corporation hereby approves without application the issuance, sale, renewal, or guaranty of any debt security, or the assumption of any debt, incurred:

* * * * *

(7) By a service corporation subsidiary of an insured institution subsidiary of a savings and loan holding company, including any wholly owned subsidiary of such service corporation, in an amount not exceeding the limitations imposed on a service corporation in which a Federal savings and loan association may invest as specified in § 545.9–1(b)(3) of this chapter.

* * * * *

(Sec. 402, 48 Stat. 1256, as amended, sec. 408, 48 Stat. 1261, as added by 73 Stat. 691, as amended; 12 U.S.C. 1725, 1730a. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR, 1943–48 Comp., p. 1071)

Interested persons are invited to submit written data, views and arguments to the Office of the Secretary, Federal Home Loan Bank Board, 101 Indiana Avenue NW., Washington, DC 20552, by October 13, 1972, as to whether these proposals should be adopted, rejected, or modified. Written material submitted will be available for public inspection at the above address unless confidential treatment is requested or the material would not be made available to the public or otherwise disclosed under § 505.6 of the General Regulations of the Federal Home Loan Bank Board (12 CFR 505.6).

By the Federal Home Loan Bank Board.

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

[FR Doc.72–15498 Filed 9–11–72;8:54 am]

FEDERAL MARITIME COMMISSION

[46 CFR Ch. IV]

[Docket No. 72–41]

PORT OF NEW YORK

Proposed Truck Detention

On August 28, 1972, a petition was filed in this proceeding by Middle Atlantic Conference to amend the Federal Maritime Commission's (herein Commission) notice of proposed rule making published in the FEDERAL REGISTER on August 23, 1972, 37 F.R. 16980, to provide for filing of responsive pleadings.

The petitioner contends that since the purpose of the Commission in this proceeding is to allow interested persons an opportunity to file objections and "suggestions for change * * * accompanied by the language thought necessary to accomplish the desired change and statements and arguments in support thereof," it not only would be procurally unfair to deprive all parties from answering each other with responsive pleadings directed to the initial positions and arguments submitted by others, but also the Commission would be without the benefit of a complete record reflecting the full views of all parties.

In response to this petition and after review and consideration of Hearing Counsel's reply thereto, we concur with said petitioner, and thus have determined that the notice of proposed rule making, supra, should be so amended.

Therefore, it is ordered, That this rule making proceeding be, and it is hereby, amended by striking the phrase *Therefore, it is ordered,* and everything thereafter, except the provision for discontinuance of Docket No. 69–28, and inserting in lieu thereof the following:

It is ordered, That the Commission, pursuant to sections 22 and 43 of the Shipping Act, 1916 (46 U.S.C. 821, 841(b)), enter upon this proposed rule making proceeding to determine whether the rule proposed (Appendix A, notice of proposed rule making, published in the FEDERAL REGISTER on August 23, 1972, 37 F.R. 16980) is just and reasonable within the meaning of section 17 of the Shipping Act, 1916; and

It is further ordered, That this amended notice of proposed rule making be published in the FEDERAL REGISTER; and

It is further ordered, That all interested persons may participate in this rule making proceeding by filing with the Secretary, Federal Maritime Commission, Washington, D.C. 20573, in accordance with Rule 4(c) (46 CFR 502.53) of the Commission's rules of practice and procedure, on or before October 10, 1972, an original and 15 copies of their views and arguments pertaining to the proposed rules and one copy to each person on the Commission's service list. All suggestions for changes in the text of said proposed rules should be accompanied by the language thought necessary to accomplish the desired change and statements and arguments in support thereof. Any person desiring to participate who wants a copy of the comments due October 10, 1972, must advise the Secretary, on or before September 19, 1972, and the Secretary will make available a service list which shall include all persons filing notices of participation, with such list to be mailed to all persons thereon on or before September 25, 1972; and

It is further ordered, That all interested persons may file replies to the initial views and arguments on or before October 25, 1972, by serving an original and 15 copies on the Commission and one copy to each person who filed written comments; and

It is further ordered, That Hearing Counsel shall reply to said comments and replies thereto on or before November 9, 1972, by serving an original and 15 copies to the Commission and one copy to each person who filed written comments; and

It is further ordered, That all interested persons may file replies to Hearing Counsel on or before November 24, 1972, by serving an original and 15 copies on the Commission, one copy to the Office of Hearing Counsel and one copy to each person filing written comments; and

It is further ordered, That should any such person or Hearing Counsel feel that an evidentiary hearing be required, that person shall accompany any request for such hearing with a statement setting forth in detail the facts to be proven, their relevance to the issues in the proceeding, and why such proof cannot be submitted through affidavit. An original and 15 copies of requests for hearing shall be filed with the Secretary, Federal Maritime Commission, on or before November 24, 1972;

And it is further ordered, That all future notices issued by or on behalf of the Commission in this proceeding be published in the FEDERAL REGISTER; and in addition be mailed directly to all persons filing comments in accordance with the procedures enumerated above, and

to all other persons who notify the Secretary, Federal Maritime Commission of their desire to receive such notice.

By the Commission.

[SEAL] JOSEPH C. POLKING,
Assistant Secretary.

[FR Doc.72-15601 Filed 9-11-72;8:55 am]

VETERANS ADMINISTRATION

[38 CFR Part 2]

EQUITABLE RELIEF FROM ADMINISTRATIVE ERROR

Notice of Proposed Rule Making

Section 2.7, Title 38, Code of Federal Regulations is revised to extend equitable relief, heretofore not possible, to veterans, their dependents, and other innocent third parties, from the consequences of an administrative error where loss is suffered by reason of reliance upon an erroneous determination of eligibility or entitlement to benefits, without knowledge of the error. This revision implements section 210(c)(3), title 38, United States Code (section 201, Public Law 92-328; 86 Stat. 393, enacted June 30, 1972).

Interested persons are invited to submit written comments, suggestions, or objections regarding the proposal to the Administrator of Veterans Affairs (232H), Veterans Administration, Central Office, 810 Vermont Avenue NW., Washington, DC 20420. All relevant material received not later than 30 days after publication of this notice in the FEDERAL REGISTER will be considered. All written comments received will be available for public inspection at the above address only between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays), during the mentioned 30-day period and for 10 days thereafter. Any person visiting Central Office for the purpose of inspecting any such comments will be received by the Central Office Verterans Assistance Unit in Room 132. Such visitors to any VA field station will be informed that the records are available for inspection only in Central Office and will be furnished the address and the above room number.

Notice is also given that it is proposed to make this regulation effective June 30, 1972.

§ 2.7 Delegation of authority to provide relief on account of administrative error.

(a) Section 210(c)(2) of title 38, United States Code, provides that if the Administrator determines that benefits administered by the Veterans Administration have not been provided by reason of administrative error on the part of the Federal Government or any of its employees, he is authorized to provide such relief on account of such error as he determines equitable, including the payment of moneys to any person whom he determines equitably entitled thereto.

(b) Section 210(c)(3) of title 38, United States Code, provides that if the Administrator determines that any veteran, widow, child of a veteran, or other person, has suffered loss, as a consequence of reliance upon a determination by the Veterans Administration of Eligibility or entitlement to benefits, without knowledge that it was erroneously made, he is authorized to provide such relief as he determines equitable, including the payment of moneys to any person equitably entitled thereto. The Administrator is also required to submit an annual report to the Congress, containing a brief summary of each recommendation for relief and its disposition. Preparation of the report shall be the responsibility of the General Counsel.

(c) The authority to grant the equitable relief, referred to in paragraphs (a) and (b) of this section, has not been delegated and is reserved to the Administrator. Recommendation for the correction of administrative error and for appropriate equitable relief therefrom will be submitted to the Administrator, through the General Counsel. Such recommendation may be initiated by the head of the department having responsibility for the benefit, or of any concerned staff office, or by the Chairman, Board of Veterans Appeals. When a recommendation for relief under paragraph (a) or (b) of this section is initiated by the head of a staff office, or the Chairman, Board of Veterans Appeals, the views of the head of the department having responsibility for the benefit will be obtained and transmitted with the recommendation of the initiating office.

Approved: September 6, 1972.

By direction of the Administrator.

[SEAL] FRED B. RHODES,
Deputy Administrator.

[FR Doc.72-15492 Filed 9-11-72;8:54 am]

DEPARTMENT OF THE INTERIOR

Office of Oil and Gas

[32A CFR Ch. X]

[Oil Import Reg. 1 (Rev. 5)]

ALLOCATIONS OF CRUDE AND UNFINISHED OIL TO REFINERS, DISTRICTS I–IV AND V

Change in Method of Computation; Extension of Time for Comments

On August 17, 1972, there was published in the FEDERAL REGISTER (37 F.R. 16609–16612) a notice of proposed rule making regarding a proposed change in the method of computing allocations of imports of crude and unfinished oils to refiners. Comments thereon were invited within thirty (30) days from the date of publication. The notice in question was subsequently amended by certain corrections published in the FEDERAL REGISTER on August 25, 1972 (37 F.R. 17212).

Notice is hereby given that the time for submission of comments on the proposal above described is extended to the close of business on September 25, 1972.

RALPH W. SNYDER, Jr.,
Associate Director,
Office of Oil and Gas.

SEPTEMBER 11, 1972.

[FR Doc.72-15635 Filed 9-11-72;10:56 am]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

INCOME TAX

Requirements of a Domestic International Sales Corporation (DISC)

Notice is hereby given that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing (preferably six copies) to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, by October 13, 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 October 13, 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, unless the person or persons who have requested a hearing withdraw their request for a hearing before notice of the hearing has been filed with the Office 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 (68 Stat. 917; 26 U.S.C. 7805).

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

In order to conform the Income Tax Regulations (26 CFR Part 1) to certain provisions of section 992 of the Internal Revenue Code of 1954, as added by section 501 of the Revenue Act of 1971 (85 Stat. 535), such regulations are amended by adding the following new sections immediately after § 1.972–1. The amendments in general are effective for taxable years ending after December 31, 1971.

PARAGRAPH 1. Paragraph (f) of § 1.-922–1, as set forth in a notice of proposed rule making published on May 20, 1972,

in 37 F.R. 10366, is revised to read as follows:

§ 1.992–1 Requirements of a DISC.

* * * * *

(f) *Ineligible corporations.* The following corporations shall not be eligible to be treated as a DISC—

(1) A corporation exempt from tax by reason of section 501,

(2) A personal holding company (as defined in section 542),

(3) A financial institution to which section 581 or 593 applies.

(4) An insurance company subject to the tax imposed by Subchapter L,

(5) A regulated investment company (as defined in section 851(a)),

(6) A China Trade Act corporation receiving the special deduction provided in section 941(a), or

(7) An electing small business corporation (as defined in section 1371(b)).

* * * * *

PAR. 2. The following new sections are added immediately after § 1.992–1:

§ 1.992–2 Election to be treated as a DISC.

(a) *Manner and time of election*—(1) *Manner*—(i) *In general.* A corporation can elect to be treated as a DISC for a taxable year beginning after December 31, 1971. Except as provided in subdivision (ii) of this subparagraph, the election is made by the corporation filing Form 4876 with the service center with which it would file its income tax return if it were subject for such taxable year to all the taxes imposed by subtitle A of the Internal Revenue Code of 1954, and a copy of the completed Form 4876 with the Commissioner of Internal Revenue (Attention: ACTS:A: AO), Washington, D.C. 20224. The form shall be signed by any person authorized to sign a corporation return under section 6062, and shall contain the information required by such form. Except as provided in paragraphs (b)(3) and (c) of this section, such election to be treated as a DISC shall be valid only if the consent of every person who is a shareholder of the corporation as of the beginning of the first taxable year for which such election is effective is on or attached to such Form 4876 when filed with the service center.

(ii) *Transitional rule for corporations electing during 1972.* If the first taxable year for which an election by a corporation to be treated as a DISC is a taxable year beginning after December 31, 1971, and on or before December 31, 1972, such election may be made either in the manner prescribed in subdivision (i) of this subparagraph or by filing, at the place prescribed in subdivision (i) of this subparagraph, a statement captioned "Election to be Treated as a DISC." Such statement of election shall be valid only if the consent of each shareholder is filed with the service center in the form, and at the time, prescribed in paragraph (b) of this section. Such statement shall be signed by any person authorized to sign a corporation return under section 6062 and shall include the name, address, and employer identification number (if known) of the corporation, the beginning date of the first taxable year for which the election is effective, the number of shares of stock of the corporation issued and outstanding as of the earlier of the beginning of the first taxable year for which the election is effective or the time the statement is filed, the number of shares held by each shareholder as of the earlier of such dates, and the date and place of incorporation. As a condition of the election being effective, a corporation which elects to become a DISC by filing a statement in accordance with this subdivision must furnish (to the service center with which the statement was filed) such additional information as is required by Form 4876 by December 31, 1972.

(2) *Time of making election*—(i) *In general.* In the case of a corporation making an election to be treated as a DISC for its first taxable year, such election shall be made within 90 days after the beginning of such taxable year. In the case of a corporation which makes an election to be treated as a DISC for any taxable year beginning after March 31, 1972 (other than the first taxable year of such corporation), the election shall be made during the 90-day period immediately preceding the first day of such taxable year.

(ii) *Transitional rules for certain corporations electing during 1972.* In the case of a corporation which makes an election to be treated as a DISC for a taxable year beginning after December 31, 1971, and on or before March 31, 1972 (other than its first taxable year), the election shall be made within 90 days after the beginning of such taxable year.

(b) *Consent by shareholders*—(1) *In general*—(i) *Time and manner of consent.* Under paragraph (a)(1)(i) of this section, subject to certain exceptions, the election to be treated as a DISC is not valid unless each person who is a shareholder as of the beginning of the first taxable year for which the election is effective signs either the statement of consent on Form 4876 or a separate statement of consent attached to such form. A shareholder's consent is binding on such shareholder and all transferees of his shares and may not be withdrawn after a valid election is made by the corporation. In the case of a corporation which files an election to become a DISC for a taxable year beginning after December 31, 1972, if a person who is a shareholder as of the beginning of the first taxable year for which the election is effective does not consent by signing the statement of consent set forth on Form 4876, such election shall be valid (except in the case of an extension of the time for filing granted under the provisions of subparagraph (3) of this paragraph or paragraph (c) of this section) only if the consent of such shareholder is attached to the Form 4876 upon which such election is made.

(ii) *Form of consent.* A consent other than the statement of consent set forth on Form 4876 shall be in the form of a statement which is signed by the shareholder and which sets forth (*a*) the name and address of the corporation and of the shareholder and (*b*) the number of shares held by each such shareholder as of the time the consent is made and (if the consent is made after the beginning of the corporation's taxable year for which the election is effective) as of the beginning of such year. If the consent is made by a recipient of transferred shares pursuant to paragraph (c) of this section, the statement of consent shall also set forth the name and address of the person who held such shares as of the beginning of such taxable year and the number of such shares. Consent shall be made in the following form: "I (insert name of shareholder), a shareholder of (insert name of corporation seeking to make the election) consent to the election of (insert name of corporation seeking to make the election) to be treated as a DISC under section 992(b) of the Internal Revenue Code. The consent so made by me is irrevocable and is binding upon all transferees of my shares in (insert name of corporation seeking to make the election)." The consents of all shareholders may be incorporated in one statement.

(iii) *Who may consent.* Where stock of the corporation is owned by a husband and wife as community property (or the income from such stock is community property), or is owned by tenants in common, joint tenants, or tenants by the entirety, each person having a community interest in such stock or the income therefrom and each tenant in common, joint tenant, and tenant by the entirety must consent to the election. The consent of a minor shall be made by his legal guardian or by his natural guardian if no legal guardian has been appointed. The consent of an estate shall be made by the executor or administrator thereof. The consent of a trust shall be made by the trustee thereof. The consent of an estate or trust having more than one executor, administrator, or trustee, may be made by any executor, administrator, or trustee, authorized to make a return of such estate or trust pursuant to section 6012(b)(5). The consent of a corporation or partnership shall be made by an officer or partner authorized pursuant to section 6062 or 6063, as the case may be, to sign the return of such corporation or partnership. In the case of a foreign person, the consent may be signed by any individual (whether or not a U.S. person) who would be authorized under sections 6061 through 6063 to sign the return of such foreign person if he were a U.S. person.

(2) *Transitional rule for corporations electing during 1972.* In the case of a corporation which files an election to be treated as a DISC for a taxable year beginning after December 31, 1971, and on or before December 31, 1972, such election shall be valid only if the consent of each person who is a shareholder as of the beginning of the first taxable year for which such election is effective is filed with the service center with which the

election was filed within 90 days after the first day of such taxable year or within the time granted for an extension of time for filing such consent. The form of such consent shall be the same as that prescribed in subparagraph (1) of this paragraph. Such consent shall be attached to the statement of election or shall be filed separately (with such service center) with a copy of the statement of election. An extension of time for filing a consent may be granted in the manner, and subject to the conditions, described in subparagraph (3) of this paragraph.

(3) *Extension of time to consent.* An election which is timely filed and would be valid except for the failure to attach the consent of any shareholder to the Form 4876 upon which the election was made or to comply with the 90-day requirement in subparagraph (2) of this paragraph or paragraph (c)(1) of this section, as the case may be, will not be invalid for such reason if it is shown to the satisfaction of the service center that there was reasonable cause for the failure to file such consent, and if such shareholder files a proper consent to the election within such extended period of time as may be granted by the Internal Revenue Service. In the case of a late filing of a consent, a copy of the Form 4876 or statement of election shall be attached to such consent and shall be filed with the same service center as the election. The form of such consent shall be the same as that set forth in paragraph (b)(1)(ii) of this section. In no event can any consent be made pursuant to this paragraph on or after the last day of the first taxable year for which a corporation elects to be treated as a DISC.

(c) *Consent by holder of transferred shares*—(1) *In general.* If a shareholder of a corporation transfers—

(i) Prior to the first day of the first taxable year for which such corporation elects to be treated as a DISC, some or all of the shares held by him without having consented to such election, or

(ii) On or before the 90th day after the first day of the first taxable year for which such corporation elects to be treated as a DISC, some or all of the shares held by him as of the first day of such year (or if later, held by him as of the time such shares are issued) without having consented to such election, then consent may be made by any recipient of such shares on or before the 90th day after the first day of such first taxable year. If such recipient fails to file his consent on or before such 90th day, an extension of time for filing such consent may be granted in the manner, and subject to the conditions, described in paragraph (b)(3) of this section. In addition, if the transfer occurs more than 90 days after the first day of such taxable year, an extension of time for filing such consent may be granted to such recipient only if it is determined under paragraph (b)(3) of this section that an extension of time would have been granted the transferor for the filing of such consent if the transfer had not occurred. A consent which is not attached to the original Form 4876 or statement of election (as the case may be) shall be filed with the same service center as the original Form 4876 or statement of election and shall have attached a copy of such original form or statement of election. The form of such consent shall be the same as that set forth in paragraph (b)(1)(ii) of this section. For the purposes of this paragraph, a transfer of shares includes any sale, exchange, or other disposition, including a transfer by gift or at death.

(2) *Requirement for the filing of an amended Form 4876 or statement of election.* In any case in which a consent to a corporation's election to be treated as a DISC is made pursuant to subparagraph (1) of this paragraph, such corporation must file an amended Form 4876 or statement of election (as the case may be) reflecting all changes in ownership of shares. Such form must be filed with the same service center with which the original Form 4876 or statement of election was filed by such corporation.

(d) *Effect of election*—(1) *Effect on corporation.* A valid election to be treated as a DISC remains in effect (without regard to whether the electing corporation qualifies as a DISC for a particular year) until terminated by any of the methods provided in paragraph (e) of this section. While such election is in effect, the electing corporation is subject to sections 991 through 997 and other provisions of the Code applicable to DISC's for any taxable year for which it qualifies as a DISC (or is treated as qualifying as a DISC pursuant to § 1.992–1(g)). Such corporation is also subject to such provisions for any taxable year for which it is treated as a former DISC as a result of qualifying or being treated as a DISC for any taxable year for which such election was in effect.

(2) *Effect on shareholders.* A valid election by a corporation to be treated as a DISC subjects the shareholders of such corporation to the provisions of section 995 (relating to the taxation of the shareholders of a DISC or former DISC) and to all other provisions of the Code relating to the shareholders of a DISC or former DISC. Such provisions of the Code apply to any person who is a shareholder of a DISC or former DISC whether or not such person was a shareholder at the time the corporation elected to become a DISC.

(e) *Termination of election*—(1) *In general.* An election to be treated as a DISC is terminated only as provided in subparagraph (2) or (3) of this paragraph.

(2) *Revocation of election*—(i) *Manner of revocation.* An election by a corporation to be treated as a DISC may be revoked by the corporation for any taxable year of the corporation after the first taxable year for which the election is effective. Such revocation shall be made by the corporation filing a statement that the corporation revokes its election under section 992(b) to be treated as a DISC. Such statement shall indicate the corporation's name, address, employer identification number, and the first taxable year of the corporation for which the revocation is to be effective. The statement shall be signed by any person authorized to sign a corporation return under section 6062. Such revocation shall be filed with the service center with which the corporation filed its election, except that, if it filed an annual information return under section 6011(e)(2), the revocation shall be filed with the service center with which it filed its last such return.

(ii) *Years for which revocation is effective.* If a corporation files a statement revoking its election to be treated as a DISC during the first 90 days of a taxable year (other than the first taxable year for which such election is effective), such revocation will be effective for such taxable year and all taxable years thereafter. If the corporation files a statement revoking its election to be treated as a DISC after the first 90 days of a taxable year, the revocation will be effective for all taxable years following such taxable year.

(3) *Continued failure to be a DISC.* If a corporation which has elected to be treated as a DISC does not qualify as a DISC (and is not treated as a DISC pursuant to § 1.992–1(g)) for each of any 5 consecutive taxable years, such election terminates and will not be effective for any taxable year after such fifth taxable year. Such termination will be effective automatically, without notice to such corporation or to the Internal Revenue Service. If, during any 5-year period for which an election is effective, the corporation should qualify as a DISC (or be treated as a DISC pursuant to § 1.992–1(g)) for a taxable year, a new 5-year period shall automatically start at the beginning of the following taxable year.

(4) *Election after termination.* If a corporation has made a valid election to be treated as a DISC and such election terminates in either manner described in subparagraph (2) or (3) of this paragraph, such corporation is eligible to reelect to be treated as a DISC at any time by following the procedures described in paragraphs (a) through (c) of this section. If a corporation terminates its election and subsequently reelects to be treated as a DISC, the corporation and its shareholders continue to be subject to sections 995 and 996 with respect to the period during which its first election was in effect. Thus, for example, distributions upon disqualification includible in the gross incomes of shareholders of a corporation pursuant to section 995(b)(2) continue to be so includible for taxable years for which a second election of such corporation is in effect without regard to the second election.

§ 1.992–3 Deficiency distributions to meet qualification requirements.

(a) *In general.* A corporation which meets the requirements described in § 1.992–1 for treatment as a DISC for a taxable year, other than the 95 percent of gross receipts test described in § 1.992–1(b) or the 95-percent assets test described in § 1.992–1(c), or both tests, may

nevertheless qualify as a DISC for such year by making deficiency distributions (attributable to its gross receipts other than qualified export receipts and its assets other than qualified export assets) if all of the following requirements are satisfied:

(1) The corporation distributes the amount determined under paragraph (b) of this section as a deficiency distribution. The amount of a deficiency distribution is determined without regard to the amount by which the corporation fails to meet either test.

(2) The reasonable cause requirements prescribed in paragraph (c)(1) of this section are satisfied with respect to both the corporation's failure to meet either test and its failure to make a deficiency distribution prior to the time the distribution is made.

(3) The corporation makes such deficiency distribution pro rata to all its shareholders.

(4) The corporation designates the distribution, at the time of the distribution, as a deficiency distribution, pursuant to section 992(c), to meet the qualification requirements to be a DISC. Such designation shall be in the form of a communication sent at the time of such distribution to each shareholder and to the service center with which the corporation files its annual information return for the taxable year in which the distribution is made. A corporation may not retroactively designate a prior distribution as a deficiency distribution to meet qualification requirements. Subject to the limitation described in paragraph (c)(3) of this section, a corporation may make the distribution at any time.

See sections 246(d), 904(f), 995, and 996 for rules regarding the treatment of a deficiency distribution to meet qualification requirements by the shareholders and the corporation.

(b) *Amount of deficiency distribution*—(1) *In general.* In order to meet the requirements of paragraph (a) of this section, the amount of a deficiency distribution must be, if the corporation fails to meet—

(i) The 95 percent of gross receipts test, the amount determined in subparagraph (2) of this paragraph,

(ii) The 95-percent assets test, the amount determined in subparagraph (3) of this paragraph, and

(iii) Both such tests, except as provided in subparagraph (4) of this paragraph, the sum of the amounts determined in subparagraphs (2) and (3) of this paragraph.

(2) *Computation of deficiency distribution to meet 95 percent of gross receipts test.*—(i) *In general.* If a corporation fails to meet the 95 percent of gross receipts test described in § 1.992–1(b) for its taxable year, the amount of the deficiency distribution required by this subparagraph is an amount equal to the sum of its taxable income (if any) from each transaction giving rise to gross receipts (as defined in section 993(f)) which are not qualified export receipts (as defined in section 993(a)). A corporation's taxable income from a transaction shall be the amount of such gross receipts from such transaction reduced only by (*a*) its cost of goods sold attributable to such gross receipts, and by (*b*) its expenses, losses, and other deductions properly apportioned or allocated thereto in a manner consistent with the rules set forth in § 1.861–8. For purposes of this subdivision, however, any expenses, losses, or other deductions which cannot definitely be allocated to some item or class of gross income in such manner shall not reduce such gross receipts. If the corporation is a commission agent for a principal in a transaction, the corporation's taxable income is the amount of the commission from such transaction reduced only by the amounts described in (*b*) of this subdivision.

(ii) *Example.* The provisions of this subparagraph may be illustrated by the following example:

Example. (*a*) X and Y are calendar year taxpayers. X, a domestic manufacturing company, owns all the stock of Y, which seeks to qualify as a DISC for 1973. During 1973, X manufactures a machine which is eligible to be export property as defined in section 993(c). Y enters into a written agreement with X, whereby Y is granted a sales franchise with respect to exporting such machine, which satisfies the requirements of § 1.993–1(l) (to be proposed). Under the franchise, Y is to receive a commission. Thereafter, during 1973 Y is considered to receive gross receipts of $100,000, as determined under section 993(f), attributable to X's sale of the machine in a manner which causes the gross receipts to be excluded receipts pursuant to section 993(a)(2) and, therefore, they are not qualified export receipts. Y's total gross receipts for 1973 are $1 million of which $900,000 (i.e., 90 percent) are qualified export receipts. Therefore, Y does not satisfy the 95 percent of gross receipts test for 1973 because less than 95 percent of its gross receipts are qualified export receipts. Y has $9,000 of expenses properly apportioned or allocated to its gross income from such sale and $1,000 of other expenses which cannot definitely be allocated to some item or class of gross income, determined in a manner consistent with the rules set forth in § 1.861–8. In order to satisfy the 95 percent of gross receipts test for 1973, if the commission due from X to Y under the franchise agreement of the parties were $15,000, Y must make a deficiency distribution of $6,000 computed as follows:

Y's commission (gross income) from the transaction	$15,000
Less: Y's expenses apportioned or allocated to its gross income from the transaction	9,000
Required deficiency distribution by reason of $100,000 of gross receipts which are not qualified export receipts	6,000

(*b*) If the commission due from X to Y under the franchise agreement of the parties were $9,400, resulting in a net loss of $600 to Y ($9,400 to $10,000), Y must make a deficiency distribution of $400 computed as follows:

Y's commissions (gross income) from the transaction	9,400
Less: Y's expenses apportioned or allocated to its gross income from the transaction	9,000
Required deficiency distribution by reason of $100,000 of gross receipts which are not qualified export receipts	400

(*c*) If the commission due from X to Y under the franchise agreement of the parties were $8,500, Y would not be required to make a deficiency distribution since, under this subparagraph, there would be no taxable income attributable to gross receipts from the sale.

(3) *Computation of deficiency distribution to meet 95 percent assets test*—(i) *In general.* If a corporation fails to meet the 95 percent assets test described in § 1.992–1(c) for its taxable year, the amount of the deficiency distribution required by this subparagraph is an amount equal to the fair market value as of the last day of such taxable year of the assets which are not qualified export assets held by such corporation on such last day.

(ii) *Asset held for more than 1 year.* In the case of a corporation which holds continuously an asset which is not a qualified export asset at the close of more than 1 taxable year, it must distribute an amount equal to its fair market value (or, if greater, the amount determined under subparagraph (4) of this paragraph) only once if, at the close of the first such taxable year, such corporation reasonably believed that such asset was a qualified export asset. This subdivision shall not apply for any taxable year beginning after the date the corporation knows (or a reasonable man would have known) that an asset is not a qualified export asset and in order to qualify for each such year, the corporation must distribute the fair market value of such asset for each such year.

(4) *Computation in the case of a failure to meet both tests as a result of a single transaction.* If a corporation fails to meet both the 95 percent of gross receipts test and the 95 percent assets test for a taxable year, and if the corporation holds at the end of such year assets (other than cash or qualified export assets) which were received as proceeds of a sale or exchange during such year which resulted in gross receipts other than qualified export receipts, then the amount of the deficiency distribution required by this paragraph with respect to such sale or exchange and assets held is the larger of the amount required by subparagraph (2) of this paragraph with respect to the sale or exchange or the amount required by subparagraph (3) of this paragraph with respect to such assets held. Thus, for example, if a corporation sells property which is not a qualified export asset for $100, receives $85 in cash and a note for $15, and derives $25 of taxable income from the sale as determined under subparagraph (2) of this paragraph, it must distribute $25. If the provisions of this subparagraph are applied with respect to assets of a DISC, such provisions do not apply to any property received as proceeds from a sale or exchange of such assets.

(c) *Reasonable cause for failure*—(1) *In general.* If for a taxable year, a corporation has failed to meet the 95 percent of gross receipts test,

the 95 percent assets test, or both tests, such corporation may satisfy any such test for such year by means of a deficiency distribution in the amount determined under paragraph (b) of this section only if the reasonable cause requirements of this subparagraph are satisfied. Such reasonable cause requirements are satisfied if—

(i) There is reasonable cause (as determined in accordance with subparagraph (2) of this paragraph) for such corporation's failure to satisfy such test and to make such distribution prior to the date on which it was made, the time limit in subparagraph (3) of this paragraph for making the distribution is satisfied, and interest (if required) is paid in the amount and in the manner prescribed by subparagraph (4) of this paragraph, or

(ii) The time and "70-percent" requirements of the reasonable cause test of paragraph (d) of this section are satisfied.

(2) *Determination of reasonable cause.* In general, whether a corporation's failure to meet the 95 percent of gross receipts test, the 95 percent assets test, or both tests for a taxable year and its failure to make a pro rata distribution prior to the date on which it was made will be considered for reasonable cause where the action or inaction which resulted in such failure occurred in good faith, such as failure to meet the 95 percent assets test resulting from blocked currency or expropriation, or failure to meet either test because of reasonable uncertainty as to what constitutes a qualified export receipt or a qualified export asset. For further examples, if a corporation's reasonable determination of the percentage of its total gross receipts that are qualified export receipts is subsequently redetermined to be less than 95 percent as a result of a price adjustment by the Internal Revenue Service under section 482, or if the corporation has a casualty loss for which it receives an unanticipated insurance recovery which causes its qualified export receipts to be less than 95 percent of its total gross receipts, then the failure to satisfy the 95 percent of gross receipts test is considered to be due to reasonable cause.

(3) *Time limit for deficiency distribution.* Except as otherwise provided in this subparagraph, the time limit prescribed by this subparagraph for making a deficiency distribution is satisfied if the amount of the distribution required by paragraph (b) of this section is made within 90 days from the date of the first written notification to the corporation by the Internal Revenue Service that it had not satisfied the 95 percent of gross receipts test or the 95 percent assets test or both tests, for a taxable year. Upon a showing by the corporation that an extension of the 90-day time limit is reasonable and necessary, the Commissioner may grant such extension of such time limit. In any case in which a corporation contests the determination of the Internal Revenue Service in the Tax Court that such corporation has not met the 95 percent of gross receipts test, the 95 percent assets test, or both tests, an extension of the 90-day time limit will be allowed until 30 days after the determination of the outcome of such contest is final. The outcome of the contest is final on the date specified in section 7481. During any extension of time, the interest charge provided in subparagraph (4) of this paragraph will continue to accrue at the rate provided for in such subparagraph.

(4) *Payment of interest for delayed distribution*—(i) *In general.* If a corporation makes a deficiency distribution after the 15th day of the ninth month after the close of the taxable year with respect to which such distribution is made, such distribution will not be deemed to satisfy the 95 percent of gross receipts test or the 95 percent assets test for such year unless such corporation pays to the Internal Revenue Service a charge determined by multiplying (*a*) an amount equal to 4½ percent of such distribution by (*b*) the number of its taxable years which begin (*1*) after the taxable year with respect to which the distribution is made and (*2*) before such distribution is made. Such charge must be paid, within the 30-day period beginning with the day on which such distribution is made, to the service center with which the corporation files its annual information return for its taxable year in which the distribution is made. For purposes of the Internal Revenue Code, such charge is considered interest.

(ii) *Example.* The provisions of subdivision (i) of this subparagraph may be illustrated by the following example:

Example. X corporation, which uses the calendar year as its taxable year, meets the 95 percent assets test but fails to meet the 95 percent of gross receipts test for 1972 and does not by September 15, 1973, make the deficiency distribution required by reason of its failure to meet such test. Assume that reasonable cause exists for the corporation's failure to meet the 95 percent of gross receipts test and failure to make the required deficiency distribution. If X makes the required deficiency distribution, in the amount of $10,000, on April 1, 1976, X must pay on or before April 30, 1976, to the service center with which it files its annual information return a charge of $1,800, computed as follows:

Deficiency distribution made by X	$10,000
Multiplied by 4½ percent	.045
Intermediate product	450
Multiplied by: Number of X's taxable years beginning after 1972 and before April 1, 1976	4
Charge to be paid service center because of late deficiency distribution (which is considered interest)	1,800

(d) *Certain distributions deemed for reasonable cause.* If a corporation makes a distribution in the amount required by paragraph (b) of this section with respect to a taxable year on or before the 15th day of the ninth month after the close of such year, it will be deemed to have acted with reasonable cause with respect to its failure to satisfy the 95 percent of gross receipts test, the 95 percent assets test, or both tests, for such year and its failure to make such distribution prior to the date on which the distribution was made if—

(1) At least 70 percent of the gross receipts of such corporation for such taxable year consist of qualified export receipts, and

(2) The sum of the adjusted bases of the qualified export assets held by such corporation on the last day of each month of the taxable year equals or exceeds 70 percent of the sum of the adjusted bases of all assets held by the corporation on each such day.

§ 1.992–4 Coordination with personal holding company provisions in case of certain produced film rents.

(a) *In general.* Section 992(d)(2) provides that a personal holding company is not eligible to be treated as a DISC. Section 543(a)(5)(B) provides that, for purposes of section 543, the term "produced film rents" means payments received with respect to an interest in a film for the use of, or the right to use, such film, but only to the extent that such interest was acquired before substantial completion of production of such film. Under section 992(e), if such produced film rents are included in the ordinary gross income (as defined in section 543(b)(1)) of a qualified subsidiary for a taxable year of such subsidiary, and such interest was acquired by such subsidiary from its parent, such interest is deemed (for purposes of the application of sections 541, 543(b)(1), and 992(d)(2), and § 1.992–1(f) for such taxable year) to have been acquired by such subsidiary at the time such interest was acquired by such parent. Thus, for example, if a parent acquires an interest in a film before it is substantially completed, then substantially completes such film prior to transferring an interest in such motion picture to a qualified subsidiary, the qualified subsidiary is considered as having acquired such interest prior to substantial completion of such motion picture for purposes of determining whether payments from the rental of such motion picture will be classified as produced film rents of such subsidiary. The provisions of section 992(e) and this section are not applicable in determining whether payments received with respect to an interest in a film are included in the ordinary gross income of a parent or a qualified subsidiary. Thus, even though a qualified subsidiary is treated pursuant to this section as having acquired an interest in a film at the time such interest was acquired by such subsidiary's parent, payments received by such parent with respect to such interest prior to the transfer of such interest to such subsidiary are includible in the ordinary gross income of such parent and not includible in the ordinary gross income of such subsidiary.

(b) *Definitions*—(1) *"Qualified subsidiary"*. For purposes of this section, a corporation is a qualified subsidiary for a taxable year if—

(i) Such corporation was established for the purpose of becoming a DISC,

(ii) Such corporation would qualify (or be treated) as a DISC for such taxable year if it is not a personal holding company, and

(iii) On every day of such taxable year on which shares of such corporation are outstanding, at least 80 percent of such shares are held directly by a second corporation.

(2) *"Parent"*. For purposes of this section, the term "parent" means a second corporation referred to in subparagraph (1) (iii) of this paragraph.

[FR Doc.72-15625 Filed 9-11-72;9:53 am]

Notices

DEPARTMENT OF THE TREASURY

Fiscal Service

[Dept. Circ. 570, 1972 Rev., Supp. 3]

PROGRESSIVE CASUALTY INSURANCE COMPANY

Surety Company Acceptable on Federal Bonds

A Certificate of Authority as an acceptable surety on Federal bonds has been issued by the Secretary of the Treasury to the following company under sections 6 to 13 of title 6 of the United States Code. An underwriting limitation of $1,462,000 has been established for the company.

Name of company, location of principal executive office, and State in which incorporated

Progressive Casualty Insurance Company
Cleveland, Ohio
Ohio

Certificates of Authority expire on June 30 each year, unless sooner revoked, and new certificates are issued on July 1 so long as the companies remain qualified (31 CFR Part 223). A list of qualified companies is published annually as of July 1 in Department Circular 570, with details as to underwriting limitations, areas in which licensed to transact fidelity and surety business and other information. Copies of the circular, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Audit Staff, Washington, D.C. 20226.

Dated: September 6, 1972.

[SEAL] S. S. SOKOL,
Deputy Fiscal Assistant Secretary.

[FR Doc.72-15441 Filed 9-11-72;8:50 am]

Office of the Secretary

[Treasury Dept. Order 150-79]

COMMISSIONER OF INTERNAL REVENUE

Delegation of Exception Authority and Authority To Challenge, Review and Decide Certain Category III Pay Adjustment Cases

By virtue of the authority delegated to me as Secretary of the Treasury by Pay Board Order No. 5 (37 F.R. 17525), the authority delegated is hereby redelegated to the Commissioner of Internal Revenue including the authority to act on all Pay Board decisions and orders coming within the purview of such order.

The authority delegated herein shall be exercised in consultation with the Secretary, and where major policy issues are involved, with the approval of the Secretary.

This order shall be effective as of July 12, 1972.

Dated: September 5, 1972.

[SEAL] GEORGE P. SHULTZ,
Secretary of the Treasury.

[FR Doc.72-15475 Filed 9-11-72;8:52 am]

DEPARTMENT OF THE INTERIOR

Office of the Secretary

ROBERT L. HUFMAN

Appointee's Statement of Financial Interests

AUGUST 9, 1972.

Pursuant to section 302(a) of Executive Order 10647, the following information on a WOC appointee in the Department of the Interior is furnished for publication in the FEDERAL REGISTER:

Name of appointee. Robert L. Hufman.

Name of employing agency. Department of the Interior, Defense Electric Power Administration.

The title of the appointee's position. Deputy Director, DEPA Area 17.

The name of the appointee's private employer or employers. Golden Valley Electric Association, Inc.

The statement of "financial interests" for the above appointee is enclosed.

ROGERS C. B. MORTON,
Secretary of the Interior.

Appointee's Statement of Financial Interests

In accordance with the requirements of section 302(b) of Executive Order 10647, I am filing the following statement for publication in the FEDERAL REGISTER:

(1) Names of any corporations of which I am, or had been within 60 days preceding my appointment, on August 9, 1972, as Deputy Director, DEPA Area 17, Defense Electric Power Administration, an officer or director: President and Director, General Thermo-Coolant ana Development Corp., Fairbanks, Alaska. Director, Thermo-Dynamics Inc., Seattle, Wash.

(2) Names of any corporations in which I own, or did own within 60 days preceding my appointment, any stocks, bonds, or other financial interests: President and Director, General Thermo-Coolant and Development Corp., Fairbanks, Alaska. Director, Thermo-Dynamics Inc., Seattle, Wash. Pacific Power & Light, Portland, Odeg.

(3) Names of any partnerships in which I am associated, or had been associated within 60 days preceding my appointment: None.

(4) Names of any other businesses which I own, or owned within 60 days preceding my appointment: None.

R. L. HUFMAN.

AUGUST 21, 1972.

[FR Doc.72-15429 Filed 9-11-72;8:49 am]

WILLIAM M. KIEFER

Appointee's Statement of Financial Interests

AUGUST 9, 1972.

Pursuant to section 302(a) of Executive Order 10647, the following information on a WOC appointee in the Department of the Interior is furnished for publication in the FEDERAL REGISTER:

Name of appointee. William M. Kiefer.

Name of employing agency. Department of the Interior, Defense Electric Power Administration.

The title of the appointee's position. Deputy Director, Defense Electric Power Area 8.

The name of the appointee's private employer or employers. Commonwealth Edison Co., Post Office Box 767, Chicago, IL 60690.

The statement of "financial interests" for the above appointee is enclosed.

ROGERS C. B. MORTON,
Secretary of the Interior.

Appointee's Statement of Financial Interests

In accordance with the requirements of section 302(b) of Executive Order 10647, I am filing the following statement for publication in the FEDERAL REGISTER:

(1) Names of any corporations of which I am, or had been within 60 days preceding my appointment, on August 9, 1972, as Deputy Director, DEPA Area 8, Defense Electric Power Administration, an officer or director:
None.

(2) Names of any corporations in which I own, or did own within 60 days preceding my appointment, any stocks, bonds, or other financial interests:

Stockholder of:
Commonwealth Edison Co. Northern Illinois Gas Co.
Employee of:
Commonwealth Edison Co.

(3) Names of any partnerships in which I am associated, or had been associated within 60 days preceding my appointment:
None.

(4) Names of any other businesses which I own, or owned within 60 days preceding my appointment:
None.

WILLIAM M. KIEFER.

AUGUST 24, 1972.

[FR Doc.72-15428 Filed 9-11-72;8:48 am]

DEPARTMENT OF COMMERCE

Office of Import Programs

STANFORD UNIVERSITY 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. 73-00114-01-77040. Applicant: Stanford University, 820 Quarry Road, Palo Alto, CA 94304. Article: Mass Spectrometer, Model MAT 711. Manufacturer: Varian MAT GMbH, West Germany. Intended use of article: The article is intended to be used in the development of a closed-loop mass spectrometer-computer system which in turn is to be used for the automatic analysis of human urine for the detection of metabolic disorders of genetic origin. The system is also required for analysis of trace amounts of steroids from biological sources. Application received by Commissioner of Customs: August 16, 1972.

Docket No. 73-00115-45-69800. Applicant: U.S. Maritime Administration, DOC, Office of Research and Development, U.S. Department of Commerce Building, Room 4629, Washington, D.C. 20235. Article: One (1) Cassagrain Feed System. Manufacturer: RCA Ltd., Canada. Intended use of article: The article is part of an antenna system intended to be used in Satellite Communication/Navigation experiments between ships at sea and ground stations to investigate RF propagation and operational properties of the system. Application received by Commissioner of Customs: August 18, 1972.

Docket No. 72-00117-33-46040. Applicant: Purdue University, West Lafayette, Ind. 47907. Article: Electron Microscope, Model EM 201. Manufacturer: Philips Electronic Instruments NVD, The Netherlands. Intended use of article: The article is intended to be used for high magnification, high resolution electron microscopy studies of insect viruses and their ultrastructure, as well as the ultrastructure of viral infected and uninfected tissues of insects. The article will also be used for instruction of graduate students studying insect virology and will be used in the laboratory in Entomology 613, Principles of Insect Pathology. This course involves research methods and consideration of cause, symptomatology of insect diseases, as well as histo- and cytopathology of representative diseases. Application received by Commissioner of Customs: August 18, 1972.

Docket No. 73-00118-65-86300. Applicant: Illinois Institute of Technology, 3300 South Federal, Chicago, IL 60616. Article: Viscoelastometer, Model DDV II B Rheovibron. Manufacturer: Toyo Measuring Instruments Co., Ltd., Japan. Intended use of article: The article is intended to be used for measurement of dynamic modulus and loss modulus for fibers, plastic, elastomers and composites over a range of frequencies and temperatures, thus allowing the determination of activation energies, since the transition temperature can be characterized as a function of frequency. Application received by Commissioner of Customs: August 17, 1972.

Docket No. 73-00119-91-46070. Applicant: The New York Botanical Garden, Bronx Park, Bronx, N.Y. 10458. Article: Scanning Electron Microscope, Model JSM-U3. Manufacturer: JEOL Ltd., Japan. Intended use of article: The article is intended to be used in taxonomic and morphological research on the pollen of several tropical plant families, with special emphasis put on the relationships between pollen characters. Research on the diverse spore morphology of the pteridophytes as well as bryological research will also be carried out. The article will also be used by graduate students as part of their graduate training in the cooperative graduate program between the New York Botanical Garden and Lehman College. Application received by Commissioner of Customs: August 21, 1972.

Docket No. 73-00120-33-46040. Applicant: The University of Michigan, Department of Environmental and Industrial Health, 109 South Observatory Street, Ann Arbor, MI 48104. Article: Electron Microscope, Model Corinth 275. Manufacturer: AEI Scientific Apparatus Ltd., United Kingdom. Intended use of article: The article is intended to be used in studies of tissues of control animals and experimental animals treated with various agents known to cause one or more types of stress in a biological system in an attempt to determine ultrastructurally, the mechanism of biogenesis of the limiting membranes of the autophagic vacuoles. The article will also be used in size distribution analyses of air pollution particles and in determination of the form of three-dimensional configuration of the particles in question. Other uses of the article will be the routine examination of tissues after treatment of animals with a variety of toxic agents to determine whether subcellular abnormalities are induced by the treatment. The article will also be used in the course—Environmental and Industrial Health 536, Fundamentals of Electron Microscopy—as a teaching tool to train students at the graduate level in the theoretical and practical aspects of electron microscopy as well as its applications and limitation. Other courses for which the article is to be used for educational purposes are Biochem 416—Introductory Biochemistry, EIH 507—Elements of Environmental Biology, and EIH 576—Microbial Ecology. Application received by Commissioner of Customs: August 16, 1972.

Docket No. 73-00121-33-46040. Applicant: Tulane University School of Medicine, Department of Anatomy, 1430 Tulane Avenue, New Orleans, LA 70112. Article: Electron Microscope, Model Elmiskop 101. Manufacturer: Siemens AG, West Germany. Intended use of article: The article is intended to be used to examine the fine structure of cells of the endocrine organs, liver, carotid body and heart. Investigations to be conducted includes: studies on cytoplasmic crystals and myelin, studies of the fine structure of sympathetic and parasympathetic paraganglion cells together with the mechanism of release of their hormones, cytochemical localization of acetyl CoA carboxylase in hepatocytes and cells of the mammary gland, effects of drugs on motoneurons of the spinal cord and analyses of the effects of cholesterol inhibitors on the lens of the eye. The article will also be used in the course, Electron Microscopic Anatomy, for teaching students the theories of fixation, dehydration and embedding tissues for microscopy as well as actual experience in the use of the electron microscope. Application received by Commissioner of Customs: August 18, 1972.

SETH M. BODNER,
Director, Office of Import Programs.

[FR Doc.72-15491 Filed 9-11-72;8:54 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[DESI 12301; Docket No. FDC-D-262; NDA No. 12-301]

CHLORDIAZEPOXIDE OR CHLORDIAZEPOXIDE HYDROCHLORIDE PREPARATIONS

Drugs for Human Use; Drug Efficacy Study Implementation

The Food and Drug Administration published an announcement in the FEDERAL REGISTER of July 11, 1972 (37 F.R. 13562), regarding the efficacy of chlordiazepoxide and chlordiazepoxide hydrochloride preparations. In order to eliminate an ambiguity, the Commissioner of Food and Drugs finds it appropriate to amend the initial announcement by rewording the "Indications" section to read as follows:

INDICATIONS

This drug is indicated for the relief of anxiety and tension, withdrawal symptoms of acute alcoholism, preoperative apprehension and anxiety, and as an adjunct in the treatment of various disease states in which anxiety and tension are manifested.

Holders of approved new drug applications are requested to submit supplements for revised labeling, as needed, within 60 days following publication hereof in the FEDERAL REGISTER. The supplement should be submitted under the provisions of § 130.9 (d) and (e) of the new drug regulations (21 CFR 130.9 (d)

and (e)) which permit certain changes to be put into effect at the earliest possible time. The revised labeling should be put into use within the 60-day period.

This amendment does not affect the conclusions and time periods for indications previously published as possibly effective and lacking substantial evidence of effectiveness for chlordiazepoxide and chlordiazepoxide hydrochloride.

This notice is issued pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (secs. 502, 505, 52 Stat. 1050–53, as amended; 21 U.S.C. 352, 355) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120).

Dated: September 7, 1972.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.72-15539 Filed 9-11-72;8:55 am]

[FAP 3A2822]

PROTEIN CORPORATION OF AMERICA, INC.

Notice of Filing of Petition for Food Additive

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), notice is given that a petition (FAP 3A2822) has been filed by Protein Corporation of America, Inc., 1901 Avenue of the Stars, Century City, CA 90067, proposing that the food additive regulations be amended to provide for the safe use in or on food of modified cottonseed products produced by a process whereby cottonseed kernels or n-hexane-extracted or pressed cottonseed kernels are treated with sodium hydroxide followed by treatment with either hydrogen peroxide or hydrochloric acid.

Dated: August 31, 1972.

VIRGIL O. WODICKA,
Director, Bureau of Foods.

[FR Doc.72-15472 Filed 9-11-72;8:52 am]

[FAP 3M2825]

W. R. GRACE AND CO.

Notice of Filing of Petition for Food Additive

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), notice is given that a petition (FAP 3M2825) has been filed by W. R. Grace and Co., Cryovac Division, Post Office Box 464, Duncan, SC 29334, proposing that § 121.2570 *Ethylene-vinyl acetate copolymers* (21 CFR 121.2570) be amended to provide for the safe use of ethylene-vinyl acetate copolymers irradiated to dosage levels not exceeding 8 megarads to produce molecular cross-linking of the polymers intended for use in contact with food.

Dated: August 31, 1972.

VIRGIL O. WODICKA,
Director, Bureau of Foods.

[FR Doc.72-15471 Filed 9-11-72;8:52 am]

Health Services and Mental Health Administration

NATIONAL ADVISORY COMMITTEES

Announcement of Meetings

Pursuant to Executive Order 11671, the Administrator, Health Services and Mental Health Administration, announces the meeting dates and other required information for the following national advisory bodies scheduled to assemble the month of September 1972, in accordance with provisions set forth in section 13(a)(1) and (2) of that Executive order:

Committee name	Date/time/place	Type of meeting and/or contact person
Mental Health New Careers Training Review Committee.	September 14–16, 9 a.m., Conference Room K, Parklawn Bldg., 5600 Fishers Lane, Rockville, MD.	Closed. Contact Vernon R. James, Room 9A-16, Parklawn Bldg., 5600 Fishers Lane, Rockville, MD, Code 301-443-1333.

Purpose. The Committee is charged with the initial review of grant applications for Federal assistance in the program areas administered by the Division of Manpower and Training Programs, NIMH, relating to training projects for mental health new careerists and makes recommendations to the National Advisory Council in that program for final review.

Agenda. The Committee will be performing initial review of grant applications for Federal assistance and will not be open to the public, in accordance with the determination by the Secretary of Health, Education, and Welfare, pursuant to the provisions of Executive Order 11671, section 13(d).

Committee Name	Date/time/place	Type of meeting and/or contact person
Safety and Occupational Health Study Section.	Sept. 14–15, 9 a.m., Conference Room C, Parklawn Bldg., 5600 Fishers Lane, Rockville, MD.	Closed. Contact John F. Bester, Room 9A-16, Parklawn Bldg., 5600 Fishers Lane, Rockville, MD., Code 301-443-4493.

Purpose. The Committee is charged with the review of all research and research training grant applications and fellowships in the program areas administered by the National Institute for Occupational Safety and Health.

Agenda. The Committee will be performing initial review of grant applications for Federal assistance and will not be open to the public, in accordance with the determination by the Secretary of Health, Education, and Welfare, pursuant to the provisions of Executive Order 11671, section 13(d).

Items for discussion are subject to change due to priorities as directed by the President of the United States, or the Secretary of Health, Education, and Welfare.

A roster of members may be obtained from the contact person listed above.

Dated: September 1, 1972.

ANDREW J. CARDINAL,
Acting Associate Administrator for Management, Health Services and Mental Health Administration.

[FR Doc.72-15464 Filed 9-11-72;8:51 am]

National Institutes of Health

BIOCHEMISTRY TRAINING COMMITTEE

Notice of Meeting

Pursuant to Executive Order 11671 notice is hereby given of the meeting of the Biochemistry Training Committee, September 17, 1972, at 7 p.m., September 18 and 19, 1972, at 9 a.m., National Institutes of Health, Building 31C, Conference Room 10. This meeting shall be closed to the public in accordance with section 13(d) of Executive Order 11671 and the Secretary's determination in order to review, discuss and evaluate and/or rank grant applications.

Name of the person from whom rosters of the Biochemistry Training Committee members and/or summary of the meeting may be obtained: Dr. Russell Hilmoe.

Dated: September 5, 1972.

ROBERT Q. MARSTON,
Director, National Institutes of Health.

[FR Doc.72-15412 Filed 9-11-72;8:47 am]

CERTAIN TRAINING AND GRANTS COMMITTEES

Notice of Meetings

Pursuant to Executive Order 11671 notice is hereby given of meetings of the following committees and the executive secretaries from whom summaries of meetings may be obtained.

Committee	Date	Time	Location of committee
Arthritis Training Grants Committee, Dr. Wilford L. Nusser.	Sept. 15	6:30 p.m.	Bethesda, Md.
Dermatology Training Grants Committee, Dr. Laurence H. Miller.	Sept. 27	8:30 a.m.	Do.
Diabetes & Metabolism Training Grants Committee, Dr. James R. Weisiger.	Sept. 14-15	2 p.m.	Do.
Gastroenterology & Nutrition Training Grants Committee, Dr. George Kitzes.	Sept. 28-30	7:30 p.m.	Do.
Hematology Training Grants Committee, Merilyn C. Hiller.	Sept. 29	9 a.m.	Do.
Orthopedics Training Committee, Dr. Wilford L. Nusser.	Sept. 12	8:30 a.m.	Do.
Renal Disease & Urology Training Grants Committee, Dr. M. James Scherbenske.	Sept. 28-29	8 p.m.	Do.

These meetings shall be closed to the public in accordance with section 13(d) of Executive Order 11671 and the Secretary's determination, in order to review, discuss, and evaluate and/or rank grant applications.

Dated: September 5, 1972.

ROBERT Q. MARSTON,
Director,
National Institutes of Health.

[FR Doc.72-15413 Filed 9-11-72;8:47 am]

CHEMICAL/BIOLOGICAL INFORMATION-HANDLING REVIEW COMMITTEE

Notice of Meeting

Pursuant to Executive Order 11671, notice is hereby given of the meeting of the Chemical/Biological Information-Handling Review Committee, commencing at 7:30 p.m. on September 11, 1972, and at 9 a.m. on September 12, 1972, at the National Institutes of Health, Building 31, Conference Room 5B-23. This meeting will be open to the public at 7:30 p.m. September 11, and closed to the public on September 12, 9 a.m. to 5 p.m. to review, discuss, and evaluate contracts in accordance with section 13(d) of Executive Order 11671 and the Secretary's determination.

Name of the person from whom rosters of committee members and summary of the meeting may be obtained: Dr. William F. Raub, Executive Secretary.

Dated: September 5, 1972.

ROBERT Q. MARSTON,
Director,
National Institutes of Health.

[FR Doc.72-15417 Filed 9-11-72;8:47 am]

DENTAL HEALTH RESEARCH AND EDUCATION ADVISORY COMMITTEE

Notice of Meeting

Pursuant to Executive Order 11671, notice is hereby given of the meeting of the Dental Health Research and Education Advisory Committee, September 21-22, 1972, at 8:30 a.m., Holiday Inn, Bethesda, Md. This meeting will be open to the public from 8:30 a.m., September 21, 1972, and closed to the public 9:30 a.m., September 21, 1972, to review, discuss and evaluate grant applications in accordance with section 13(d) of Executive Order 11671 and the Secretary's determination.

Name of the person from whom rosters of Committee members and/or summary of the meeting may be obtained: Solomon Levy, Executive Secretary, Division of Dental Health, National Institutes of Health, Bethesda, Md. 20014.

Dated: September 5, 1972.

ROBERT Q. MARSTON,
Director,
National Institutes of Health.

[FR Doc.72-15414 Filed 9-11-72;8:47 am]

ENVIRONMENTAL SCIENCES TRAINING COMMITTEE

Notice of Meeting

Pursuant to Executive Order 11671, notice is hereby given of the meeting of the Environmental Sciences Training Committee, September 14, 1972, at 9 a.m., National Environmental Health Sciences Center, Research Triangle Park, N.C., Building 1 in the Conference Room. This meeting will be open to the public from 9 a.m. to 11 a.m., September 14, 1972, and closed to the public 11 a.m. to 5 p.m., September 14, 1972, to review, discuss, and evaluate and/or grant applications in accordance with section 13(d) of Executive Order 11671 and the Secretary's determination.

Name of the person from whom rosters of the Environmental Sciences Training Committee members and/or summary of the meeting may be obtained:

Mrs. Mary Hogan, National Institute of Environmental Health Sciences, Post Office Box 12233, Research Triangle Park, NC 27709.

ROBERT Q. MARSTON,
Director,
National Institutes of Health.

SEPTEMBER 5, 1972.

[FR Doc.72-15411 Filed 9-11-72;8:47 am]

INFECTIOUS DISEASES COMMITTEE

Notice of Meeting

Pursuant to Executive Order 11671, notice is hereby given of a meeting of the following committee and the executive secretary from whom a summary of the meeting may be obtained.

Committee	Date	Time	Location of committee
Infectious Disease Committee	Sept. 14, 1972	8:45 a.m. to 5:30 p.m.	State Room, Ramada Inn, Bethesda, Md.
Mrs. Martha J. Mattheis, Executive Secretary			

This meeting shall be closed to the public in accordance with section 13(d) of Executive Order 11671 and the Secretary's determination in order to discuss and evaluate contractor performance.

Dated: September 5, 1972.

ROBERT Q. MARSTON,
Director,
National Institutes of Health.

[FR Doc.72-15418 Filed 9-11-72;8:47 am]

MEDICAL DEVICES APPLICATIONS COMMITTEE

Notice of Meeting

Pursuant to Executive Order 11671, notice is hereby given of the meeting of the Medical Devices Applications Committee, September 8, 1972, at 9 a.m., National Institutes of Health, Building 31, Conference Room 6. This meeting will be open to the public from 9 a.m. to 5 p.m., September 8, 1972.

Name of the person from whom rosters of committee members and/or summary of the meeting may be obtained: Dr. Clarence Dennis.

Dated: September 5, 1972.

ROBERT Q. MARSTON,
Director,
National Institutes of Health.

[FR Doc.72-15416 Filed 9-11-72;8:47 am]

NATIONAL ADVISORY HEART AND LUNG COUNCIL

Notice of Meeting

Pursuant to Executive Order 11671, notice is hereby given of the meeting of the National Advisory Heart and Lung Council, September 11 and 12, 1972, at 9 a.m., National Institutes of Health, Building 31, Conference Room 10. This meeting will be open to the public from 9 a.m., September 11, and closed to the public 1:30 p.m., September 11, to review, discuss, and evaluate and/or rank grant applications in accordance with section 13(d) of Executive Order 11671 and the Secretary's determination.

Name of the person from whom rosters of National Advisory Heart and Lung Council members and/or summary of the meeting may be obtained: Mrs. Rita W. Lyons.

Dated: September 5, 1972.

ROBERT Q. MARSTON,
Director,
National Institutes of Health.

[FR Doc.72-15415 Filed 9-11-72;8:47 am]

VISION RESEARCH AND TRAINING COMMITTEE

Notice of Meeting

Pursuant to Executive Order 11671, notice is hereby given of a meeting of the following committee and the executive secretary from whom a summary of the meeting may be obtained.

Committee	Date	Time	Location of committee
Vision Research and Training Committee.	Sept. 13, 1972 Sept. 14-15, 1972	7:30 p.m. 9 a.m.	Conference Room #10, Bldg. 31C, Nat'l Institutes of Health, Bethesda, Md.

Executive Secretary: Dr. Samuel Schwartz, Chief, Scientific Programs Branch, National Eye Institute, National Institutes of Health, Bethesda, Md. 20014.

This meeting shall be closed to the public in accordance with section 13(d) of Executive Order 11671 and the Secretary's determination, in order to review, discuss and evaluate and/or rank grant applications.

ROBERT Q. MARSTON,
Director, National Institutes of Health.

SEPTEMBER 5, 1972.

[FR Doc.72-15410 Filed 9-11-72;8:47 am]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Interstate Land Sales Registration

[Docket No. N-72-113]

BELGRADE LAKES COLONY INC. ET AL.

Notice of Hearing

In the matter of Belgrade Lakes Colony, Inc., et al., Administrative Division File No. 72-3.

Notice is hereby given that:

1. Belgrade Lakes Colony, Inc., its officers and agents, hereinafter referred to as "Respondent" being subject to the provisions of the Interstate Land Sales Full Disclosure Act (Public Law 90-448) (15 U.S.C. 1701 et seq.), received a notice of proceedings and opportunity for hearing dated July 11, 1972, which was sent to the developer pursuant to 15 U.S.C. 1706 (d) and 24 CFR 1710.45(b)(1) informing the developer of information obtained by the Office of Interstate Land Sales Registration showing that a change had occurred which affected material facts in the Developer's statement of record for Belgrade Lakes Colony and the failure of the Developer to amend the pertinent sections of the statement of record and property report.

2. The Respondent filed an answer postmarked July 26, 1972, in answer to the allegations of the notice of proceedings and opportunity for a hearing.

3. In said answer the Respondent requested a hearing on the allegations contained in the notice of proceedings and opportunity for a hearing.

4. Therefore, pursuant to the provisions of 15 U.S.C. 1706(d) and 24 CFR 1720.160(b): *it is hereby ordered,* That a public hearing for the purpose of taking evidence on the questions set forth in the notice of proceedings and opportunity for hearing will be held before David Knight in Room 9230, Department of HUD Building, 451 7th Street SW., Washington, DC, on September 25, 1972, at 10 a.m.

The following time and procedure is applicable to such hearing:

All affidavits and a list of all witnesses are requested to be filed with the OILSR Docket Clerk, HUD Building, Washington, D.C., 20410 on or before September 18, 1972.

5. The Respondent is *hereby notified,* That failure to appear at the above schedule hearing shall be deemed a default and the proceeding shall be determined against Respondent, the allegations of which shall be deemed to be true, and an order suspending the statement of record, herein identified, shall be issued pursuant to 24 CFR 1710.45(b)(1).

This notice shall be served upon the Respondent forthwith pursuant to 24 CFR 1720.440.

By the Secretary.

George Romney,
Secretary of Housing and Urban Development.

BY: GEORGE K. BERNSTEIN,
Interstate Land Sales Administrator.

[FR Doc.72-15424 Filed 9-11-72;8:48 am]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

AIRPORT TRAFFIC CONTROL TOWER AT GREENVILLE, MISS.

Notice of Commissioning

Notice is hereby given that on or about September 14, 1972, the Airport Traffic Control Tower at the Greenville, Mississippi Municipal Airport will be in operation as an FAA facility. This information will be reflected in the FAA Organization Statement the next time it is issued. Communications to the tower should be as follows:

Federal Aviation Administration, Airport Traffic Control Tower, Greenville Municipal Airport, Greenville, Miss. 38701.

Issued in East Point, Ga., on August 31, 1972.

PHILLIP M. SWATEK,
Director, Southern Region.

[FR Doc.72-15436 Filed 9-11-72;8:49 am]

ATOMIC ENERGY COMMISSION

[Docket No. 50-358]

CINCINNATI GAS & ELECTRIC CO. ET AL.

Notice of Availability of AEC Final Environmental Statement

Pursuant to the National Environmental Policy Act of 1969 and the regulations of the Atomic Energy Commission (the Commission) in 10 CFR Part 50 Appendix D, notice is hereby given that a final environmental statement related to the proposed issuance of a construction permit to the Cincinnati Gas & Electric Co., Columbus & Southern

Ohio Electric Co., and the Dayton Power and Light Co. for the William H. Zimmer Nuclear Power Station to be located on the eastern shore of the Ohio River in Washington Township, Clermont County, Ohio, has been prepared and has been made available for public inspection in the Commission's Public Document Room at 1717 H Street NW., Washington, DC 20545, and in the Clermont County Library, Third and Broadway Streets, Batavia, Ohio 45103. The final environmental statement is also being made available at the Office of the Governor, State Clearinghouse, 62 East Broad Street, 2d Floor, Columbus, OH 43215, and at the Ohio-Kentucky-Indiana (OKI) Regional Planning Authority, 222 East Central Parkway, Cincinnati, OH 45202.

Notices of availability of the Applicant's environmental report and supplemental environmental reports (Supplements 1, 2, and 3) were published in the FEDERAL REGISTER on July 24, 1971 (36 F.R. 13805) and on February 17, 1972 (37 F.R. 3556), respectively. A notice relating to the availability of the Commission's draft environmental statement was published in the FEDERAL REGISTER on May 17, 1972 (37 F.R. 9800). Comments received from Federal, State, and local officials have been included as appendices to the final environmental statement.

Single copies of the Commission's final environmental statement may be obtained upon request addressed to the U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing.

Dated at Bethesda, Md., this 7th day of September, 1972.

For the Atomic Energy Commission.

ROGER S. BOYD,
Assistant Director for Boiling Water Reactors, Directorate of Licensing.

[FR Doc.72-15493 Filed 9-11-72;8:52 am]

[Docket No. 50-297]

NORTH CAROLINA STATE UNIVERSITY

Notice of Issuance of Facility License

No request for a hearing or petition for leave to intervene having been filed following publication of the notice of proposed action in the FEDERAL REGISTER on August 9, 1972 (37 F.R. 11035), the Atomic Energy Commission ("the Commission") has issued Facility License No. R-120 to North Carolina State University (NCSU) at Raleigh, N.C. The license authorizes North Carolina to possess and operate the NCSU Pulstar nuclear research reactor located on its campus at Raleigh, N.C., at steady state power levels up to a maximum of 1 megawatt (thermal), in accordance with the provisions of the license and the technical specifications appended thereto, and NCSU's application dated July 17, 1967, as amended. The license and technical specifications are being issued as proposed, except section 6.8.3.b of the technical specifications has been corrected to allow credit only for removal of particulates in the absolute filter installation.

The Commission has found that the application for the license, as amended, complies with the requirements of the Atomic Energy Act of 1954, as amended, and the Commission's regulations as published in 10 CFR Ch. I. The Commission has made findings required by the Act and the Commission's regulations which are set forth in the license, and has concluded that the issuance of the license will not be inimical to the common defense and security or to the health and safety of the public.

A copy of Facility License No. R-120, including the technical specifications, is available for public inspection at the Commission's Public Document Room at 1717 H Street NW., Washington, DC, or may be obtained upon request sent to the U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing.

Dated at Bethesda, Md., this 25th day of August 1972.

For the Atomic Energy Commission.

PAUL F. COLLINS,
Acting Assistant Director for Operating Reactors, Directorate of Licensing.

[FR Doc.72-15392 Filed 9-11-72;8:46 am]

[Docket No. 50-396]

UNIVERSITY OF VIRGINIA

Notice of Proposed Issuance of Construction Permit

The Atomic Energy Commission (herein "the Commission") is considering the issuance of a construction permit to the University of Virginia which would authorize the construction of a low power cooperatively assembled Virginia low-intensity educational reactor (Cavalier) for educational and training purposes on the university's campus at Charlottesville, Va. The proposed reactor will be operated at steady state power levels up to 100 watts (thermal).

The Commission has found that the application for the construction permit complies with the requirements of the Atomic Energy Act of 1954, as amended, and the Commission's regulations published in 10 CFR Ch. I. Prior to issuance of the proposed construction permit, the Commission will have made the remainder of the findings required by the Act, and the Commission's regulations which are set forth in the proposed permit.

Within thirty (30) days from the date of publication of this notice in the FEDERAL REGISTER, the applicant may file a request for a hearing, and any person whose interest may be affected by the issuance of the construction permit may file a petition for leave to intervene. Requests for a hearing and petitions to intervene shall be filed in accordance with the provisions of the Commission's rules of practice, 10 CFR Part 2. If a request for a hearing or a petition for leave to intervene is filed within the time prescribed in this notice, the Commission will issue a notice of hearing or an appropriate order.

For further details with respect to this proposed license, see (1) the application dated August 13, 1971, and supplements dated April 11, June 12, and July 18, 1972, (2) a related safety evaluation prepared by Reactor Projects, and (3) the proposed construction permit, all of which are available for public inspection in the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. A copy of each of items (2) and (3) may be obtained upon request sent to the Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing.

Dated at Bethesda, Md., this 28th day of August 1972.

For the Atomic Energy Commission.

PAUL F. COLLINS,
Acting Assistant Director for Operating Reactors, Directorate of Licensing.

[FR Doc.72-15393 Filed 9-11-72;8:47 am]

[Docket No. 50-302]

FLORIDA POWER CORP.

Notice of Availability of Draft Environmental Statement and Applicant's Environmental Report

Pursuant to the National Environmental Policy Act of 1969, and the Atomic Energy Commission's regulations in Appendix D to 10 CFR Part 50, notice is hereby given that a draft environmental statement related to the proposed issuance of an operating license to Florida Power Corp. for the Crystal River Unit 3 Nuclear Generating Plant, located in Citrus County, Fla., has been prepared by the Commission's Directorate of Licensing. The statement is available for inspection by the public in the Commission's Public Document Room, 1717 H Street NW., Washington, DC 20545, and in the Crystal River Public Library, Crystal River, Fla. 32629. The statement is also being made available at the Department of Administration, State Planning and Development Clearinghouse, 725 South Bronough Street, Tallahassee, FL 32304, and at the Tampa Bay Regional Planning Council, 3151 Third Avenue North, St. Petersburg, FL 33713. Copies of the Commission's Draft Environmental Statement may be obtained upon request addressed to the U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing.

The document entitled "Applicant's Environmental Report-Operating License Stage," dated January 4, 1972, submitted by Florida Power Corp. is also available

for public inspection at the above-designated locations. A notice of availability of the report was published in the FEDERAL REGISTER on February 11, 1972 (37 F.R. 3781).

Pursuant to 10 CFR 50, Appendix D, interested persons may, within forty-five (45) days from date of publication of this notice in the FEDERAL REGISTER, submit comments on the proposed action, the report, and the draft environmental statement for the Commission's consideration. Federal and State agencies are being provided with copies of the report and the draft environmental statement (local agencies may obtain these documents upon request) and, when any comments thereon by Federal, State, and local officials are received, they will be made available for public inspection at the above-designated locations. Comments on the draft environmental statement from interested members of the public should be addressed to the U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing.

Dated at Bethesda, Md., this 8th day of September 1972.

For the Atomic Energy Commission.

R. C. DEYOUNG,
Assistant Director for Pressurized Water Reactors, Directorate of Licensing.

[FR Doc.15575 Filed 9-11-72;8:55 am]

CIVIL AERONAUTICS BOARD

[Docket No. 23333; Order 72-9-11]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Specific Commodity Rates

Issued under delegated authority September 1, 1972.

An agreement has been filed with the Board pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and part 261 of the Board's Economic Regulations, between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of the Joint Conferences of the International Air Transport Association (IATA), and adopted pursuant to the provisions of Resolution 590 dealing with specific commodity rates.

The agreement, adopted pursuant to unprotested notices to the carriers and promulgated in an IATA letter dated August 17, 1972, names a new specific commodity rate as set forth below. The rate reflects a reduction from the otherwise applicable general cargo rate.

Specific commodity item no.	*Description and rate*
1026 ----------	Fish, live, inedible; 262 U.S. cents per kg., minimum weight 100 kgs., from Seychelles Islands to New York/Montreal.

Pursuant to authority duly delegated by the Board in the Board's regulations, 14 CFR 385.14, it is not found that the subject agreement is adverse to the public interest or in violation of the Act: *Provided*, That approval is subject to the condition hereinafter ordered.

Accordingly, it is ordered, That:

Agreement CAB 23264 be and hereby is approved, provided that approval shall not constitute approval of the specific commodity description contained therein for purposes of tariff publication: *Provided, further*, That tariff filings shall be marked to become effective on not less than 30 days' notice from the date of filing.

Persons entitled to petition the Board for review of this order, pursuant to the Board's regulations, 14 CFR 385.50, may file such petitions within 10 days after the date of service of this order.

This order shall be effective and become the action of the Civil Aeronautics Board upon expiration of the above period, unless within such period a petition for review thereof is filed or the Board gives notice that it will review this order on its own motion.

This order will be published in the FEDERAL REGISTER.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.72-15395 Filed 9-11-72;8:45 am]

[Docket No. 18078; Order 72-9-16]

NORTHWEST AIRLINES, INC.

Order To Show Cause

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 5th day of September 1972.

By petition filed May 23, 1972, Northwest Airlines, Inc. (Northwest), requests that the service mail rates in effect for the transatlantic transportation of military ordinary mail (MOM) as established by Order 68-9-8,[1] as amended, be made applicable to Northwest to the extent necessary to permit Northwest and Seaboard World Airlines, Inc., to equalize rates for MOM on through service between Washington, D.C., on the one hand, and London, Shannon, Amsterdam, Copenhagen, Hamburg, Cologne, Dusseldorf, Stuttgart, Munich, Glasgow, Stockholm, Brussels, Paris, Zurich, Basel, Geneva, Pisa, Frankfurt, Milan, and Rome, on the other hand.

Northwest states that granting this request will give the Postal Service greater flexibility and improved schedules for the dispatch of MOM at no added cost, and that its request is identical to that of American Airlines, Inc. (American), for which transatlantic MOM rates were established by Orders 70-3-147 and 72-4-151.[2] The carrier states that a notice of election and agreement for equalization covering this carriage of mail has been filed with the Board,[3] and that the service will be initiated upon the establishment of the rates as proposed herein.

No objections to Northwest's petition have been filed.

The Board finds that it is in the public interest to establish the service mail rates proposed herein. Therefore, upon consideration of the petition, and other matters officially noticed, especially those set forth in the orders to show cause issued with respect to the similar request of American (Orders 70-3-54, and 72-4-9),[4] the Board proposes to issue an order to include the following findings and conclusions:

1. The notice of election and agreement to equalize mail rates filed by Northwest Airlines, Inc., and Seaboard World Airlines, Inc., shall be approved.

2. Order 68-9-8 shall be further amended as follows:

(a) At line 5 on page 2, after the words "American Airlines, Inc.," add "Northwest Airlines, Inc.,".

(b) In footnote 2 on page 2, the period at the end of paragraph (3) is changed to a semicolon and the word "and" is added.

(c) Thereafter a new paragraph (4) is added which is to read:

(4) such service shall also include the carriage of MOM by Northwest between Washington, D.C., on the one hand, and New York, N.Y., on the other hand, in conjunction with the through carriage of MOM between Washington, D.C., on the one hand, and London, Shannon, Amsterdam, Copenhagen, Hamburg, Cologne, Dusseldorf, Stuttgart, Munich, Glasgow, Stockholm, Brussels, Paris, Zurich, Basel, Geneva, Pisa, Frankfurt, Milan, and Rome, on the other hand.

3. The mail rates proposed herein are to be paid entirely by the Postmaster General.

Accordingly, pursuant to the Federal Aviation Act of 1958, particularly sections 204(a) and 406 thereof, and the regulations promulgated in 14 CFR Part 302,

It is ordered, That:

1. All interested persons, and particularly American Airlines, Inc., National Airlines, Inc., Northwest Airlines, Inc., Pan American World Airways, Inc., Seaboard World Airlines, Inc., Trans World Airlines, Inc., the Postmaster General, and the Department of Defense are directed to show cause why the Board should not further amend Order 68-9-8, as amended, as proposed above.

2. Further procedures herein shall be in accordance with the rules of practice, 14 CFR Part 302, and if there is any objection to the rates or to the other findings and conclusions specified herein, notice thereof shall be filed within 10 days, and, if notice is filed, written answer and supporting documents shall be filed within 30 days, after the date of service of this order.

3. If notice of objection is not filed within 10 days, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order fixing

[1] September 4, 1968.
[2] March 30, 1970, and April 28, 1972.
[3] Dockets Nos. 16349 and 18078.
[4] March 11, 1970 and April 4, 1972.

the rates and incorporating the findings and conclusions stated herein.

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable rates herein shall be limited to those specifically raised by such answers except as otherwise provided in 14 CFR 302.307.

This order shall be served upon the parties enumerated in paragraph 1, above.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] PHYLLIS T. KAYLOR,
Acting Secretary.

[FR Doc.72-15396 Filed 9-11-72;8:45 am]

[Docket No. 22908; Order 72-9-13]

PAN AMERICAN WORLD AIRWAYS, INC.

Order To Engage in Capacity Reduction Discussions in New York/Newark-San Juan Market

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 5th day of September 1972.

Pan American World Airways, Inc. (Pan American) requests authority to engage in discussions looking toward extension of the capacity agreement in the New York/Newark-San Juan market approved by Board Order 72-6-70.[1] American Airlines, Inc., Eastern Air Lines, Inc., and the Commonwealth of Puerto Rico have filed answers in support of Pan American's petition.[2] Delta Air Lines, Inc. (Delta), has filed an answer in opposition.

Pan American again points to the peculiar economics of this market in justification of its requests. It states that none of the competing carriers are predicting a fair and reasonable return on investment in this market at present fares and traditional load factors. For itself it forecasts an operating loss of over $7 million in 1973 without some form of relief. The fares in this market result in revenue yields that are among the lowest in the industry, and the maintenance of the low-fare structure is considered important because of the island's heavy reliance on air transportation. In short, Pan American argues that the low yield and extreme peaking which characterize the market create unusually difficult capacity problems, demonstrated by an industry break-even load factor of more than 60 percent. Thus the presently existing agreement, while beneficial as far as it goes, is felt to be too short to be a meaningful aid in adjusting the market's diseconomies.

Delta argues against an extension, alleging basically that Pan American has not shown the existence of a "serious transportation need," recited as a standard by the Board in Order 71-3-71[3] for designation of markets appropriate for capacity reduction discussions. It has failed to do this, according to Delta, for two reasons: (1) Only Pan American appears to be in serious financial straits in this market, and (2) the upcoming winter season is not an off-peak period when excess capacity is characteristic of the market.

Upon consideration of these arguments, as well as the factors which prompted our original grant of approval in this market, we have decided to permit the requested discussions.

When we approved the resumption of discussions in this market in January, 1972[4] we included the provision that any resulting agreements would not be countenanced beyond October 28, 1972. We did so with the view that these agreements should terminate at approximately the same time as those which had been previously approved in the transcontinental markets. But we also acted with the view that any resulting agreements could be effectuated for a sufficient time to provide both needed financial relief and beneficial managerial experience stemming from continued operation at capacity levels properly attuned to traffic levels and market yield. The carriers, however, were initially unable to reach any agreement and not until after an extension of the period allowed for discussion[5] was the existing agreement finally reached. As this agreement could not become effective before August 1, 1972, the carriers will have operated at the reduced capacity for just 3 months when the agreement is scheduled to terminate.

In Order 72-6-70, we found that the proposed 13-week agreement expiring on October 28, 1972, was justified as a temporary expedient to meet an urgent need for a short-term remedy to rectify the existing capacity maladjustment which posed a serious economic threat to the carriers in the market. Specifically, we concluded that the proposal to increase load factors from some 43 percent in the September–October off-peak period to 65 percent, and from 60 percent in the August peak period to some 75 percent, represented a "serious transportation need" for this unique market which is so dependent on low-yield fares. We nevertheless reiterated our conviction that over a period of time carriers should be able to earn reasonable profits in a market, notwithstanding low yields, by unilaterally adjusting capacity so as to increase load factors to an appropriately high level.

We need not here reach the question whether the 13-week period in which the capacity agreement will have been in effect at the time of its expiration on October 28, will be sufficient to provide the necessary short-term remedy for the existing capacity maladjustment. The question before us is only whether the carriers should be permitted to engage in discussions looking toward the "possible renewal" of the agreement in the event that the effective time period and experience should prove insufficient. We anticipate that any such discussion would include a close examination of the necessity for continuance of the agreement in light of the experience gained from operation under the existing agreement, and that any request emanating from such discussions for approval of an agreement extension will be supported by an appropriate showing of the need for such extension.

By Order 72-8-42, the Board authorized discussions looking toward the extension of the four-market capacity agreement approved by Board Order 71-8-91. The Board permitted such discussions only with respect to an extension for not more than 6 months. The Board there reiterated its confidence that unilateral scheduling would not result in unreasonably low-load factors. It also noted the recent improvement in traffic growth. The Board nevertheless concluded that a further 6-month transitional period under the capacity agreement would be appropriate in light of the extraordinary problems of 1970 and 1971, and the continued gap between equipment on hand and available traffic. The Board further emphasized, on the other hand, that an extension beyond a further period of 6 months would be at odds with the competitive scheme envisaged by the Federal Aviation Act, pursuant to which capacity limitation agreements could be justified only as a temporary expedient to meet extraordinary problems.

Similar considerations are applicable here. The agreement will have been in effect only 13 weeks when it expires. We consider that it would be premature at this time to conclude that this short period of operation of the agreement would necessarily provide the required temporary expedient for correction of the capacity maladjustment in this market. The importance of maintenance, insofar as possible, of the low-yield fare structure for the Commonwealth of Puerto Rico, is too great for us to conclude that the necessity for extension of the agreement should not even be explored in discussions among the carriers. While Delta argues that the forthcoming period covers peak periods where capacity problems are not as serious as in off-peak periods, it may be observed that the agreement provides for a higher level of capacity during peak periods, and it appears that the load factors sought to be achieved are reasonably required as a means of maintenance of reasonable low-yield Puerto Rican fares. Moreover, a 6-month extension would cover the off-peak periods of November and February/March, as well as the peak periods of December/January and April.

In addition, while Pan American's financial situation in the New York/Newark-San Juan market appears to represent the most serious problem, and the importance of maintaining economical operations by Pan American in the Caribbean area must be considered, it

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[1] Dated, June 16, 1972.

[2] The City of New York, Department of Marine and Aviation, supports the petition. At its request, the Department has been added to the service list appended hereto.

[3] Dated, March 11, 1971.

[4] See Order 72-1-86, January 15, 1972.

[5] Order 72-4-127, April 24, 1972.

appears that the problem extends as well to Eastern and American.

Delta renews the request rejected in Order 72–6–70 with respect to reporting as to disposition of aircraft capacity freed as a result of capacity agreement,[6] assuming, of course, that the Board approves the discussions. Delta has made no showing of any matters not considered in Order 72–6–70 which would warrant the imposition of such requirements, particularly as a precondition to discussions looking toward a possible agreement which will be submitted to the Board for approval in the future.

Accordingly, it is ordered, That:

1. The application by Pan American World Airways, Inc. for approval of discussions regarding capacity reductions in the New York/Newark-San Juan market be and it hereby is approved subject to the following conditions:

(a) Discussions shall be held in Washington, D.C.; the hour and date of such meetings to be determined by the discussing carriers. A notice of such meetings shall be served upon the Civil Aeronautics Board and the persons stated in the appendix below at least 7 calendar days prior to such meetings;

(b) Participation in the discussions shall be limited to carriers certificated to provide single-plane scheduled service in the New York/Newark-San Juan market;

(c) Representatives of the Civil Aeronautics Board and any other local, State or Federal Government agency; civic, trade, or consumer association, group or representative; or air carrier expressing an interest shall be permitted to attend and view the discussions as observers;

(d) A full transcript shall be maintained of all meetings, at the expense of the carriers, and a copy of said transcripts shall be filed with the Board within 10 days after the conclusion of each day's meeting, and shall be available for purchase by any person;

(e) Any agreement reached as a result of the discussions authorized herein shall be filed with the Board for approval under section 412 of the Act within 15 days of consummation thereof, accompanied by an explanatory statement and a statement of justification, and shall be served on the persons listed in the appendix hereto within the same period: *Provided,* That no agreement shall be implemented without having been previously approved by the Board: *And provided further,* That any agreement reached and submitted to the Board for approval shall have an expiry date of not later than April 28, 1973;

(f) Comments pertaining to any agreement filed pursuant to subparagraph (e) shall be filed within 15 days from the date of the filing of such agreements with the Board;

(g) Comments in reply to any previously filed document authorized to be filed in subparagraphs (e) and (f) shall be filed within 10 days of filing of such document;

(h) The relief granted herein shall expire within 50 days of the date of this order and may be revoked or amended at any time in the discretion of the Board; and

(i) This authorization does not extend to discussions of rates, fares, charges, or inflight, or other services pertaining to air transportation.

2. Copies of this order shall be served on the persons named in the attached appendix; and

3. Except to the extent granted or deferred herein the application and all other requests in this proceeding be and they hereby are denied.

This order shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.[7]

[SEAL] PHYLLIS T. KAYLOR,
Acting Secretary.

APPENDIX

SERVICE LIST PERTAINING TO ORDERING PARAGRAPH 2

All U.S. Certificated Scheduled and Supplemental Carriers.
The Air Transport Association of America.
The National Air Carrier Association.
The Departments of Defense, Justice and Transportation and the U.S. Postal Service.
The City of New York, N.Y.
The City of Newark, N.J.
The City of San Juan, P.R.
The Commonwealth of Puerto Rico.
Port of New York Authority.
San Juan Ports Authority.
The Airline Pilots Association, International.
The Aviation Consumer Action Project.
The City of New York, Department of Marine and Aviation.

[FR Doc.72–15397 Filed 9–11–72;8:45 am]

[Docket No. 24573]

WARDAIR CANADA, LTD.

Notice of Prehearing Conference and Hearing

Wardair Canada, Ltd., renewal and amendment of foreign air carrier permit, Canada-United States: planeload, inclusive tour, and circle tour passenger charters, Docket 24573.

Notice is hereby given that a prehearing conference in the above-entitled matter is assigned to be held on September 27, 1972, at 10 a.m. (local time), in Room 726, Universal Building, 1825 Connecticut Avenue NW., Washington, DC, before Administrative Law Judge Frank M. Whiting.

Notice is also given that the hearing may be held immediately following conclusion of the prehearing conference unless a person objects or shows reason for postponement on or before September 20, 1972.

Dated at Washington, D.C., September 6, 1972.

[SEAL] ROBERT L. PARK,
Associate Chief
Administrative Law Judge.

[FR Doc.72–15398 Filed 9–11–72;8:45 am]

[Docket No. 24610]

MACKENZIE AIR LTD.

Notice of Prehearing Conference and Hearing Regarding Canada-United States Charter With Large Aircraft

Notice is hereby given that a prehearing conference in the above-entitled matter is assigned to be held on October 4, 1972, at 10 a.m. (local time), in Room 726, Universal Building, 1825 Connecticut Avenue NW., Washington, DC, before Administrative Law Judge Arthur S. Present.

Notice is also given that the hearing may be held immediately following conclusion of the prehearing conference unless a person objects or shows reason for postponement on or before September 27, 1972.

Dated at Washington, D.C., September 7, 1972.

[SEAL] ROBERT L. PARK,
Associate Chief
Administrative Law Judge.

[FR Doc.72–15497 Filed 9–11–72;8:54 am]

[Dockets Nos. 24144, 24153; Order 72–9–4]

SEDALIA, MARSHALL, BOONVILLE STAGE LINE, INC.

Order To Show Cause Regarding Establishment of Service Mail Rate

Issued under delegated authority September 1, 1972.

Final service mail rates per great circle aircraft mile for the transportation of mail by aircraft as shown in the appendix were established by the Board and are currently in effect for Sedalia, Marshall, Boonville Stage Line, Inc. (Sedalia), an air taxi operating pursuant to 14 CFR, Part 298.

By petition filed January 17, 1972, Sedalia requested the Board to reopen its current service mail rates and fix new final service mail rates per great circle aircraft mile, as set forth in the appendix.

By motions dated January 21 and 24, 1972, the Postmaster General requested a 30-day extension of time in which to file a reply to Sedalia's petition, stating that evaluation of rate adjustments requested by air taxi operators was a function of the regional personnel of the U.S. Postal Service. Therefore, in view of the time required properly to evaluate such requests, a determination of the position of the U.S. Postal Service could not be made in the normal time allowed for answers by the procedural rules of the Board. On February 2, 1972, the Postmaster General's motion for extension

[6] Delta would require such reports both to the Board and other interested carriers, and requests reports as to planned as well as actual utilization of freed capacity.

[7] Minetti and Murphy, Members of the Board, filed a joint dissenting statement which is filed as part of the original document.

of time for answer was granted, extending the date for answer to February 22, 1972.[1]

Answer to Sedalia's petition was filed March 23, 1972 by the Postmaster General opposing the increase in the service mail rate, contending Sedalia had not furnished evidence justifying the increase.

On May 9, 1972, the Postmaster General petitioned the Board for leave to file an amended answer, which is granted, claiming that although the passage of time had not resulted in a complete submission of documentation by Sedalia, it had enabled the Postal Service to take a specific position on the carriers' petition. The amended answer of the Postmaster General rejected cost increases, claimed by the carrier, for maintenance, engine overhaul, and crew wages in excess of 3.4 percent, the Bureau of Labor Statistics "Consumer Price Index" change for the period involved, which is the maximum allowable by the Postal Service for the above functions. In addition, overhead had been adjusted to eliminate cost increases claimed by the carrier other than Federal aircraft registration tax. On June 1, 1972, Sedalia filed an unauthorized document stating that certain papers supporting the requested increase had been misplaced and had since been sent to the Postal Service. In response, on July 6, 1972, the Postal Service filed a petition increasing its own proposed rate, reflecting the recognition of overhead costs not previously documented.[2] On July 25, confirmed August 8, 1972, Sedalia filed an answer to that petition agreeing with the Postal Service. After giving effect to the above adjustments, the Postmaster General states that no objection would be made by the Postal Service to the issuance of an order by the Board establishing service mail rates per great circle aircraft mile for the transportation of mail by aircraft as shown in the appendix.[3]

It is in the public interest to fix, determine, and establish the fair and reasonable rate of compensation to be paid by the Postmaster General for the proposed transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the petition and other matters officially noticed, it is proposed to issue an order[4] to include the following findings and conclusions:

The fair and reasonable final service mail rate to be paid to Sedalia, Marshall, Boonville Stage Line, Inc., in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be the rates per great circle aircraft mile based on five round trips per week as set forth below:

Route	Rate cents per mile
Lufkin and Dallas, via Palestine, Tex.	[5] 51.67
Texarkana and Dallas, Tex.	[6] 57.33

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR, Part 302, 14 CFR, Part 298, and 14 CFR 385.16 (f),

It is ordered, That:

1. Sedalia, Marshall, Boonville Stage Lines, Inc., the Postmaster General, Braniff Airways, Inc., Texas International Airlines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rates specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rate of compensation to be paid to Sedalia, Marshall, Boonville Stage Line, Inc.;

2. Further procedures herein shall be in accordance with 14 CFR, Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rate specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the Rules of Practice (14 CFR 302.307); and

5. This order shall be served on Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, Braniff Airways, Inc., and Texas International Airlines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.72-15494 Filed 9-11-72;8:54 am]

[Dockets Nos. 24135, 24136; Order 72-9-5]

SEDALIA, MARSHALL, BOONVILLE STAGE LINE, INC.

Amended Order To Show Cause Regarding Establishment of Service Mail Rate

Issued under delegated authority September 1, 1972.

By this order the Board proposes to amend Order 72-6-20, dated June 5, 1972 and Order 72-6-19, dated June 5, 1972, to increase the service mail rate received by Sedalia, Marshall, Boonville Stage Line, Inc. (Sedalia) and air taxi operating pursuant to 14 CFR, Part 298. Orders 72-6-20 and 72-6-19 directed all interested persons and particularly Sedalia, Marshall, Boonville Stage Line, Inc. and the Postmaster General to show cause why the Board should not adopt the final rates during the periods and over the routes applicable therein.[1] On June 1 Sedalia filed an unauthorized document stating that some of the papers supporting the requested mail rate increase had been misplaced and were now being sent to the Postal Service. The unauthorized document was received too late to affect the issuance of the show cause orders. On June 14, Sedalia filed an objection to the order. On July 6, 1972, in response to both the objection, the unauthorized document filed by Sedalia, and in light of the information described in that document, the Postal Service filed a petition increasing still further the rate proposed in Order 72-6-20 from 57 cents to 57.56 cents per great circle aircraft mile, and in Order 72-6-19 from 43.16 cents to 43.52 cents per great circle aircraft mile. These increased rates reflect previously undocumented cost increases, among which are fuel, engine overhaul, and general overhead expenses explained in the Form 2751-C attached to the petition. On August 8, 1972 Sedalia filed an answer to that petition agreeing with the Postal Service.

Based upon our review of the new information, together with all other relevant data, we find that the proposed increases do not appear unreasonable. Thus, we propose to amend Orders 72-6-20 and 72-6-19, to reflect the increased engine overhaul and general overhead expense, and increase the proposed mail rates from 57 cents to 57.56 cents per great circle aircraft mile, in Docket No.

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[1] The Postmaster General, on February 15, 1972, by motion requested an additional 30-day extension of time to file his answer stating difficulties were encountered in the evaluation of the petition by regional personnel of the Postal Service. Extension was granted February 22, 1972, extending the due date for answer to March 23, 1972.

[2] All the adjustments made herein by the Postal Service are in compliance with Regional Instruction 530-4, "Air Taxi Transportation Rate Adjustments, Part 398 Operators."

[3] Filed as part of the original document.

[4] As this order to show cause is not a final action, it is not regarded as subject to the review provisions of 14 CFR, Part 385. These provisions will apply to final action taken by the staff under authority delegated in § 385.16(g).

[5] Effective March 5, 1972 as requested by Sedalia's motion dated March 13, 1972.

[6] Effective February 24, 1972 as requested by Sedalia's motion dated March 13, 1972.

[1] Order 72-6-20 of Docket No. 24135 stated that the rate therein would be applicable on and after March 5, 1972 between Longview and Dallas, Tex. via Tyler, Tex. and Order 72-6-19 of Docket No. 24136 stated that the rate therein would be applicable on and after February 26, 1972, between San Angelo and Dallas via Brownwood, Tex. Both rates are based on five round trips per week over the applicable routes.

24135, and from 43.16 cents to 43.52 cents per great circle aircraft mile, in Docket No. 24136.[3]

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR, Part 302, 14 CFR, Part 298, and 14 CFR 385.16(f),

It is ordered, That:

1. Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, Braniff Airways, Inc., Texas International Airlines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and amend the final rates specified in Orders 72-6-20, and 72-6-19;

2. Further procedures herein shall be in accordance with 14 CFR, Part 302, and, if there is any objection to the amendments or to the findings and conclusions proposed herein, notice thereof shall be filed, within 10 days after the date of service of this order, and if notice is filed, written answer and supporting documents shall be filed within 30 days after date of service of this order;

3. If notice of objection is not filed within 10 days, or if notice is filed and if answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and in Orders 72-6-20, and 72-6-19 and fix and determine the final rates specified in Orders 72-6-20, and 72-6-19 as amended herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable rates herein shall be limited to those specifically raised by such answers except as otherwise provided in 14 CFR 302.307;

5. This order shall be served on Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, Braniff Airways, Inc., and Texas International Airlines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.72-15495 Filed 9-11-72;8:54 am]

[Docket No. 24140 etc.; Order 72-9-9]

SEDALIA, MARSHALL, BOONVILLE STAGE LINE, INC.

Order To Show Cause Regarding Establishment of Service Mail Rates

Issued under delegated authority September 1, 1972. The establishment of service mail rates for Sedalia, Marshall, Boonville Stage Line, Inc., Dockets: 24140, 24141, 24142, 24143, 24145, 24146, 24147, 24148, 24149, 24152.

[3] See footnote 1, page 18490.

Final service mail rates per great circle aircraft mile for the transportation of mail by aircraft as shown by the appendix were established by the Board and are currently in effect for Sedalia, Marshall, Boonville Stage Line, Inc. (Sedalia), an air taxi operating pursuant to 14 CFR, part 298.

By petition filed January 17, 1972, Sedalia requested the Board to reopen its current service mail rates and fix new final service mail rates per great circle aircraft mile as set forth in the appendix.[1]

By motion dated January 24, 1972, the Postmaster General requested a 30-day extension of time in which to file a reply to Sedalia's petition, stating that evaluation of rate adjustments requested by air taxi operators was a function of the regional personnel of the U.S. Postal Service. Therefore, in view of the time required properly to evaluate such requests, a determination of the position of the U.S. Postal Service could not be made in the normal time allowed for answers by the Procedural Rules of the Board. On February 2, 1972, the Postmaster General's motion for extension of time for answer was granted, extending the date for answer to February 22, 1972.[2]

Answer to Sedalia's petition was filed March 23, 1972, by the Postmaster General opposing the increase in the service mail rate, contending Sedalia had not furnished evidence justifying the increases.

On May 9, 1972, the Postmaster General petitioned the Board for leave to file an amended answer, which is granted, claiming that although the passage of time had not resulted in complete submission of documentation by Sedalia, it had enabled the Postal Service to take a specific position on the carrier's petition. The amended answer of the Postmaster General rejected cost increases, claimed by the carrier, for maintenance, engine overhaul, and crew wages in excess of 3.4 percent, the Bureau of Labor Statistics "Consumer Price Index" change for the period involved, which is the maximum allowable by the Postal Service for the above functions. In addition, unsupported increases in fuel and landing fees had been denied and overhead had been adjusted to eliminate cost increases claimed by the carrier other than Federal aircraft registration tax. On June 1, 1972, Sedalia filed an unauthorized document stating that certain papers supporting the requested increases had been misplaced and had since been sent to the Postal Service. In response, on July 6, 1972, the Postal Service filed a petition increasing its proposed rates, reflecting the recognition of overhead and other costs not previously documented.[3] On July 21, 1972, Sedalia filed an answer to that petition agreeing with the Postal Service.

After giving effect to the above adjustments which reduce Sedalia's proposed service mail rates, the Postmaster General states that no objection would be made by the Postal Service to the issuance of an order by the Board establishing service mail rates per great circle aircraft mile for the transportation of mail by aircraft as shown in the appendix.

It is in the public interest to fix, determine, and establish the fair and reasonable rate of compensation to be paid by the Postmaster General for the proposed transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the petition and other matters officially noticed, it is proposed to issue an order[4] to include the following findings and conclusions.

The fair and reasonable final service mail rate to be paid on and after January 17, 1972,[5] to Sedalia, Marshall, Boonville Stage Line, Inc., in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be the rates per great circle aircraft mile based on five round trips per week as set forth below:

Route	*Rate cents per mile*
Sheldon and Des Moines, Iowa, via Spencer and Fort Dodge, Iowa	56.41
Chicago, Ill., and Louisville, Ky	61.12
Sioux City and Des Moines, via Carroll, Iowa	53.87
Burlington and Des Moines, via Ottumwa, Iowa	49.92
Decorah and Des Moines, via Mason City, Iowa	53.13
AMF Twin Cities, Minneapolis, Minn., and Des Moines, Iowa	106.98
Dubuque and Des Moines, via Waterloo, Iowa	50.76
Sioux Falls, S. Dak., and AMF Twin Cities Minneapolis, Minn. via Windom and Wilmar, Minn	61.05
Alliance and Omaha, via North Platte and Grand Island, Nebr	[6] 62.54
Moline, Ill., and Kirksville, Mo., via Cedar Rapids and Des Moines, Iowa, and St. Louis, and Columbia, Mo	51.45

[1] Filed as part of the original document.

[2] The Postmaster General, on Feb. 15, 1972, by motion requested an additional 30-day extension of time to file his answer stating difficulties were encountered in the evaluation of the petition by regional personnel of the Postal Service. Extension was granted Feb. 22, 1972, extending the due date for answer to Mar. 23, 1972.

[3] All the adjustments made herein by the Postal Service are in compliance with the Regional Instruction 530-4, "Air Taxi Transportation Rate Adjustments, Part 298 Operators."

[4] As this order to show cause is not a final action, it is not regarded as subject to the review provisions of 14 CFR, Part 385. These provisions will apply to final action taken by the staff under authority delegated in § 385.16(g).

[5] With the exception of the route from Alliance to Omaha via North Platte and Grand Island, Nebr., which has an effective date of Mar. 26, 1972, as requested by Sedalia's motion dated Mar. 10, 1972.

[6] See footnote 4, above.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR, Part 302, 14 CFR, Part 298, and 14 CFR 385.16 (f),

It is ordered, That:

1. Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, Ozark Air Lines, Inc., Frontier Airlines, Inc., Braniff Airways, Inc., United Air Lines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rates specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rate of compensation to be paid to Sedalia, Marshall, Boonville Stage Line, Inc.;

2. Further procedures herein shall be in accordance with 14 CFR, Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rates specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rates shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the Rules of Practice (14 CFR 302.307); and

5. This order shall be served on Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, Ozark Air Lines, Inc., Frontier Airlines, Inc., Braniff Airways, Inc., and United Air Lines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.72-15496 Filed 9-11-72;8:54 am]

ENVIRONMENTAL PROTECTION AGENCY

APPLIED BIOCHEMISTS, INC.

Notice of Filing of Petition Regarding Pesticide Chemical

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408 (d)(1), 68 Stat. 512; 21 U.S.C. 346a(d)(1)), notice is given that a petition (PP 2F1227) has been filed by Applied Biochemists, Inc., Post Office Box 25, Mequon, WI 53092, proposing establishment of an exemption from the requirement of a tolerance (40 CFR Part 180) for residues of triethanolamine when used as an inert ingredient in aquatic herbicides applied to water.

The analytical method proposed in the petition for determining residues of triethanolamine is titration with hydrochloric acid to pH 5.

Dated: September 1, 1972.

WILLIAM M. UPHOLT,
Deputy Assistant Administrator for Pesticide Programs.

[FR Doc.72-15457 Filed 9-11-72;8:51 am]

BIO-LAB

Notice of Filing of Petition Regarding Pesticide Chemicals

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408 (d)(1), 68 Stat. 512; 21 U.S.C. 346a(d)(1)), notice is given that a petition (PP 2F1199) has been filed by Bio-Lab, Post Office Box 1489, Decatur, GA 30031, proposing establishment of a tolerance (40 CFR Part 180) for combined residues of the pesticides alkyl (C_{12}–C_{16}) dimethyl dichlorobenzyl ammonium chloride and alkyl (C_{12}–C_{16}) dimethyl ethyl ammonium bromide, in the raw agricultural commodities eggs and the meat, fat, and meat byproducts of poultry at 1 part per million when used as sanitizers in poultry drinking water at specified concentrations.

The analytical method proposed in the petition for determining residues of the pesticide chemicals is a procedure where a dye is formed and measured spectrophotometrically.

Dated: September 1, 1972.

WILLIAM M. UPHOLT,
Deputy Assistant Administrator for Pesticides Programs.

[FR Doc.72-15458 Filed 9-11-72;8:51 am]

CIBA-GEIGY CORP.

Notice of Filing of Petition Regarding Pesticide Chemical

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a(d)(1)), notice is given that a petition (PP 3F1299) has been filed by CIBA-GEIGY Corp., Ardsley, N.Y. 10502 proposing establishment of tolerances (40 CFR Part 180) for negligible residues of the herbicide 2-ethylamino-4-isopropylamino-6-methylthio-*s*-triagine in or on the raw agricultural commodities grapefruit and oranges at 0.25 part per million.

The analytical method proposed in the petition for determining residues of the herbicide is a gas chromatographic procedure using a flame photometric detector equipped with a sulfur specific filter.

Dated: September 1, 1972.

WILLIAM M. UPHOLT,
Deputy Assistant Administrator for Pesticides Programs.

[FR Doc.72-15459 Filed 9-11-72;8:51 am]

FEDERAL MARITIME COMMISSION

AMERICAN EXPORT LINES, INC. AND SEATRAIN LINES, INC.

Notice of Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1015; or may inspect the agreement at the field offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

Fermin Mendez, Rate Manager, Seatrain Lines, Inc., Container Division, Port Seatrain, Weehawken, N.J. 07087.

Agreement No. 9996, between American Export Lines, Inc. and Seatrain Lines, Inc., establishes a through billing arrangement for the transportation of general cargo in the trade from India, Pakistan, Ceylon, Persian Gulf, Red Sea and Gulf of Aden ports, and ports in Egypt, Lebanon, Syria, Turkey, Greece, and Israel to ports in Puerto Rico with transshipment at the port of New York, N.Y., under terms and conditions set forth in the agreement. Agreement No. 9996 will cancel and supersede Agreement No. 9395.

Dated: September 6, 1972.

By order of the Federal Maritime Commission.

JOSEPH C. POLKING,
Assistant Secretary.

[FR Doc.72-15483 Filed 9-11-72;8:52 am]

PITTSTON STEVEDORING CORP. AND CHILLEAN LINE, INC.

Notice of Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1015; or may inspect the agreement at the field offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

John Williams, Esq., Kirlin, Campbell & Keating, 120 Broadway, New York, NY 10005.

Agreement No. T-2475-1, between Pittston Stevedoring Corp. (Pittston) and Chilean Line, Inc. (Chilean Line), modifies the basic agreement which provides for Pittston to perform terminal services at Chilean Line's premises at the Port Authority Grain Terminal at Brooklyn, N.Y. The purpose of the modification is to extend the basic term of the agreement to October 25, 1974, and reduce the minimum guarantee from $150,000 annually to $120,000 annually for the period from October 26, 1971, to October 25, 1973, thereafter reverting to $150,000 annually.

Dated: September 6, 1972.

By order of the Federal Maritime Commission.

JOSEPH C. POLKING,
Assistant Secretary.

[FR Doc.72-15485 Filed 9-11-72;8:52 am]

UNITED STATES ATLANTIC & GULF-HAITI CONFERENCE

Notice of Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1015; or may inspect the agreement at the field offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

C. D. Marshall, Chairman, United States Atlantic & Gulf-Haiti Conference, 11 Broadway, New York, NY 10004.

Agreement No. 8120-13, among the member lines of the United States Atlantic & Gulf-Haiti Conference, amends the basic agreement by adding a new paragraph at the end of article 1 which reads as follows:

In the event of competition at Atlantic coast Florida ports south of the 30th parallel of latitude to and including the port of Key West by vessels not owned, operated, managed or controlled by parties to this Agreement, the line or lines serving the herein described range shall have the privilege to meet the competition by giving 48 hours advance notice to the other parties to this Agreement to establish rates, rules and regulations from one or more ports within the range.

Dated: September 7, 1972.

By order of the Federal Maritime Commission.

JOSEPH C. POLKING,
Assistant Secretary.

[FR Doc.72-15486 Filed 9-11-72;8:53 am]

UNITED STATES ATLANTIC & GULF-HAITI CONFERENCE

Notice of Petition Filed

Notice is hereby given that the following petition has been filed with the Commission for approval pursuant to section 14b of the Shipping Act, 1916, as amended (75 Stat. 762, 46 U.S.C. 814).

Interested parties may inspect a copy of the current contract form and of the petition, reflecting the changes proposed to be made in the language of said contract, at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1015 or at the field offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to the proposed changes and the petition, including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, 1405 I Street NW., Washington, DC 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed modification of the contract form and/or the approved contract system shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the petition (as indicated hereinafter), and the statement should indicate that this has been done.

Notice of application to amend an approved dual rate contract system filed by:

C. D. Marshall, Chairman, United States Atlantic and Gulf-Haiti Conference, 11 Broadway, New York, NY 10004.

Notice is hereby given that the member lines of the United States Atlantic and Gulf-Haiti Conference have filed with the Commission pursuant to section 14(b) of the Shipping Act, 1916, an application to amend the Conference's approved dual rate contract by adding a new paragraph to the language of article 10(d) thereof which will permit the carriers to suspend the application of the contract in accordance with the terms and conditions specified in the amendment.

Dated: September 7, 1972.

By order of the Federal Maritime Commission.

JOSEPH C. POLKING,
Assistant Secretary.

[FR Doc.72-15487 Filed 9-11-72;8:53 am]

UNIVERSAL TRANSCONTINENTAL CORP. AND J. S. STASS CO., INC.

Notice of Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (29 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1015; or may inspect the agreement at the field offices located at New

York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

Mr. A. J. Pascale, Executive Vice President, Universal Transcontinental Corp., 325 Spring Street, New York, N.Y. 10013.

Agreement No. FF 72-6, between Universal Transcontinental Corp. (Universal, FMC No. 394) and J. S. Stass Co., Inc. (Stass, FMC No. 136) was filed for the purpose of obtaining approval pursuant to section 15, Shipping Act, 1916, of the sale of Stass's name, good will, customer lists, and certain other assets to Universal.

Stass is to submit its independent ocean freight forwarding license to the Federal Maritime Commission for revocation.

Dated: September 5, 1972.

By order of the Commission.

JOSEPH C. POLKING,
Assistant Secretary.

[FR Doc.72-15484 Filed 9-11-72;8:52 am]

[Independent Ocean Freight Forwarder License 374]

MARION SHIPPING CO., INC.

Order of Revocation

Marion Shipping Co., Inc., 32 Broadway, New York, NY 10004, wishes to voluntarily surrender its Independent Ocean Freight Forwarder License No. 374 for revocation.

By virtue of authority vested in me by the Federal Maritime Commission as set forth in Manual of Orders, Commission Order No. 1 (revised) section 7.04(f) (dated May 1, 1972);

It is ordered, That Independent Ocean Freight Forwarder License No. 374 be returned to the Commission for cancellation.

It is further ordered, That the Independent Ocean Freight Forwarder License of Marion Shipping Co., Inc. be and is hereby revoked effective August 30, 1972, without prejudice to reapply for a license at a later date.

It is further ordered, That a copy of this order be published in the FEDERAL REGISTER and served upon Marion Shipping Co., Inc.

AARON W. REESE,
Managing Director.

[FR Doc.72-15488 Filed 9-11-72;8:53 am]

[Docket No. 72-48]

PACIFIC MARITIME ASSOCIATION

Order of Investigation

The Ports of Anacortes, Bellingham, Everett Grays Harbor, Olympia, Port Angeles, Portland, and Tacoma (hereinafter collectively referred to as Petitioners) have filed with this Commission a petition requesting an investigation of agreements, providing for the employment of longshore labor, entered into by the Pacific Maritime Association (PMA) and the International Longshoremen's and Warehousemen's Union (ILWU), and the practices resulting from the implementation thereof. Both PMA and the ILWU have filed replies urging denial of Petitioners' request.

Petitioners are municipal corporations owning and operating marine terminal facilities in the States of Washington or Oregon. None of the Petitioners is a member of PMA.

PMA is a corporation organized and existing under the laws of the State of California whose membership includes steamship lines, steamship agents, stevedoring companies, and marine terminal companies, operating at Pacific coast ports of the United States.

ILWU is an unincorporated association and is the bargaining agent representing longshoremen, marine checkers, and dock workers, with related skills, who are employed by the members of PMA at Pacific coast ports of the United States.

Specifically, the agreement which Petitioners would have the Commission investigate is a so-called Supplemental Memorandum of Understanding No. 4, dated April 25, 1972, which allegedly supplements a master collective bargaining agreement establishing the "hiring halls" which must be utilized by Petitioners to obtain longshore labor. As regards the supplemental memorandum, Petitioners explain that:

> Said memorandum provides, inter alia, that a nonmember of PMA must become a party to said agreement for an indefinite duration as a condition to directly employing any member of the joint work force, and that any nonmembers' "separate ILWU contract" must conform to said memorandum. Any nonmember who fails to conform to the manpower allocation and the referral system of the PMA and ILWU is disqualified from employing any member of the joint work force. Said memorandum subjects nonmembers to payment of assessments and dues and acceptance of proportional liability as to obligations of the PMA and its member companies, and compels such nonmembers to submit to the labor policies of the PMA as respects strikes and lockouts.

Petitioners submit that the aforementioned supplemental memorandum as well as the underlying master collective bargaining contract are "agreements" within the meaning of section 15 of the Shipping Act, 1916, which should be filed for Commission approval pursuant to that section.

Further, Petitioners maintain that the supplemental memorandum and the practices contemplated thereby are detrimental to the commerce of the United States, contrary to the public interest, unfair, unjust, discriminatory, and unduly prejudicial and violative of sections 15, 16, and 17, of the Shipping Act, 1916 in that they:

(1) Would permit the PMA and the ILWU to monopolize, dominate, and control, the business of moving cargo in foreign and interstate commerce from and to the Petitioners' ports, including the handling and storage of such cargo while at such ports.

(2) Would force shippers and consignees to deal with nonmembers of the PMA, including the Petitioners' ports, on terms substantially less advantageous than with members of the PMA, thereby enforcing a concerted boycott by shippers and consignees of such nonmembers. The effect of such boycott would be to make it difficult or impossible for nonmembers, including Petitioners' ports, to remain in business.

(3) Would force Petitioners and others similarly situated to join the PMA in order that the latter could control their activities, including dictating the labor policies of the Petitioners.

(4) Would regulate, dominate and restrain interstate and foreign commerce with respect to moving and storing cargo to be operated and carried out under artificial and noncompetitive conditions.

(5) Would achieve for the PMA an exclusive, preferential and cooperative working arrangement.

(6) Would permit the PMA and the ILWU to control and regulate the marine terminal operations of Petitioners and prevent and destroy competition of the Petitioners with member companies of the PMA.

PMA's response to the petition for investigation denies all but a few unessential allegations contained therein. On the strength of the fact that the ILWU, one of the two contracting parties to the agreements at issue, is not an "other person" within the meaning of section 1 of the Shipping Act, 1916, PMA maintains that "for said reason alone, notwithstanding all other reasons, neither, the [master] agreement nor supplemental memorandum * * * is an agreement covered by the Shipping Act nor is either subject to submission, review and/or approval by the * * * Commission pursuant to said Act." Likewise, the ILWU has moved to dismiss the petition for investigation on the grounds that it is not subject to the Commission's jurisdiction and accordingly, the Commission has no authority over the agreements between it and PMA.

The Commission has considered this petition by these various Northwest ports requesting an investigation of the said collective bargaining contract, and supplemental agreement thereto, and replies

filed by PMA and the ILWU, and it is of the opinion that to the extent such "contracts" involve underlying agreements among and between the members of PMA they are within the Commission's jurisdiction and should be made subject to a formal investigation.

Therefore it is ordered, That pursuant to section 22 of the Shipping Act, 1916, (46 U.S.C. 821), an investigation be instituted to determine:

1. Whether the master collective bargaining contract and the Supplemental Memorandum of Understanding No. 4 entered into by PMA and the ILFU embody any agreements between and among the members of PMA, which agreements are subject to the requirements of section 15 of the Shipping Act, 1916 (46 U.S.C. 814) and should be filed for approval under that section, or whether such agreements otherwise exist;

2. Whether the implementation by PMA and the ILWU of the master collective bargaining contract and Supplemental Memorandum of Understanding No. 4 will result in any practices which will subject any person, locality or description of traffic to undue or unreasonable prejudice or disadvantage in violation of section 16 of the Shipping Act, 1916 (46 U.S.C. 815);

3. Whether the implementation by PMA and the ILWU of the master collective bargaining contract and Supplemental Memorandum of Understanding No. 4 will result in any practice which is unjust or unreasonable in violation of section 17 of the Shipping Act, 1916 (46 U.S.C. 816);

4. Whether any labor policy considerations would operate to exempt these agreements or practices resulting therefrom from any provision of section 15, 16, or 17 of the Shipping Act, 1916; and

It is further ordered, That the Pacific Maritime Association and the International Longshoremen's and Warehousemen's Union, and their respective members are hereby made respondents in this proceeding; and

It is further ordered, That a public hearing be held before an examiner of the Commission's Office of Hearing Examiners at a date and place to be determined and announced by the Hearing Examiner; and

It is further ordered, That notice of this order be published in the FEDERAL REGISTER and that a copy thereof and notice of hearing be served upon petitioners and both the Pacific Maritime Association and the International Longshoremen's and Warehousemen's Union, individually, and on behalf of their respective members; and

It is further ordered, That notice of this order and notice of hearing be mailed directly to the Department of Justice, the Department of Labor and the National Labor Relations Board; and

It is further ordered, That all future notices issued by or on behalf of the Commission in this proceeding, including notice of time and place of hearing or prehearing conference, shall be mailed to petitioners, the Pacific Maritime Association and the International Longshoremen's and Warehousemen's Union, individually, and on behalf of their members, and any other person made a party of record to this proceeding; and

It is further ordered, That any person other than those named herein who desires to become a party to this proceeding and to participate herein, shall file a petition to intervene in accordance with Rule 5(1) (46 CFR 502.72) of the Commission's rules of practice and procedure.

Finally, it is ordered, That the motion of the ILWU to dismiss the petition for investigation is denied.

By the Commission.

[SEAL] JOSEPH C. POLKING,
Assistant Secretary.

[FR Doc.72-15477 Filed 9-11-72;8:53 am]

FEDERAL RESERVE SYSTEM

AMERICAN NATIONAL HOLDING CO.

Acquisition of Banks

American National Holding Co., Kalamazoo, Mich., 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)) to acquire 100 percent of the voting shares (less directors' qualifying shares) of: (1) The American National Bank of Portage, Portage, Mich.; (2) the successor by merger to The Niles National Bank & Trust Co., Niles, Mich.; and (3) the successor by merger to The American Bank of Three Rivers, National Association, Three Rivers, Mich. 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 Chicago. 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 October 2, 1972.

Board of Governors of the Federal Reserve System, September 6, 1972.

[SEAL] MICHAEL A. GREENSPAN,
Assistant Secretary of the Board.

[FR Doc.72-15401 Filed 9-11-72;8:46 am]

CENTURY BANCSHARES, INC.

Formation of Bank Holding Company and Continuation of Certain Insurance Agency Activities

Century Bancshares, Inc., Parsons, Kans., has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) to become a bank holding company through acquisition of 81.96 percent or more of the voting shares of The First National Bank of Parsons, Parsons, Kans. 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)).

In its application, applicant indicates that it already has made the acquisitions. By order dated June 22, 1971, the Board has authorized any company which, between December 31, 1970, and June 22, 1971, has taken action requiring prior Board approval, without such approval, to apply to the Board for subsequent approval of that action if certain conditions are present. Whether these conditions are met in this case is currently under study.

Century Bancshares, Inc., has also applied, pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to continue to engage in certain insurance agency activities. Notice of the application was published on July 26, 1972, in The Parsons Sun, a newspaper circulated in Parsons, Kans.

Applicant states that it would continue to engage in the sale of credit life and credit accident and health insurance in connection with extensions of credit by The First National Bank of Parsons. Such activities have been specified by the Board in §225.4(a) of Regulation Y as permissible for bank holding companies, subject to Board approval of individual proposals in accordance with the procedures of § 225.4(b).

Interested persons may express their views on the question whether consummation of the proposal filed pursuant to Section 4(c)(8) can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question should be accompanied by a statement summarizing the evidence the person requesting the hearing proposes to submit or to elicit at the hearing and a statement of the reasons why this matter should not be resolved without a hearing.

The applications may be inspected at the offices of the Board of Governors or at the Federal Reserve Bank of Kansas City.

Any views or requests for hearing should be submitted in writing and received by the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, not later than October 6, 1972.

Board of Governors of the Federal Reserve System, September 5, 1972.

[SEAL] MICHAEL A. GREENSPAN,
Assistant Secretary of the Board.

[FR Doc. 72-15402 Filed 9-11-72; 8:46 am]

CHARTER NEW YORK CORP.

Acquisition of Bank

Charter New York Corp., New York, N.Y., 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 100 percent of the voting shares (less directors' qualifying shares) of the successor by merger to the First National Bank of Moravia, Moravia, N.Y. 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 New York. 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 October 2, 1972.

Board of Governors of the Federal Reserve System, September 6, 1972.

[SEAL] MICHAEL A. GREENSPAN,
Assistant Secretary of the Board.

[FR Doc.72-15403 Filed 9-11-72;8:46 am]

FIRST ARKANSAS BANKSTOCK CORP.

Proposed Acquisition of L. E. Lay & Co., Inc.

First Arkansas Bankstock Corp., Little Rock, Ark., has applied, pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to acquire voting shares of L. E. Lay & Co., Inc., Little Rock, Ark. Notice of the application was published and circulated in:

Pulaski County, Ark.	The Arkansas Gazette	Apr. 26, 1972
Texarkana, Tex.	Texarkana Gazette	May 3, 1972
Shreveport, La.	Shreveport Times-Shreveport Journal.	Apr. 28, 1972
Chicago, Ill.	Chicago Tribune	Apr. 28, 1972
Decatur, Ill.	Decatur Herald and Review.	May 20, 1972

Applicant states that the proposed subsidiary would engage in the activities of making or acquiring for its own account or for the account of others real estate mortgage loans and servicing such loans. Other activities would include acting as an insurance agent or broker with respect to insurance that is directly related to an extension of credit or the performance of other financial services by L. E. Lay & Co., Inc. Applicant states that substantially all of the insurance policies of L. E. Lay written to date have been accident and health or life insurance policies written in connection with the mortgages originated or brokered by L. E. Lay & Co., Inc. Such activities have been specified by the Board in § 225.4(a) of Regulation Y as permissible for bank holding companies, subject to Board approval of individual proposals in accordance with the procedures of § 225.4(b).

Interested persons may express their views on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question should be accompanied by a statement summarizing the evidence the person requesting the hearing proposes to submit or to elicit at the hearing and a statement of the reasons why this matter should not be resolved without a hearing.

The application may be inspected at the offices of the Board of Governors or at the Federal Reserve Bank of St. Louis.

Any views or requests for hearing should be submitted in writing and received by the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, not later than October 6, 1972.

Board of Governors of the Federal Reserve System, September 5, 1972.

[SEAL] MICHAEL A. GREENSPAN,
Assistant Secretary of the Board.

[FR Doc.72-15404 Filed 9-11-72;8:46 am]

PROVIDENT NATIONAL CORP.

Order Approving Acquisition of Lease Financing Corporation

Provident National Corp., Philadelphia, Pa., a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to acquire not less than 51 percent of the voting shares of Lease Financing Corp. (LFC), Wynnewood, Pa., a company that engages in the activity of leasing personal property or acting as agent, broker, or adviser with respect to the leasing of such property. Such activity has been determined by the Board to be closely related to the business of banking (12 CFR 225.4(a)(6)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (37 F.R. 14259). The time for filing comments and views has expired, and none have been timely received.

Applicant's subsidiary bank, Provident National Bank, Philadelphia, Pa. (Bank), has total deposits of $1.045 billion and is the fifth largest commercial bank in the city of Philadelphia, controlling 3.3 percent of deposits in that area.[1]

LFC is primarily engaged in leasing transportation equipment, computer equipment and other equipment, and acting as agent, broker, or adviser in the leasing of such equipment. As of March 31, 1972, LFC leased directly equipment costing approximately $13 million and acted as adviser with respect to equipment costing about $33.75 million.

[1] Deposit data are as of Dec. 31, 1971.

It appears that the relevant geographic market for the type of property that LFC generally leases is nationwide and LFC leases property or provides advisory service in all but 11 States. On the basis of its direct leasing and lease advisory services, it appears that LFC controls less than 1 percent of that market. Applicant's subsidiary, Provident National Bank (Bank) has engaged, as authorized by the Comptroller of the Currency, in direct personal property leasing, but to date has made only three lease transactions with a total original equipment cost of $3.47 million. Bank is not authorized to act as agent, broker, or adviser with respect to the leasing of personal property and has not acted in that capacity. Although some existing competition would be eliminated upon consummation of this proopsal, the small size of Bank's existing leasing operation, LFC's substantial activity in lease advisory services in which Bank cannot participate, the limited expertise of Bank in leasing, and the small size of LFC in the national leasing market make it unlikely that approval of this application would result in any significant reduction of existing competition. Some potential competition would be eliminated upon consummation of this proposal because Bank could engage de novo in personal property leasing activities. The small size of LFC in the national leasing market, the large number of existing leasing companies, and the entry of many new leasing firms should reduce the likelihood of adverse competitive effects on potential competition. On the basis of the facts before the Board, it does not appear that any significant existing or potential competition would be eliminated upon consummation of the proposal herein.

The Board has considered the possible vertical anticompetitive effects such as Bank ceasing to be a source of credit for competitors of LFC or LFC ceasing to be a source of loan business for competitors of Applicant's bank. The possibility of such dangers does not appear serious.

Consummation of the proposal would enable LFC to acquire capital at a lower cost. This should serve to expand LFC's direct leasing activity and enable them to lease more costly equipment and to become a stronger competitor in the national market. Accordingly, the public benefits involved are consistent with approval.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors,[3] September 1, 1972.

[SEAL] TYNAN SMITH,
Secretary of the Board.

[FR Doc.72-15405 Filed 9-11-72;8:46 am]

SOUTHWEST BANCSHARES, INC.

Order Approving Acquisition of Bank

Southwest Bancshares, Inc., Houston, Tex., a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 100 percent of the voting shares (less directors' qualifying shares) of the successor by merger to The First National Bank of Port Arthur, Port Arthur, Tex. (Bank).

The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the fifth largest banking organization and third largest multibank holding company in Texas, has six subsidiary banks with aggregate deposits of $1,028 million representing approximately 3.4 percent of total deposits of commercial banks in the State.[1] (All banking data are as of December 31, 1971, and reflect bank holding company acquisitions approved through May 31, 1972.) Consummation of the proposed acquisition of Bank (deposits of approximately $73.5 million) would increase applicant's share of commercial bank deposits in the State by 0.3 percentage points and applicant's rank in the State would be unchanged. The proposed acquisition represents applicant's initial entry into the Beaumont-Port Arthur-Orange area which approximates Bank's relevant market.

Bank, third largest of 19 banks in the Beaumont-Port Arthur-Orange area, controls approximately 13 percent of total deposits of commercial banks in that market. Upon consummation of the present proposal, applicant would become the second bank holding company operating in that market. Pending before the Board are three applications filed by three bank holding company organizations (other than applicant) each of which seeks to enter the relevant market; the banks involved are that area's second, fourth, and fifth largest banks. The lead bank of First Security National Corp., Beaumont, Tex. (the only multibank holding company presently operating in the market) with deposits of approximately $150 million controls more than 25 percent of deposits of commercial banks in Bank's market.

Applicant's subsidiary banks located nearest to Bank are in Houston, Tex., approximately 90 miles west of Bank and operate in a separate but adjoining banking market. It appears that no meaningful competition exists between Bank and any of applicant's subsidiary banks. Further, it appears unlikely that meaningful competition would develop in the future between Bank and any of applicant's subsidiaries in light of the facts presented, particularly the distances separating these banks, the number of banks in intervening areas and the Texas statutes prohibiting branch banking. Applicant could enter the market de novo or through the acquisition of a smaller bank. However, such prospect appears unlikely in view of the number of banks already in that market, the failure of the area to experience significant population growth during the past decade and the existence of a somewhat static economic condition in the relevant communities. Although acquisition by applicant of one of the smaller banks in the market might have a somewhat more favorable effect on competition than acquisition of Bank, the prospect of entry into the Beaumont-Port Arthur-Orange area by a number of the State's largest multibank holding companies should stimulate aggressive banking competition in that market. Further, Bank has operated under conservative management policies and is not regarded as a likely prospect for the formation of a new bank holding company; it appears that acquisition of Bank would not have a significant adverse effect on the remaining banks in the relevant market; nor foreclose entry by other bank holding companies into the market as a significant number of independent banks would remain as potential members of other bank holding company organizations.

On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not have an adverse effect on competition in any relevant area.

The financial and managerial resources and future prospects of applicant and its subsidiary banks appear satisfactory. Bank appears to be in satisfactory financial condition. Upon acquisition of Bank, applicant has stated its intention to make available to Bank more aggressive management to enable Bank more effectively to satisfy the financial needs of the many industrial companies located in its market. At the present time, Bank's loan-to-deposit ratio is significantly below those of its more aggressive competitors. To the extent affiliation with applicant may result in Bank providing more of its financial resources to the community, this prospect lends weight to approval of the application. Considerations relating to the convenience and needs of the communities to be served lend some weight to approval of the application. It is the Board's judgment that the proposed transaction is in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above.[2] The transaction shall not be consummated (a) before the 30th calendar day following the effective date of this order or (b) later than 3 months after the effective date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors,[3] effective September 1, 1972.

[SEAL] TYNAN SMITH,
Secretary of the Board.

[FR Doc.72-15406 Filed 9-11-72;8:46 am]

SOUTHWEST BANCSHARES, INC.

Order Approving Acquisition of Bank

Southwest Bancshares, Inc., Houston, Tex., a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 51 percent or more of the voting shares of the First National Bank at Brownsville, Brownsville, Tex. (Bank).

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired and the Board has

[3] Voting for this action: Vice Chairman Robertson and Governors Mitchell, Daane, Brimmer, Sheehan, and Bucher. Absent and not voting: Chairman Burns.

[1] Applicant controls substantially all the stock of five Texas banks: Bank of the Southwest, Houston; Village National Bank, Houston; First National Bank of Longview, Longview; Long Point National Bank, Houston; Continental National Bank of Fort Worth, Fort Worth. Applicant holds approximately 38 percent of the voting shares of South Park National Bank, Houston, and has minority interests of between 4.20 and 20 percent in four other Houston banks whose aggregate deposits as of June 30, 1971, were approximately $117 million. Applicant's minority interest of 24.7 percent in Kilgore National Bank, Kilgore, Tex., is expected to be liquidated. The Board approved applicant's applications to acquire Long Point National Bank of Houston, Houston, Tex. ($29 million of deposits), and Continental National Bank of Fort worth, Fort Worth, Tex. ($182.2 million of deposits), on April 11, 1972, and May 24, 1972, respectively. On June 8, 1972, applicant received approval from the Federal Reserve Bank of Dallas, acting under delegated authority, to acquire Bank of Woodlake, National Association, Houston, Tex., a proposed new bank. On June 29, 1972, the Board approved applicant's application to acquire The Denton County National Bank of Denton, Denton, Tex. ($33 million of deposits).

[2] Dissenting statement of Governor Robertson filed as part of the original document. Copies available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, or to the Federal Reserve Bank of Dallas.

[3] Voting for this action: Governors Mitchell, Brimmer, Sheehan, and Bucher. Voting against this action: Vice Chairman Robertson. Absent and not voting: Chairman Burns and Governor Daane.

considered the application and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the fifth largest banking organization and third largest multibank holding company in Texas has five subsidiary banks with aggregate deposits of $829 million representing approximately 2.76 percent of total deposits of commercial banks in the State.[1] (All banking data are as of Dec. 31, 1971, and reflect bank holding company acquisitions approved through May 31, 1972.) Consummation of the proposed acquisition of Bank (deposits of approximately $51 million) would increase Applicant's share of commercial bank deposits in the State by 0.16 percentage points and Applicant's rank in the State would be unchanged. The proposed acquisition represents Applicant's initial entry into the Brownsville-Harlingen-San Benito area which approximates Bank's relevant market.[2]

Bank, second largest of nine banks in the Brownsville-Harlingen-San Benito area, controls approximately 23 percent of total deposits of commercial banks in that market. Upon consummation of the present proposal, Applicant would become the only bank holding company represented in the Brownville-Harlingen-San Benito area.

Applicant's subsidiary bank located nearest to Bank is in Houston, Tex., approximately 350 miles north of Bank. It appears that no meaningful competition exists between Bank and any of Applicant's subsidiary banks. Further, it seems unlikely that meaningful competition would develop in the future between Bank and Applicant's subsidiaries in light of the facts presented, particularly the distances separating these banks, and the Texas statutes prohibiting branch banking. Applicant could enter the market de novo. However, such prospect appears unlikely in view of the number of banks already in that market, the decline in population (7.1 percent from 1960 to 1970) and the relatively high unemployment in the communities served by these banks. Acquisition by Applicant of one of the smaller banks in the market might have a somewhat more favorable effect on competition than the proposal herein. However, Bank is not regarded as a likely prospect for the formation of a new bank holding company and it appears that acquisition of Bank would not have a significant adverse effect on the remaining banks in the relevant market nor foreclose entry by other bank holding companies into that market as eight independent banks would remain as potential members of other bank holding company organizations.

On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not have an adverse effect on competition in any relevant area.

The financial and managerial resources and future prospects of Applicant and its subsidiaries appear satisfactory. Bank appears to be in satisfactory financial condition although its capital position is below desired levels. Applicant has agreed to make a significant contribution of equity capital to Bank. The expected strengthening of Bank's capital position lends weight to approval of the application.

Although the major banking needs of the relevant area appear adequately served at the present time, Applicant proposes to assist Bank in providing increased lending capacity, international banking and other expanded services as the need develops. Considerations relating to the convenience and needs of the communities to be served appear consistent with approval of the application. It is the Board's judgment that the proposed transaction is in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above.[3] The transaction shall not be consummated (a) before the 30th calendar day following the effective date of this order or (b) later than 3 months after the effective date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors,[4] effective September 1, 1972.

[SEAL] TYNAN SMITH,
Secretary of the Board.

[FR Doc.72-15407 Filed 9-11-72;8:46 am]

[1] Applicant controls substantially all the stock of three Texas banks: Bank of the Southwest, Houston; Village National Bank, Houston; and First National Bank of Longview, Longview, Tex. Applicant holds approximately 38 percent of the voting shares of South Park National Bank, Houston, and has minority interests of between 4.20 and 20 percent in four other Houston banks whose aggregate deposits as of June 30, 1971, were approximately $117 million. Applicant's minority interest of 24.7 percent in Kilgore National Bank, Kilgore, Tex., is expected to be liquidated. The Board approved Applicant's applications to acquire Long Point National Bank of Houston, Houston, Tex. ($29 million of deposits) and Continental National Bank of Fort Worth, Fort Worth, Tex. ($182.2 million of deposits) on Apr. 11, 1972, and May 24, 1972, respectively. On June 8, 1972, Applicant received approval from the Federal Reserve Bank of Dallas, acting under delegated authority, to acquire Bank of Woodlake, National Association, Houston, Tex., a proposed new bank. On June 29, 1972, the Board approved Applicant's application to acquire the Denton County National Bank of Denton, Denton, Tex. ($33 million of deposits).

[2] In addition to the present application, Applicant has filed an application with the Board to acquire the First National Bank at Port Arthur, Port Arthur, Tex.

[3] Dissenting statement of Governor Robertson filed as part of the original document. Copies available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, or to the Federal Reserve Bank of Dallas.

[4] Voting for this action: Governors Mitchell, Brimmer, Sheehan, and Bucher. Voting against this action: Vice Chairman Robertson. Absent and not voting: Chairman Burns and Governor Daane.

TEXAS COMMERCE BANCSHARES, INC.

Order Approving Acquisition of Banks

Texas Commerce Bancshares, Inc., Houston, Tex., a bank holding company within the meaning of the Bank Holding Company Act, 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 100 percent of the voting shares (less directors' qualifying shares) of the successor by merger to American National Bank of Beaumont, Beaumont, Tex. As an incident to acquisition of said bank, applicant necessarily would acquire, and seeks approval for, acquisition of, 37 percent of the voting shares of Beaumont State Bank, Beaumont, Tex., shares of which are indirectly controlled by American National Bank under a trust relationship.

Notice of receipt of the application has given in accordance with section 3(b) of been given in accordance with section 3 (b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

On the basis of the record, and for the reasons summarized in the Board's statement[1] of this date, the application is approved on condition that applicant divest itself of its interest in Beaumont State Bank at the earliest practicable time and, in any event, within 2 years from the effective date of consummation of the acquisition of shares of American National Bank, unless such period is extended for good cause by the Board. The application to acquire shares of Beaumont State Bank is approved only to the extent necessary, and for the period granted to applicant, to effect the required divestiture of its interest in Beaumont State Bank. The acquisition of American National Bank of Beaumont shall not be consummated (a) before the 30th calendar day following the effective date of this order or (b) later than 3 months after the effective date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors,[2] effective August 31, 1972.

[SEAL] TYNAN SMITH,
Secretary of the Board.

[FR Doc.72-15408 Filed 9-11-72;8:46 am]

TEXAS COMMERCE BANCSHARES, INC.

Order Approving Acquisition of Banks

Texas Commerce Bancshares, Inc., Houston, Tex., a registered bank holding

[1] Filed as part of the original document. Copies available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, or to the Federal Reserve Bank of Dallas.

[2] Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, Sheehan, and Bucher. Absent and not voting: Governor Daane.

company within the meaning of the Bank Holding Company Act, has applied in separate applications 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 100 percent of the voting shares (less directors' qualifying shares) of the successor by merger to Airline Bank, Houston, Texas (Airline Bank) and of the successor by merger to Reagan State Bank of Houston, Houston, Tex. (Reagan Bank).

The banks into which Airline and Reagan banks are to be merged have no significance except as a means to facilitate the acquisition of the voting shares of Airline and Reagan banks. Accordingly, the proposed acquisitions of the successor organizations are treated herein as the proposed acquisitions of the shares of Airline and Reagan banks.

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant controls two banks located in the Houston area with aggregate deposits of $1.2 billion, representing 3.9 percent of total deposits of commercial banks in the State. Applicant, the fourth largest banking organization in Texas and the second largest in the Houston banking market, controls approximately 16.5 percent of total commercial bank deposits in the Houston area.[1] (All banking data are as of December 31, 1971, and reflect bank holding company acquisitions and formations approved through June 30, 1972.) In addition to its two subsidiary banks, applicant holds, through a subsidiary, 24.9 percent of the outstanding voting shares of each of the banks proposed to be acquired. Applicant's subsidiary also holds between 20 and 24 percent of each of three other banks in the Houston market. These five banks hold aggregate deposits of $168.7 million representing 2.4 percent of total deposits of commercial banks in the Houston area. Upon consummation of the proposals herein, applicant would control approximately 18 percent of total deposits of commercial banks in the Houston area and would remain the area's second largest banking organization. Applicant's share of deposits of commercial banks in the State would increase by 0.3 percentage points and applicant's ranking among banking organizations in the State would be unchanged.

Reagan Bank ($65 million of deposits) and Airline Bank $26.5 million of deposits) rank 15th and 45th, respectively, among 142 banking organizations in the Houston market and control respectively, 0.9 and 0.4 percent of total deposits of commercial banks in that area. Reagan and Airline banks are located approximately 4 miles north and 6 miles northwest, respectively, of Applicant's lead bank located in downtown Houston. In addition, Applicant's other subsidiary, North Freeway Bank ($4.5 million of deposits) is located in the Houston area approximately 5 miles north of Airline and Reagan banks. The service area of Applicant's lead bank completely overlaps the service areas of the two proposed subsidiary banks. It appears that some deposit and loan overlap exists among these banks.

Both Reagan and Airline banks were organized in the 1950's by individuals closely associated with Applicant's lead bank. Except for a brief period of about 2 years from 1966 to 1968, shares of Reagan and Airline banks have been held continuously by Applicant or its predecessor organizations. A close working relationship between Applicant and each of the banks proposed to be acquired has continued uninterruptedly since Reagan and Airline banks were chartered. The proposals herein represent a strengthening of existing interests rather than the acquisition of independent competing banks. In view of Applicant's significant holding of shares of these banks and the continued close relationship between Applicant and these banks, the prospect of disaffiliation seems remote.

It appears that consummation of Applicant's proposals herein would not eliminate any meaningful competition between the proposed subsidiaries or between either of them and any of Applicant's subsidiary banks. Nor would consummation of either or both of Applicant's proposals raise barriers to entry by other bank holding companies into the expanding Houston market since, after consummation of these proposals, a number of other banks would remain in the Houston market as potential vehicles for entry by other bank holding company organizations. Additionally, neither Airline Bank nor Reagan Bank, each a retail institution located outside of downtown Houston, appears to be an attractive vehicle for a new or different bank holding company organization to enter into the Houston market. Reagan Bank is located approximately 4 miles from downtown Houston in an established lower-middle income neighborhood that has been encircled by freeways which tend to limit accessibility to other areas.

On the record before it, the Board concludes that consummation of Applicant proposals would not result in a monopoly nor be in furtherance of any combination, conspiracy, or attempt to monopolize the business of banking in any area, nor have any substantially anticompetitive effect.

The financial condition and managerial resources of Applicant and its subsidiaries appear satisfactory and future prospects of all seem favorable. The financial condition, management resources, and prospects of Reagan Bank and of Airline Bank also appear satisfactory and consistent with approval of each of these applications. Soon after acquisition, Applicant has agreed to strengthen the somewhat low capital position of Airline Bank and proposes to do so through the immediate injection of capital funds and the initiation of certain policies with respect to dividend payments and retention of earnings. This consideration lends some weight toward approval of the acquisition of Airline Bank. The banking needs of the residents of the Houston banking market, including those in the service areas of Reagan and Airline Banks, appear to be adequately served at the present time by existing institutions. However, Applicant proposes to make more efficient and expanded banking resources available through Airline and Reagan Banks. Trust services, real estate financing, and international banking are among specialized services Applicant states that it intends to make available at these banks. Considerations relating to the convenience and needs of the relevant areas are consistent with approval of the applications. It is the Board's judgment that consummation of each of the proposed transactions is in the public interest and that each application should be approved.

On the basis of the record, these applications are approved for the reasons summarized above.[2] Neither acquisition shall be consummated (a) before the 30th calendar day following the effective date of this order or (b) later than 3 months after the effective date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors,[3] effective September 1, 1972.

[SEAL] TYNAN SMITH,
Secretary of the Board.

[FR Doc.72-15409 Filed 9-11-72;8:46 am]

[1] On August 31, 1972, the Board approved applicant's application to acquire American National Bank of Beaumont, Beaumont, Tex. ($112 million of deposits). At the same time the Board directed applicant to divest shares of Beaumont State Bank, Beaumont, Tex. ($25 million of deposits), which would be acquired indirectly through applicant's acquisition of American National Bank. Applicant is in the process of organizing seven de novo banks located in the Houston market.

[2] Dissenting statement of Governors Robertson and Brimmer filed as part of the original document. Copies available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, or to the Federal Reserve Bank of Dallas.

[3] Voting for this action: Chairman Burns and Governors Mitchell, Sheehan, and Bucher. Voting against this action: Governors Robertson and Brimmer. Absent and not voting: Governor Daane.

GENERAL SERVICES ADMINISTRATION

VINYL WINDOW SHADES WITH ROLLER, SLAT, RING PULL AND ACCESSORIES, AND VINYL FILM

Industry Specification Development Conference

Notice is hereby given that the Federal Supply Service, General Services Administration, will hold an Industry Specification Development Conference in connection with proposed Federal Specification L–S–1787, shade, window (vinyl) with roller, slat, ring pull and accessories, and vinyl film.

The purpose of the conference is to provide a forum for consideration of suggestions, ideas, or ways and means to improve the specification to: (1) Promote mutual understanding by both the Government and industry of the Government's technical requirements for the items; and (2) enhance the quality of the products shipped to the Government. It will be open to all those in the private sector who have an interest or concern for these matters and all other Government departments or agencies having an interest therein are also being invited to send their representatives.

The conference will be held on September 27, 1972, at 9:30 a.m., Room 508, Building 3, Crystal Mall, 1931 Jefferson Davis Highway, Arlington, VA. Anyone who wants to attend or desires further information should contact Mr. John J. Filigenzi, General Services Administration, Federal Supply Service, at telephone number (area code 703) 557–7872 or write General Services Administration, Federal Supply Service (FMSF), Washington, D.C. 20406.

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

M. S. MEEKER,
Commissioner.

[FR Doc.72–15460 Filed 9–11–72;8:51 am]

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[Notice 72–16]

RESEARCH AND TECHNOLOGY ADVISORY COMMITTEE ON MATERIALS AND STRUCTURES

Notice of Public Meeting

The NASA Research and Technology Advisory Committee on Materials and Structures will meet on October 3 and 4, 1972, at the NASA Lewis Research Center, Cleveland, Ohio 44135. The meeting will be held in Room 215 of the Administration Building. Members of the public will be admitted to the open portion of the meeting beginning at 8:30 a.m. on the agenda below on a first-come, first-served basis up to the seating capacity of the room, which is about 30 persons. All visitors must report to the Main Gatehouse.

The NASA Research and Technology Advisory Committee on Materials and Structures serves in an advisory capacity only. In this capacity, the Committee is concerned with materials science, materials engineering, advanced concepts and materials applications, structural design and analysis, and structural loads and dynamics. The current Chairman is Mr. Ira G. Hedrick. There are 17 members. The following list sets forth the approved agenda and schedule for the October 3 and 4, 1972 meeting of the Materials and Structures Committee. For further information please contact Mr. George C. Deutsch: Area code 202—755–3264.

OCTOBER 3, 1972

Time	*Topic*
8:30 a.m.	Chairman and Executive Secretary's Reports. (Purpose: To review results of RTAC meeting, developments of intercommittee activities, and NASA policies, programs, and organizational changes.)
9:00 a.m.	Review of Materials and Structures Committee Activities on: a. *Fracture control.* Discussion of NASA plans to implement Committee and Panel recommendations on fracture control technology. b. *Basic materials research.* To review Panel reports on adequacy of basic materials research programs within NASA Centers and discuss needed implementation. c. *Engine materials.* To review Panel reports on advancing technology in engine materials developments and NASA response thereto. d. *Composite materials.* To review Panel recommendations on NASA program for composite materials research. These include results of joint planning with DOD.
2:30 p.m.	*Executive session.* (Purpose: To consider final Committee action and recommendations on agenda items previously listed.) (Closed Session to discuss classified data.)

OCTOBER 4, 1972

Time	*Topic*
8:00 a.m.	Spacecraft Dynamics and Control. (Purpose: To consider formation of joint panel with Guidance, Control, and Information Systems Committee to review state of technology and identify problem areas.)
8:45 a.m.	Committee Review of Center Reports. (Purpose: To discuss progress as reported in reports from the NASA Center members as it relates to current problem areas.)
9:45 a.m.	Members' Reports. (Purpose: To discuss technology development as it is reported by Committee Industry and University members and determine relationship to current NASA effort and identify new problem areas.) (Closed Session to discuss classified data.)

HOMER E. NEWELL,
Associate Administrator, National Aeronautics and Space Administration.

[FR Doc.72–15474 Filed 9–11–72;8:52 am]

OFFICE OF EMERGENCY PREPAREDNESS

ILLINOIS

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 September 4, 1972, the President declared a major disaster as follows:

I have determined that the damages in certain areas of the State of Illinois from severe storms and flooding, beginning about August 25, 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 Illinois. 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. Robert E. Connor, Regional Director, OEP Region 5, 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 areas in the State of Illinois to have been adversely affected by this declared major disaster:

The counties of:
Cook Du Page

Dated: September 5, 1972.

G. A. LINCOLN,
Director,
Office of Emergency Preparedness.

[FR Doc.72–15437 Filed 9–11–72;8:49 am]

NEW YORK

Amendment to Notice of Major Disaster

Notice of major disaster for the State of New York, dated June 24, 1972, and published June 28, 1972 (37 F.R. 12756);

amended June 27, 1972, and published July 1, 1972 (37 F.R. 13136); amended July 3, 1972, and published July 8, 1972 (37 F.R. 13502); amended July 19, 1972, and published July 25, 1972 (37 F.R. 14837); and amended July 22, 1972, and published August 4, 1972 (37 F.R. 15764), is hereby further amended to include the following county among those counties determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of June 23, 1972:

The county of:
Ulster.

Dated: September 5, 1972.

G. A. LINCOLN,
Director,
Office of Emergency Preparedness.

[FR Doc.72-15430 Filed 9-11-72;8:49 am]

SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

ACCURATE CALCULATOR CORP.

Order Suspending Trading

SEPTEMBER 6, 1972.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $0.01 par value, and all other securities of Accurate Calculator 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 September 7, 1972 through September 16, 1972.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-15444 Filed 9-11-72;8:50 am]

[File No. 24C-3382]

APARTMENT LIFE OF CHICAGO, INC.

Order Permanently Suspending Exemption

SEPTEMBER 6, 1972.

I. Apartment Life of Chicago, Inc. (Apartment Life), 3214 West 63d Street, Chicago, IL 60629, incorporated under the laws of the State of Illinois, filed with the Commission on January 22, 1972, a Notification on Form 1-A and an Offering Circular relating to a proposed offering of 200,000 shares of its common stock at $1 per share for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, pursuant to section 3(b) thereof and Regulation A promulgated thereunder. Grossband Securities Corp., New York City, a broker-dealer registered with the Commission, was named as the underwriter of the proposed offering.

II. The Commission on June 27, 1972, temporarily suspended the Regulation A exemption of Apartment Life of Chicago, Inc., stating that it had reason to believe from information reported to it by the staff, that:

A. The Offering Circular of Apartment Life contained untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, particularly with respect to:

1. The understatement of Apartment Life's liabilities; and

2. The disassociation of Sam S. Sarcinelli, an original promoter of Apartment Life, from Apartment Life at the time it made its filing when in fact Sarcinelli is a partner of MAIA, a partnership which is a substantial creditor of Apartment Life and Sarcinelli is a creditor of Apartment Life for rent due and unpaid on office space leased by Apartment Life in premises beneficially owned by Sarcinelli.

B. Apartment Life failed to cooperate with the staff of the Commission as required by Rule 261(a)(7) of Regulation A promulgated under section 3(b) of the Securities Act of 1933.

C. The offering, if made, would have been in violation of section 17 of the Securities Act of 1933.

III. No hearing having been requested by Apartment Life within 30 days after the entry of an order temporarily suspending the exemption of Apartment Life under Regulation A, the Commission finds that it is in the public interest and for the protection of investors that the exemption of Apartment Life be permanently suspended, therefore,

It is ordered, Pursuant to Rule 261 of the general rules and regulations under the Securities Act of 1933, that the exemption of Apartment Life of Chicago, Inc. under Regulation A be, and it hereby is, permanently suspended.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-15449 Filed 9-11-72;8:50 am]

[File Nos. 24C-3417, 24C-3431]

CREATIVE INSTITUTIONAL ADVISORS

Order Permanently Suspending Exemption

SEPTEMBER 6, 1972.

I. Creative Institutional Advisors (Issuer), 2108 West Springfield Avenue, Champaign, IL 61820, a partnership organized in the State of Illinois on September 1, 1970, filed with the Chicago regional office on February 29, 1972, a notification on Form 1-A, and an offering circular pertaining to a proposed offering of 700 limited partnership interests at $500 per interest, and an offer to reacquire an additional 300 limited partnership interests at $500 per partnership interest for an aggregate offering price of $500,000 (24C-3417). On March 23, 1972, a letter was received from the Issuer requesting that the above notification on Form 1-A and the offering circular be withdrawn.

Subsequently, the Issuer filed with the Chicago regional office on March 30, 1972, a notification on Form 1-A, an offering circular and exhibits pertaining to a proposed offering of 700 limited partnership interests at $500 per interest, and an offer to reacquire an additional 300 limited partnership interests at $500 per partnership interest for an aggregate price of $500,000 (24C-3431).

Both filings were made for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, pursuant to the provisions of section 3(b) thereof and Regulation A promulgated thereunder.

II. The Commission on May 25, 1972, temporarily suspended the Regulation A exemption of Creative Institutional Advisors, stating that it had reasonable cause to believe, from information reported to it by the staff, that:

A. The Issuer's offering circular filed on February 29, 1972, contained untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to the following:

1. The Issuer's failure to file a copy of its limited partnership agreement with the proper State authorities, thereby rendering each investor a general partner;

2. The Issuer's inability to reacquire the limited partnership interests subject to its offer of rescission, unless additional shares are sold in its offering;

3. The contingent liability arising from the sale of the Issuer's limited partnership interests in violation of sections 5 and 17 of the Securities Act of 1933;

4. The liability arising from the sale of the Issuer's limited partnership interests without compliance with the various "blue sky" laws of the States in which such interests were sold;

5. The entry of a temporary injunction by the Illinois Circuit Court enjoining the Issuer from further sales of its limited partnership interests in violation of the Illinois securities laws and the Issuer's sale of such interests in violation of that injunction; and

6. The substantial competition in the field in which the Issuer proposes to engage.

B. The terms and conditions of Regulation A had not been complied with in connection with the Issuer's notification filed on February 29, 1972, in that:

1. The Issuer failed to name Tony Kahn as an affiliate;

2. The Issuer failed to name its promoters;

3. The Issuer failed to disclose the entry of an injunction of the type specified in Rule 252(c)(4);

4. The Issuer failed to disclose, in Item 9 of the notification, sales of its unregistered limited partnership interests made within 1 year of its filing; and

5. The Issuer sold at least two of its limited partnership interests subsequent to its filing under Regulation A and prior to its requested withdrawal.

C. The exemption under Regulation A was not available to the Issuer for its filing made on February 29, 1972, by reason of the fact that it was subject to an injunction of the type specified in Rule 252(c)(4).

D. The Issuer's offering circular filed on March 30, 1972, contained untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, including, but not limited to the following:

1. The Issuer's failure to file a copy of its limited partnership agreement with the proper State authorities, thereby rendering each investor a general partner;

2. The entry of a permanent injunction against the Issuer enjoining it from further sales of its limited partnership interests in violation of the Illinois securities laws; and

3. Sales of the Issuer's limited partnership interests in violation of the temporary injunction entered on January 31, 1972, enjoining it from further sales of its limited partnership interests in violation of the Illinois securities laws.

E. The terms and conditions of Regulation A had not been complied with in connection with the Issuer's notification filed on March 30, 1972, in that:

1. The Issuer failed to name Tony Kahn as an affiliate; and

2. The Issuer failed to name its promoters.

F. The exemption under Regulation A was not available to the Issuer for its filing made on March 30, 1972, by reason of the fact that it was subject to an injunction of the type specified in Rule 252(c)(4).

G. The offering pursuant to File No. 24C-3417 was made in violation of section 17 of the Securities Act of 1933 and the offering pursuant to File No. 24C-3431, if made, would be in violation of section 17 of the Securities Act of 1933.

III. No hearing having been requested by the Issuer within 30 days after the entry of an order temporarily suspending the exemption of the Issuer under Regulation A, the Commission finds that it is in the public interest and for the protection of investors that the exemption of the Issuer under Regulation A be permanently suspended, therefore,

It is ordered, Pursuant to Rule 261 of the general rules and regulations under the Securities Act of 1933, that the exemption of Creative Institutional Advisers under Regulation A be, and it hereby is, permanently suspended.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-15450 Filed 9-11-72;8:50 am]

[Filed No. 500-1]

CRESCENT GENERAL CORP.

Order Suspending Trading

SEPTEMBER 6, 1972.

The common stock, $0.10 par value of Crescent General Corp. being traded on the Intermountain Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and all other securities of Cresent General 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 securities 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 from September 7, 1972, through September 16, 1972.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-15445 Filed 9-11-72;8:50 am]

[File No. 24SF-3760]

ECOPONICS, INC.

Order Permanently Suspending Exemption

SEPTEMBER 6, 1972.

I. Ecoponics, Inc. (Ecoponics), 5040 North 35th Avenue, Phoenix, AZ, was incorporated under the laws of Arizona on July 13, 1971. Its stated purpose is to engage in the business of the sale of greenhouses for the growing of hydroponic agricultural products. Ecoponics filed a notification under Regulation A with the Commission on July 22, 1971, for the purpose of obtaining an exemption from registration as required by the Securities Act of 1933, as amended, pursuant to the provisions of section 3(b) thereof and Regulation A promulgated thereunder.

II. The Commission on September 14, 1971, temporarily suspended the Regulation A exemption of Ecoponics, Inc., stating that it had reasonable cause to believe, from information reported to it by the staff, that:

A. The offering circular omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading and contained untrue statements of material facts, in that:

1. It failed to set forth the disadvantages of the hydroponic process about which Ecoponics was aware. Such disadvantages include:

a. A large initial investment required to conduct hydroponic cultivation as compared with soil cultivation;

b. The more rapid spread of plant disease in the hydroponic process as compared with soil cultivation;

c. The necessity for technical training and considerable experience in the hydroponic process;

d. The fact that the hydroponic process is practical for only a limited number of crops which are of relatively high value per unit;

e. The need for and difficulties of properly aerating the nutrient solution in the hydroponic process; and

f. The difficulty of supporting the plants while they are grown in the hydroponic process.

B. The proposed offering would have been made in violation of section 17 of the Securities Act of 1933 by reason of the omissions stated above.

III. Ecoponics' request for a hearing having been withdrawn and no other request for a hearing having been made within 30 days after the entry of an order temporarily suspending the exemption of Ecoponics under Regulation A, the Commission finds that it is in the public interest and for the protection of investors that the exemption of Ecoponics be permanently suspended, therefore,

It is ordered, pursuant to Rule 261 of the general rules and regulations under the Securities Act of 1933, that the exemption of Ecoponics, Incorporated under Regulation A, be, and it hereby is, permanently suspended.

By the Commission.

[SEAL] RONALD F. HUNT, *Secretary.*

[FR Doc.72-15451 Filed 9-11-72;8:51 am]

[File No. 500-1]

FIBROTHANE INDUSTRIES CORP.

Order Suspending Trading

SEPTEMBER 1, 1972.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $0.10 par value, and all other securities of Fibrothane Industries 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 September 6, 1972, through September 15, 1972.

By the Commission.

[SEAL] GLADYS E. GREER, *Assistant Secretary.*

[FR Doc.72-15446 Filed 9-11-72;8:50 am]

[811-2149]

GAC GROWTH FUND, INC.

Notice of Filing of Application for Order Declaring That Company Has Ceased To Be an Investment Company

SEPTEMBER 6, 1972.

Notice is hereby given that GAC Growth Fund, Inc. (Applicant), 1040 Bayview Drive, Fort Lauderdale, FL 33304, registered under the Investment Company Act of 1940 (Act) as an open-end diversified management investment company, has filed an application pursuant to section 8(f) of the Act for an order of the Commission declaring that Applicant has ceased to be an investment company as defined in the Act. All interested persons are referred to the application on file with the Commission for a statement of the representations set forth therein which are summarized below.

On December 18, 1970, Applicant filed a notification of registration on Form N-8A pursuant to section 8(a) of the Act. Applicant also filed a registration statement under the Act on Form N-8B-1.

Pursuant to an agreement and plan of reorganization (Plan) dated July 17, 1972, between Applicant and New York Venture Fund, Inc., which Plan was approved by the shareholders of Applicant on that date, substantially all of the assets of Applicant were transferred to New York Venture Fund, Inc., on July 24, 1972, in exchange for its shares which were thereupon distributed to Applicant's shareholders. The Plan also provided that the Applicant should terminate its registration under the Act after the reorganization.

Applicant represents that it has no securities outstanding at the present time; that it has no assets at the present time other than a minimal sum of cash to meet final liabilities; that its public offering has been terminated; and that it is in the process of liquidation and dissolution.

Section 8(f) of the Act provides, in pertinent part, that when the Commission, upon application, finds that a registered investment company has ceased to be an investment company, it shall so declare by order, and upon the effectiveness of such order the registration of such company shall cease to be in effect.

Notice is further given that any interested person may, not later than September 27, 1972, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon Applicant at the address state above. Proof of such service (by affidavit or in the case of an attorney-at-law by certificate) shall be filed contemporaneously with the request. At any time after said date as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Investment Company Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-15452 Filed 9-11-72;8:51 am]

[File No. 500-1]

FIRST WORLD CORP.

Order Suspending Trading

SEPTEMBER 6, 1972.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the Class A and Class B common stocks, $0.15 par value, and all other securities 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 September 7, 1972, through September 16, 1972.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-15447 Filed 9-11-72;8:50 am]

[File No. 24C-3372]

METRO CASUALTY CO.

Order Permanently Suspending Exemption

SEPTEMBER 6, 1972.

I. Metro Casualty Co. (Metro), 6049 Troost Street, Kansas City, MO 64100, incorporated in the State of Missouri, filed with the Commission on December 23, 1971, a notification on Form 1-A and an offering circular relating to a proposed offering of 50,000 shares of its common stock at $5 per share for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, pursuant to the provisions of section 3(b) thereof and Regulation A promulgated thereunder. Holt Murdock Securities, Inc., Helena, Mont., a broker-dealer registered with the Commission, was named as the underwriter for the proposed offering.

II. The Commission on June 27, 1972, temporarily suspended the Regulation A exemption of Metro Casualty Co., stating that it had reason to believe, from information reported to it by the staff, that:

A. The offering circular of Metro omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, particularly with respect to:

The diversion of substantial sums of money, representing premium payments, from Metro into a partnership known as MAIA, which is composed of Sam S. Sarcinelli, chairman of the board of directors of Metro, and Allan D. Martinelli, treasurer and a director of Metro.

B. Metro, and two of its directors (one of whom is also an officer of Metro) failed to cooperate with the staff of the Commission in connection with its investigation of Metro's proposed offering.

C. The offering, if made, would have been in violation of section 17 of the Securities Act of 1933.

III. No hearing having been requested by Metro within 30 days after the entry of the order temporarily suspending the exemption of Metro under Regulation A, the Commission finds that it is in the public interest and for the protection of investors that the exemption of Metro under Regulation A be permanently suspended, therefore,

It is ordered, Pursuant to Rule 261 of the general rules and regulations under the Securities Act of 1933, that the exemption of Metro Casualty Co. under Regulation A be, and it hereby is, permanently suspended.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72-15453 Filed 9-11-72;8:51 am]

[File Nos. 24W-2965, 24W-3060]

PETERSON'S INC.

Order Permanently Suspending Exemption

SEPTEMBER 6, 1972.

I. Peterson's, Inc. (Peterson's), Beach and Anchorage Streets, Wilmington, Del., incorporated in the State of Delaware on June 9, 1958, filed with the Commission on December 2, 1969, a notification on Form 1-A and an Offering Circular (24W-2965) relating to an offering of 300,000 shares of its $0.01 par value common stock at $1 per share for an aggregate offering price of $300,000. This offering commenced June 2, 1970, and was terminated on September 30, 1970. On September 28, 1971, Peterson's filed a second notification on Form 1-A and an Offering Circular (24W-3060) relating to an offering of 400,000 shares of its $0.01 par value common stock at $1.25 per share for an aggregate offering price

of $500,000. Both of these filings were for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3(b) thereof and Regulation A promulgated thereunder.

II. The Commission on February 28, 1972, temporarily suspended the Regulation A exemption of Peterson's, Inc., stating that it had reasonable cause to believe, from information reported to it by the staff, that:

A. The Offering Circular of Peterson's, Inc. (24W–2965) contained untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, particularly with respect to:

1. The fact that its books and records failed to accurately reflect its financial condition;

2. The fact that its losses for the year ended December 31, 1969, were materially understated;

3. The fact that its profit for the 3 months ended March 31, 1970, was materially overstated; and

4. The dilution per share upon purchase by public investors.

B. The Offering Circular of Peterson's, Inc. (24W–3060) omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, particularly with respect to:

1. Disclosure of its past sales of stock in violation of the antifraud provisions of the Federal securities laws; and

2. The contingent liability incurred by reason of its sale of stock in violation of the antifraud provisions of the Federal securities laws.

C. The offering pursuant to File No. 24W–2965 was made in violation of section 17 of the Securities Act of 1933. The offering pursuant to File No. 24W–3060, if made, would have been in violation of section 17 of the Securities Act of 1933.

III. No hearing having been requested by Peterson's, Inc. within 30 days after the entry of our order temporarily suspending the exemption of Peterson's, Inc. under Regulation A, the Commission finds that it is in the public interest and for the protection of investors that the exemption of Peterson's, Inc. under Regulation A be permanently suspended, therefore,

It is ordered, Pursuant to Rule 261 of the general rules and regulations under the Securities Act of 1933, that the exemption of Peterson's, Inc. under Regulation A be, and it hereby is, permanently suspended.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72–15454 Filed 9–11–72;8:51 am]

[File No. 500–1]

TRANS-EAST AIR, INC.

Order Suspending Trading

SEPTEMBER 6, 1972.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock, $0.50 par value, and all other securities of Trans-East Air, 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 September 7, 1972, through September 16, 1972.

By the Commission.

[SEAL] RONALD F. HUNT,
Secretary.

[FR Doc.72–15448 Filed 9–11–72;8:50 am]

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area 935; Class B]

ILLINOIS

Declaration of Disaster Loan Area

Whereas, it has been reported that during the month of August 1972, because of the effects of flooding, damage resulted to property located in the State of Illinois;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the office below indicated from persons or firms whose property situated in the counties of Cook and Du Page, Ill., suffered damage or destruction resulting from torrential rains and flooding on August 25, and 26, 1972.

OFFICE

Small Business Administration Regional Offices, 219 South Dearborn Street, Chicago, IL 60604.

2. Temporary offices will be established at such areas as are necessary, addresses to be announced locally.

3. Applications for disaster loans under the authority of this declaration will not be accepted subsequent to November 30, 1972.

Dated: AUGUST 29, 1972.

THOMAS S. KLEPPE,
Administrator.

[FR Doc.72–15431 Filed 9–11–72;8:49 am]

[Declaration of Disaster Loan Area 934; Class B]

MINNESOTA

Declaration of Disaster Loan Area

Whereas, it has been reported that during the months of July and August 1972, because of the effects of tornadoes, damage resulted to property located in the State of Minnesota;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the office below indicated from persons or firms whose property situated in the county of St. Louis, Minn., suffered damage or destruction resulting from torrential rains and sighted tornadoes beginning July 22, 1972, and continuing through August 20, 1972.

OFFICE

Small Business Administration District Office, Plymouth Building, 12 South Sixth Street, Minneapolis, MN 55402.

2. A temporary office will be established in Duluth, Minn., address to be announced locally.

3. Applications for disaster loans under the authority of this declaration will not be accepted subsequent to November 30, 1972.

Dated: August 28, 1972.

THOMAS S. KLEPPE,
Administrator.

[FR Doc.72–15432 Filed 9–11–72;8:49 am]

TARIFF COMMISSION

[AA1921-97]

INSTANT POTATO GRANULES FROM CANADA

Determination of Likelihood of Injury

SEPTEMBER 7, 1972.

On June 7, 1972, the Tariff Commission received advice from the Treasury Department that instant potato granules from Canada are being, are are likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended.[1] In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted investigation No. AA1921-97 to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established by reason of the importation of such merchandise into the United States.

A public hearing was held on July 26 and 27, 1972. Notice of the investigation and hearing was published in the FEDERAL REGISTER of June 29, 1972 (37 F.R. 12876).[2]

In arriving at a determination in this case, the Commission gave due consideration to all written submissions from interested parties, evidence adduced at the hearing, and all factual information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

On the basis of the investigation, the Commission[3] has determined unanimously that an industry in the United States is likely to be injured by reason of the importation of instant potato granules from Canada which are being, or are likely to be sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

STATEMENT OF REASONS

The imported Canadian instant potato granules sold at less than fair value to purchasers in the United States are exactly like those produced domestically and are used for the same purposes. By the addition of water and/or milk, the granules are reconstituted into ready-to-serve mashed potatoes, which are used in homes and in mass-feeding outlets such as restaurants, schools, and hospitals. In making its determination, the Commission has considered the domestic industry to consist of the facilities of the domestic producers devoted to the production of instant potato granules.

The evidence in this case does not support a finding of material injury to the domestic industry. Market penetration achieved by the Canadian product has been minimal, and any adverse price effects on the U.S. industry have not been significant.

The U.S. imports of Canadian instant potato granules at their peak—in 1971—amounted to only 2 percent of domestic consumption; they generally have accounted for a much smaller share.

The Canadian instant potato granules found by the Treasury Department to have been sold in the United States at less than fair value first began to enter the United States in October 1970.[4] At that time, prices quoted by three of the four domestic producers had recently been increased from their lowest level in more than a year. Three of the four producers increased their prices again in October 1970 or shortly thereafter. The net result was that prices quoted by domestic producers in late 1970 were substantially above the prices that had prevailed for some months prior to that time. These substantially higher prices, moreover, have been maintained by the domestic producers from the late fall of 1970 until the present. The prices held constant during that period even though imports of Canadian instant potato granules amounted to nearly 1 million pounds in 1970—all sold at less than fair value—and reached a historic high of more than 4 million pounds in 1971—most of which sold at less than fair value. Moreover, the bulk of the imported instant potato granules from Canada were intracompany transfers from a Canadian subsidiary to its parent U.S. firm; these granules were sold in the U.S. market at the same price as domestic granules marketed by the firm.

While industry sources indicate that a majority of domestic instant potato granules are sold on the basis of regularly quoted prices, a substantial quantity of the product is sold to public institutions on the basis of competitive bidding. In the course of the investigation, a number of bid transactions where both domestic and Canadian granules had been offered by bidders were examined by the Commission. It is clear that no generalization can be made that bids offering Canadian granules were regularly lower than bids offering domestic granules. It was found that in some transactions the imported granules were offered at a price substantially below domestic granules, but in others, the domestic granules were offered at substantially lower prices than the Canadian granules and some of the latter bids were substantially below bids offering granules of other domestic producers.

On the basis of the information available to it, the Commission has concluded that the sale of imported Canadian instant potato granules at less than fair value has not resulted in any general price depression in the U.S. market, that the price impact of such sales has been small, and that any injury to the domestic industry by reason of such imports has been de minimis.

Having found that a domestic industry has not been injured as a result of the sales of the imported instant potato granules in question, it is necessary to determine whether an industry in the United States is likely to be injured by reason of any sales at less than fair value which the Treasury Department has advised the Commission are being, or are likely to be made in the United States.

As to likelihood of injury, we note that the Canadian instant potato granule industry has a large unutilized annual productive capacity and is faced with the possible loss of a substantial part of its major export market in the United Kingdom. Estimates of the annual capacity of the three Canadian firms to produce instant potato granules vary widely, but the lowest estimate amounts to 37 million pounds. Canadian potato granule consumption is estimated to total 6 million pounds annually. Thus if the Canadian industry were to operate at full capacity, foreign markets would have to adsorb, at the least, 30 million pounds of Canadian instant potato granules. At the present time, the Canadian producers export substantial quantities of instant potato granules to the United Kingdom. Such exports are not separately reported but in 1970 they may have amounted to nearly 20 million pounds. These exports now enter the United Kingdom free of duty under a Commonwealth preferential arrangement. In 1974, however, such Canadian exports will become subject to a duty of 7.6 percent ad valorem, as a result of the United Kingdom's accession to the European Community. This rate will be revised upward annually until 1977, when a rate of 19 percent ad valorem will be levied. On the other hand, beginning in 1973, potato granules from Community members, such as Germany and France, will enter the United Kingdom at 8 percent ad valorem; the current United Kingdom duty on such imports is 10 percent. By 1977, after successive anual reductions granules imported into the United Kingdom from other Community members will be duty free.

These tariff changes will handicap Canadian potato granules in the United Kingdom market, where their sale is already burdened by high transportation costs. It has also been reported that the potato granule industry in the United Kingdom has a substantial amount of unutilized productive capacity. All of these factors indicate that the Canadian instant potato granule industry may seek to market a larger portion of its output in the United States. The Canadian industry has demonstrated that it has the management expertise to mount such a major marketing effort in the United States, and all three major producing companies in Canada have at some time engaged in less than fair value sales to the United States.

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[1] Notice of the Treasury Department's determination of sales at less than fair value and the reasons therefor were published in the FEDERAL REGISTER of June 7, 1972 (37 F.R. 11361).

[2] The notice of June 29, 1972, announced that the hearing would be held on July 25. The date of hearing was subsequently postponed to July 26 and a notice of postponement was published in the FEDERAL REGISTER of July 14, 1972 (37 F.R. 13840).

[3] Commissioners Leonard, Young, and Ablondi, did not participate in the decision.

[4] Some Canadian potato granules had entered the United States as early as April 1970 but Treasury's investigation did not cover entries prior to October 1970.

At the present time the U.S. industry has an unutilized productive capacity of about 90 million pounds—equal to more than 50 percent of domestic output in 1971. While it has been reported that the introduction of certain new food items in the United States will require large quantities of instant potato granules, we do not find sufficient evidence to conclude that such new usage in the near future will begin to utilize all of the present excess capacity that exists in the United States and Canada. With substantial excess capacity in the United States, any material sales of Canadian granules at less than fair value would likely result in marked disruption of the U.S. market.

We conclude that an industry in the United States is likely to be injured by reason of the importation of instant potato granules from Canada which are being or are likely to be sold at less than fair value.

By order of the Commission.

[SEAL] KENNETH R. MASON,
Secretary.

[FR Doc.72-15501 Filed 9-11-72;8:55 am]

INTERSTATE COMMERCE COMMISSION

[Notice 72]

ASSIGNMENT OF HEARINGS

AUGUST 7, 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-67996 Sub 5, Distillery Transfer Service, Inc., now assigned September 11, 1972, at Lexington, Ky., is postponed indefinitely.

MC-98499 Sub 9 and Sub 10, White Truck Line, Inc., now assigned September 11, 1972, at Atlanta, Ga., is postponed to October 9, 1972, same time and place.

MC 136326, Florida Assembly & Distribution, Inc., now assigned September 25, 1972, at Miami, Fla., will be held in the Florida Public Service Commission Hearing Room, 5820 Southwest 17th Street.

MC 107295 Sub 587, Pre-Fab Transit Co., assigned September 25, 1972, at Chicago, Ill., will be held in Room 672, Federal Building, 536 South Clark Street.

AB-5, George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees of the property of Penn Central Transportation Co., debtor abandonment between Lamar & Otsego, in Allegan and Kent Counties, Mich., assigned September 28, 1972, at Kalamazoo, Mich., will be held in the U.S. District Courthouse, 410 West Michigan Street.

MC 114457 Sub 127, Dart Transit Co., now assigned September 25, 1972, at St. Paul, Minn., is postponed indefinitely.

MC 114211 Sub 160, Warren Transport, Inc., now assigned September 11, 1972, at Chicago, Ill., is postponed indefinitely.

MC 61592 Sub 256, Jenkins Truck Lines, Inc., now assigned September 25, 1972, at New Orleans, La., is canceled and the application is dismissed.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-15482 Filed 9-11-72;8:53 am]

[Sec. 5a Application 72, Amdt. 1]

NATIONAL ASSOCIATION OF SPECIALIZED CARRIERS, INC.

Motor Carrier Interrelated Rate Agreement

AUGUST 25, 1972.

The Commission is in receipt of an application in the above-entitled proceeding for approval of amendments to the agreement therein approved.

Filed April 10, 1972 by:

National Association of Specialized Carriers, Inc., Post Office Box 331, 74 Moore Avenue NE., Marietta, GA 30060.

Archie B. Culbreth, Attorney for Applicant, Suite 246, 1252 West Peachtree Street NW., Atlanta, GA 30309.

The amendments involve: The addition of certain motor common carrier members of National Association of Specialized Carriers, Inc., as new carrier parties to the approved titled agreement and designating James M. Parrish as their agent and attorney-in-fact thereunder. Applicants are collectively engaged between and among themselves in the establishment of rates and related matters governing the transportation of commodities which, because of size or weight, require the use of special equipment, pursuant to an agreement approved in section 5a Application No. 87, and seek approval to participate in interrelated matters with other motor carrier member groups presently party to such interrelated agreement.

The application may be inspected at the Office of the Commission in Washington, D.C.

Any interested person desiring to protest and participate in this proceeding shall notify the Commission in writing within 20 days from the date of publication of this notice in the FEDERAL REGISTER. As provided by the general rules of practice of the Commission, persons other than applicants should fully disclose their interest, and the position they intend to take with respect to the application. Otherwise, the Commission, in its discretion, may proceed to investigate and determine the matters involved without public hearing.

By the Commission.

[SEAL] JOSEPH M. HARRINGTON,
Acting Secretary.

[FR Doc.72-15481 Filed 9-11-72;8:53 am]

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